

FINAL VERSION

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Ministry of Defence

(1) THE SECRETARY OF STATE FOR DEFENCE

AND

(2) DSG LAND EQUIPMENT SUPPORT LIMITED

CONTRACT NO. LECOM/1006

LAND EQUIPMENT SERVICE PROVISION AND TRANSFORMATION
CONTRACT

SCHEDULE OF REQUIREMENTS

Name and Address of Contractor:	MINISTRY OF DEFENCE	
	Schedule of Requirements for Land Equipment Service Provision and Transformation.	Contract No: LECOM/1006
Babcock DSG Ltd Sedgemoor Building Marlborough Lines Monxton Road Andover Hants SP11 8HT		

Requirements

Item Number	Description	Delivery Date	Quantity	Price £ (ex-VAT)
1	<p>The Core SPC scope consists of the following Service Categories:</p> <p>Level 1-3 Maintenance, Repair and Overhaul Services;</p> <p>Receipt, Inspection, Issue and Storage;</p> <p>Level 4 Maintenance, Repair and Overhaul Services;</p> <p>Training Uplift Fleet Management;</p> <p>Light Weapons SSS;</p> <p>Army HQ Fleet Management;</p> <p>Power Pack Repair Facility Personnel; and,</p> <p>Inventory and Repair Management.</p>	In accordance with the SoR at Schedule 2	In accordance with the SoR at Schedule 2	<p>£900,764,395</p> <p>Total Firm Price for Capacity Based Pricing and Reward Fees. To be paid in accordance with the Payment Plan at Clause 70.</p>
2	<p>i) In accordance with Schedule 23, complete the Base Overhaul (BOH) of 116 CVR(T) platforms over 4 years, starting delivery from 2016, comprising;</p> <p>a. 39 Scimitar</p> <p>b. 57 Spartan</p> <p>c. 19 Sultan</p> <p>d. 4 Samaritan</p> <p>e. 4 Samson</p> <p>ii) Prepare each completed platform for transport and load each platform with its associated Complete Equipment Schedule</p>	In accordance with Schedule 23.	In accordance with Schedule 23.	£28,665,250

Item Number	Description	Delivery Date	Quantity	Price £ (ex-VAT)
	<p>(CES), into an ISO container.</p> <p>iii) Provide manpower support for the preparation of the spares pack to undertake the following tasks;</p> <p>a. Receipt of spares into staging location.</p> <p>b. Inspect items to confirm they are correct and inspect packaging for damage.</p> <p>c. Report any discrepancies to the Authority.</p> <p>d. Record all spares on a delivery note for each ISO container.</p> <p>e. Load and pack spares into ISO containers.</p>			
3	Completion of Work In Progress (WIP) which commenced under previous Arrangements with DSG, classified as Contracted Out for VAT purposes.	In accordance with the SoR at Schedule 41	In accordance with the SoR at Schedule 41	£7,291,092
4	Completion of Work In Progress (WIP) which commenced under previous Arrangements with DSG, classified as Standard VAT i.e. work involving modifications which changes the capability and/or Build Standard of items.	In accordance with the SoR at Schedule 41	In accordance with the SoR at Schedule 41	£0

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Schedule 4	Service Delivery Plan
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Schedule 22	Form of Parent Company Guarantee
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Schedule 38	War Risks Indemnity
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THIS CONTRACT is dated

and made

BETWEEN:

- (1) **THE SECRETARY OF STATE FOR DEFENCE**, (the "Authority"), and
- (2) **DSG LAND EQUIPMENT SUPPORT LIMITED**, (the "Contractor") a company registered in England with number 09329025 whose registered office is at Ministry of Defence, Main Building, Horse Guards Avenue, London SW1A 2HB, such name and registered address to be changed to Babcock DSG Limited of 33 Wigmore Street, London W1U 1QX.

BACKGROUND:

- (A) The Authority is seeking to transfer the in-scope business and assets of the DSG Trading Fund to the Contractor, which will provide the services to the Authority as described or specified in schedule 2 (Statement of Requirements); (the "Services").
- (B) Proposals were submitted on behalf of the Contractor in response to the Authority's invitation to negotiate and the Authority and the Contractor have discussed such proposals. The Authority and the Contractor have agreed to enter into this Contract which sets out the terms and conditions upon which the Contractor will provide the Services.
- (C) This Contract aims to (i) ensure the continued availability of the Services to the Authority on terms that provide value for money; (ii) provide for the transformation (over the Contract Period) of the Services to delivery of and payment for availability and outputs; and (iii) provide for the addition of new services.

IT IS AGREED as follows:

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PART A

SECTION 1

1. Definitions

In this Contract, the definitions set out in schedule 1 (Definitions) shall apply.

2. Interpretation

2.1 In this Contract, except where the context otherwise requires:

- (A) references to this Contract shall include references to the schedules to this Contract which shall be construed as one with this Contract, and references to schedules shall include references to any annexes or appendices to those schedules;
- (B) the masculine includes the feminine and vice versa;
- (C) the singular includes the plural and vice versa;
- (D) a reference in this Contract to any clause, schedule, annex, appendix, part or paragraph is, except where it is expressly stated to the contrary, a reference to such clause, schedule, annex, appendix, part or paragraph of this Contract;
- (E) unless stated to the contrary, any reference to this Contract or to any other document shall include any permitted variation, amendment, innovation or supplement to this Contract or to such other document;
- (F) any reference to "termination" shall also include termination of the Contract by expiry;
- (G) any reference to any enactment, order, regulation, instrument, code, standard or other similar instrument shall be construed as a reference to the enactment, order, regulation, instrument (including any EU instrument), code, standard, or other similar instrument as amended, replaced, consolidated or re-enacted;

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- (H) a reference to a person includes firms, partnerships, associations, corporations, other bodies corporate or Crown Bodies and their successors and permitted assignees or transferees;
- (I) headings are for convenience of reference only and shall not be taken into consideration in the interpretation or construction of this Contract;
- (J) words “include”, “includes”, “including” and “included” shall be construed as illustrative and without limitation;
- (K) any obligation not to do anything shall include an obligation not to suffer, permit or cause that thing to be done;
- (L) any decision, act, or thing which the Authority is required or authorised to take or do under this Contract may be taken or done only by any person authorised, either generally or specifically, by the Authority to take or do that decision, act, or thing on behalf of the Authority;
- (M) a reference to “GBP” or “£” shall mean pounds sterling;
- (N) the words “day”, “month” and “year” mean calendar day, calendar month and calendar year unless otherwise stated;
- (O) any references to time shall be London local time, unless otherwise stated;
- (P) references to any Standard Conditions, JSPs, DEFCONS, DEFSTANS and DEFFORMS are references to the relevant Standard Condition, JSP, DEFCON, DEFSTAN or DEFFORM, as the case may be, as amended or replaced from time to time;
- (Q) unless excluded within the terms of this Contract or where required by law, references to submission of documents in writing shall include electronic submission; and any requirement for a document to be signed or references to signatures shall be construed to include electronic signature, provided that a formal method of authentication as agreed between the Parties is employed and the agreed method recorded in this Contract.

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- 2.2 Except for a confirmation of a change pursuant to the Change Mechanism which expressly changes the Contractor's obligations or liabilities or the Authority's rights under this Contract, or as otherwise expressly stated in this Contract, no review, comment or approval by the Authority shall operate to exclude or limit the Contractor's obligations or liabilities or the Authority's rights under this Contract.
- 2.3 Neither the giving of any approval, consent, examination, acknowledgement nor any knowledge of the terms of any Contract or document nor the review of any document or course of action by or on behalf of the Authority shall, unless otherwise expressly stated in this Contract, relieve the Contractor of any of its obligations under or in connection with this Contract or of any duty which it may have hereunder to ensure the correctness, accuracy or suitability of the matter or thing which is the subject of approval, consent, examination, acknowledgement or knowledge or document review or course of action.
- 2.4 Where this Contract contemplates that the Authority may elect, determine, approve, reject, consent, nominate, appoint, decide, specify, permit or consider any matter or thing, the Authority may make such election, determination, approval, rejection, consent, nomination, appointment, decision, specification, permission or consideration in its absolute discretion without being required to give reasons, unless this Contract expressly requires otherwise.
- 2.5 This Contract was drafted with the joint participation of the Parties and no provision of this Contract will be construed adversely to a Party solely on the ground that such Party was responsible for the preparation of this Contract or that provision.
- 2.6 Where used in any part of this Contract the phrase "reasonable endeavours" shall be taken to mean "an obligation to do whatever could reasonably be done in the circumstances to fulfil the obligation concerned by:
- (A) a responsible and sufficiently funded contractor acting in accordance with Good Industry Practice (in the case of the Contractor); or
 - (B) a responsible customer receiving the Services (in the case of the Authority)".

3. **Precedence of Documents**

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- 3.1 In the event of any discrepancy, inconsistency or divergence arising between the clauses of this Contract and the schedules or between any of the schedules, then (save as expressly provided in this Contract) the order of precedence shall be as follows:
- (A) other than any references to DEFCONs, clauses 1 (Definitions) to 104 (Sponsored Reserves) (inclusive) of this Contract and schedule 1 (Definitions);
 - (B) schedule 2 (Statement of Requirements) and schedule 20 (Part A) (Annual Plan);
 - (C) schedule 25 (Performance Mechanism), schedule 6 (Payments on Termination) and schedule 35 (Profit Sharing);
 - (D) other than any references to DEFCONs, all remaining schedules other than schedule 4 (Service Delivery Plan);
 - (E) schedule 4 (Service Delivery Plan);
 - (F) any documentation the Contractor is required to produce as set out in and in accordance with schedule 4 (Service Delivery Plan);
 - (G) any other documentation referred to in schedule 4 (Service Delivery Plan);
and
 - (H) any DEFCONs referred to in this Contract.
- 3.2 If there is any inconsistency between any diagram and any text, the text shall take precedence.
- 3.3 In the event of any inconsistency between the schedules and the annexes or appendices thereto, the schedules shall prevail.
- 3.4 If a Party becomes aware of any inconsistency within or between the documents referred to in clause 3.1, such Party shall notify the other forthwith and the Parties will seek to resolve such inconsistency in accordance with schedule 8 (Governance) and if either Party considers the inconsistency to be material then the matter shall be determined in accordance with clause 28 (Dispute Resolution).

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- 3.5 In the event of any inconsistency between any of the Codes and Standards contained within schedule 3 (Compliance Codes and Standards), the Contractor shall notify the Authority's Representative of any such inconsistency immediately upon becoming aware of the same, and the Authority's Representative shall, as soon as reasonably practicable, advise the Contractor which specific code or standard the Contractor is required to comply with.
- 3.6 If the Contractor becomes aware of any conflict or inconsistency between schedule 2 (Statement of Requirements) and the Service Delivery Plan, the Contractor shall as soon as reasonably practicable and in any event within ten (10) Business Days:
- (A) notify the Authority of such conflict or inconsistency; and
 - (B) initiate a Contractor Change in accordance with schedule 24 (Change Procedure) amend the Service Delivery Plan to resolve the conflict or inconsistency at no cost to the Authority.

4. **Structure**

- 4.1 This Contract is structured as follows:
- (A) A statement of the Requirement, which divides each of the activities comprised in the Requirement into specific Categories and (for certain Categories) Sub-categories.
 - (B) The terms and conditions and pricing arrangements applicable to the Services and the process for transformation of service delivery over the Contract Period are divided into the following Parts:
 - (1) Part A – the provisions of which will be applicable to all Categories and Sub-categories of the Requirement, with 2 sections:
 - (a) Section 1: generally applicable without any exceptions;
 - (b) Section 2: generally applicable except as varied in relation to a specific Category by Part B; and
 - (2) Part B – the provisions of which will be applicable to the whole of a Category, including any Sub-categories within that Category.

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5. **Provision of the Services**

5.1 The Contractor shall perform its obligations under this Contract and provide the Services to the Authority with effect from the Commencement Date in accordance with the terms and conditions of this Contract. The Contractor undertakes to the Authority that it shall ensure that at all times the Services are provided and all of the Contractor obligations hereunder are performed:

(A) in accordance with:

- (1) Good Industry Practice (where no more onerous or specific requirement applies);
- (2) all Relevant Consents;
- (3) the Contractor's approved quality assurance systems as set out in the Service Delivery Plan; and
- (4) the Codes and Standards,

(B) so as to satisfy the Requirement;

(C) in accordance with the Service Delivery Plan:

(D) subject to clause 22 (Authority's Claims in relation to Service Failure), so as to achieve a Green level of performance in accordance with schedule 25 (Performance Mechanism); and

(E) subject to clause 22 (Authority's Claims in relation to Service Failure), so as not to impede the Authority in carrying out its functions or increase the cost to the Authority of carrying out its functions including so as to accommodate the operations and activities of the Authority.

5.2 Subject to clause 22 (Authority's Claims in relation to Service Failure) and clause 23 (Limitations on Claims), if the Contractor fails to provide the Services or otherwise comply with its obligations in accordance with this Contract (including the Service Delivery Plan), the Authority may, in addition to its other rights, require the Contractor to re-perform the relevant Services or obligations at the Contractor's own cost.

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- 5.3 Compliance with the Service Delivery Plan shall not relieve the Contractor of its responsibility for ensuring compliance with any of its obligations under this Contract including schedule 2 (Statement of Requirements).

5A **Latvia Programme Work**

The Parties shall comply with schedule 23 (Latvia Programme Work) and the Parties agree that where the Authority is entitled to terminate the Latvia Programme Work (as defined in schedule 23 (Latvia Programme Work)) or schedule 23 (Latvia Programme Work) (in whole or in part) in accordance with paragraph 6 of schedule 23 (Latvia Programme Work), such entitlement shall not, in itself, entitle the Authority to terminate any other provision of this Contract and to that extent clauses 39 (Voluntary Termination by the Authority) to 44 (Partial Termination) shall not apply in such circumstances.

5B **Pre-Agreed EVCs**

The Parties shall comply with schedule 41 (Pre-Agreed EVCs).

6. **Term**

- 6.1 This Contract and the rights and obligations of the Parties to this Contract shall take effect on the Commencement Date and, except as set out in clause 46 (Continuing Obligations), shall terminate on the earlier of:

- (A) the Expiry Date; and
- (B) the Termination Date

and the period from the Commencement Date until the date of termination further to this clause 6.1 shall be referred to as the "Contract Period".

- 6.2 The Authority shall have the right, at its sole discretion, to extend the Contract Period on the following terms:

- (A) not later than the last Business Day of each of the fifth, sixth, seventh, eighth and ninth Financial Years, the Authority shall notify the Contractor if it wishes to extend the Contract Period by a period of twelve (12) months; and

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- (B) in each case, if the Authority does notify the Contractor that it wishes to extend the Contract Period by a period of twelve (12) months, the Expiry Date (as defined at the date such notice is given) shall be amended to be 31 March in the following year;
- (C) in any case, if the Authority notifies the Contractor that it does not wish to extend the Contract Period or fails to give notice to the Contractor as required by sub-clause (A), the Expiry Date shall remain unamended, unless and until amended by a notice subsequently given in accordance with sub-clause (B); and
- (D) any extension of the Contract Period shall be on the terms of this Contract.

7. Transformation

- 7.1 The method of delivery of and the pricing of and payment for the Services will be modified progressively during the Contract Period in accordance with the provisions of the Transformation Plan set out in schedule 7 (Transformation Plan).
- 7.2 At each of Interim Milestone PJ2 in relation to Schedule of Rates pricing, Key Milestone PJ4 (in relation to Aspirational Pricing) and Key Milestone PJ8 (in relation to SSS Arrangements) (a "Review Point") the Contractor shall provide to the Authority a written report (the "Transformation Report") on progress regarding the implementation of the Transformation Plan, which shall include the following matters in respect of each Category:
 - (A) whether in the Contractor's opinion the Readiness Conditions for the next stage of Transformation have been satisfied at the Review Point; and
 - (B) if so, the evidence to support the Contractor's opinion.
- 7.3 The Authority shall review the Transformation Report and meet with the Contractor within twenty (20) Business Days of receipt to discuss it. The Contractor may revise the Transformation Report within ten (10) Business Days following such meeting.
- 7.4 Within twenty (20) Business Days following the meeting referred to in clause 7.3 or the receipt of any revised Transformation Report, the Authority shall notify the Contractor whether it agrees with the Contractor's opinion that the Readiness

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Conditions for the next Stage of Transformation have been satisfied for any Category at the Review Point.

7.5 If the Authority does notify the Contractor pursuant to clause 7.4 that it agrees that the Readiness Conditions for the next stage of Transformation have been satisfied for any Category at the Review Point, the changes to the price, terms and conditions and/or the Requirement specified in the right hand column (Changes to Requirement/ Pricing/ Performance) of the relevant table of the Transformation Plan for the next Stage of Transformation shall come into force with effect from the first day of the Month following the date of such notification.

7.6 If and to the extent that:

- (A) the Readiness Conditions for the next stage of Transformation have not in the Contractor's opinion been satisfied at the Review Point; or
- (B) the Authority notifies the Contractor pursuant to clause 7.4 that it does not agree that the Readiness Conditions for the next stage of Transformation have been satisfied for any Category at the Review Point,

the Services shall continue to be provided in respect of the whole of the Services on the terms and conditions applicable to the then current Stage of Transformation.

7.7 If the Contractor disputes the Authority's decision pursuant to clause 7.4, it may refer the matter to the Joint Management Group for consideration. Within twenty (20) Business Days following the meeting of the Joint Management Group at which such matter was considered, the Authority may revise or confirm its decision. The Authority's decision, as so revised or confirmed, shall be final and binding and the Contractor shall not be entitled to refer the matter to the Dispute Resolution Procedure.

8. **Service Delivery Plan**

8.1 The Contractor's plans for how the Services are to be delivered to the Authority to meet the Requirement are set out in schedule 4 (Service Delivery Plan).

8.2 The Contractor shall perform its obligations under, and observe all of the provisions of, the Service Delivery Plan and shall not:

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- (A) terminate or agree to the termination of all or part of the Service Delivery Plan; or
- (B) in any material respect depart from its obligations (or waive or allow to lapse any rights it may have in a material respect), or permit or procure that any Sub-contractor in any material respect departs from its obligations; or
- (C) enter into (or permit the entry into by any other person of) any Contract replacing all or part of (or otherwise materially and adversely affecting the interpretation of) the Service Delivery Plan,

save in accordance with the express provisions of this Contract under which the Service Delivery Plan may be amended.

8.3 Amendments to the Service Delivery Plan

- (A) On an annual basis and no later than two months prior to commencement of the next Financial Year, the Contractor is required to carry out an annual review of the Service Delivery Plan. Any amendments to the Service Delivery Plan that the Contractor wishes to propose as a result of the annual review shall be dealt with as a Contractor Change in accordance with schedule 24 (Change Procedure).
- (B) In addition to the annual review to be carried out by the Contractor in accordance with clause 8.3(A), as and when required throughout the Contract Period, either the Contractor or the Authority may at any time propose amendments to the Service Delivery Plan. Any such ad hoc amendments to the Service Delivery Plan shall also be dealt with as an Authority Change or Contractor Change (as applicable) in accordance with schedule 24 (Change Procedure).

8.4 Configuration Control

- (A) The Contractor is responsible at all times for maintaining full version control of the Service Delivery Plan, any documents referred to or required to be provided under the Service Delivery Plan, this Contract and the relevant schedules to this Contract.

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- (B) Any changes made to the Service Delivery Plan, including those Changes made pursuant to an Authority Change or Contractor Change in accordance with schedule 24 (Change Procedure), will result in a new version of the Service Delivery Plan with the next sequential version number which will thereafter be used by both the Authority and the Contractor.
- (C) Following amendment to the Service Delivery Plan, the Contractor shall promptly deliver to the Authority two hard copies and one soft copy of the Service Delivery Plan, together with a cover page clearly marked with the issue number and date of issue along with a record of changes from the preceding version.
- (D) When a revised version of the Service Delivery Plan has been delivered to the Authority in accordance with clause 8.4(C), it shall supersede any previous versions and shall constitute the definitive, binding version of the Service Delivery Plan for all purposes unless and until further revised copies are delivered to the Authority in accordance with this clause 8.
- (E) For the avoidance of doubt, save as expressly provided for in this Contract, neither the Contractor nor the Authority shall be entitled to amend the Service Delivery Plan and unless or until any such document is amended in accordance with the provisions of this Contract, the current version of the Service Delivery Plan shall constitute the definitive, binding version.

9. **Annual Plan**

- 9.1 The Annual Plan as at the Commencement Date is set out in schedule 20 (Annual Plan). For the avoidance of doubt, as at the Commencement Date, the Annual Plan for Financial Year 1 and Financial Year 2 is as set out in schedule 20 (Annual Plan).
- 9.2 In each Financial Year, an Annual Plan shall be submitted to the Contractor by the Authority not later than the last Business Day falling eighteen (18) months prior to the start of the Financial Year to which the relevant Annual Plan relates. The Authority and the Contractor shall endeavour to agree each Annual Plan for the relevant

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Financial Year to which the relevant Annual Plan relates no later than the last Business Day falling twelve (12) months in advance of the relevant Financial Year to which the relevant Annual Plan relates. Either party shall be entitled to refer any significant matter on which the parties are unable to reach agreement to the Joint Strategic Group for consideration pursuant to schedule 8 (Governance). The Authority shall, no later than the first Business Day in the Financial Year preceding the Financial Year to which the relevant Annual Plan relates, either revise the Annual Plan to reflect the views (if any) of the Joint Strategic Group and/or such other matters that the Authority may reasonably consider appropriate or confirm it and the Annual Plan, as so revised or confirmed, shall be final and binding and the Contractor shall not be entitled to refer the matter to the Dispute Resolution Procedure.

9.3 Under Capacity Based Pricing each Annual Plan shall include:

- (A) the Authority's indicative minimum volume requirements (expressed in hours) and indicative profile of requirements in respect of the MRO 1 - 3 Category for the Financial Year to which the Annual Plan relates, the previous Financial Year (as determined in the previous Annual Plan) and the following three Financial Years;
- (B) the Authority's indicative minimum volume requirements (expressed as the annual volume of vehicles by equipment and volume of sub-systems (for those sub-systems where the Contractor manages the volume of work, estimated volumes will be discussed and determined by the Authority through the Annual Plan process)) and indicative profile of requirements in respect of the MRO 4 Category for the Financial Year to which the Annual Plan relates, the previous year (as determined in the previous Annual Plan) and the following three Financial Years;
- (C) for Receipt, Inspection, Issue and Storage: indicative receipt and issue volumes by site and indicative storage requirements for the Financial Year to which the Annual Plan relates, the previous year (as determined in the previous Annual Plan) and the following three Financial Years;
- (D) for Training Uplift Fleet: indicative details of (i) the size of fleet by vehicle type and variant; (ii) sites within scope; and (iii) expected high level training

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activities for the Financial Year to which the Annual Plan relates and the previous Financial Year (as determined in the previous Annual Plan);

- (E) for Inventory and Repair Management: any changes in the Authority's inventory and repair management requirements, expressed in terms of domestic management codes ("DMCs") to be managed;
- (F) for TSF Power Pack Regeneration: any change in the Authority's requirements;
- (G) for Light Weapons SSS: any change in the indicative volumes in relation to MRO1-4 hours, DMC types to be managed (weapons and spares), volume of complete equipment issues for the Financial Year to which the Annual Plan relates, the previous year (as determined in the previous Annual Plan) and the following three Financial Years;
- (H) for Basic Fleet Management: any change in the Authority's requirements; and
- (I) for Incentivised Fleet Management: (i) any changes to the Authority's strategic priorities for Incentivised Fleet Management, (ii) the size of any Incentivised Fleet Management fee pot available, (iii) the split of the total fee against each IFM Priority, (iv) the split of each IFM Priority fee between the three types of fee detailed in clause 70.7(D); and (v) any changes to the Authority's strategic IFM Priorities for Incentivised Fleet Management.

9.4 Under Schedule of Rates pricing each Annual Plan shall include:

- (A) a binding commitment of the Authority's minimum requirement (expressed in financial terms) in respect of the MRO 1 – 3 and MRO 4 Categories for the Financial Year to which the Annual Plan relates and the previous Financial Year (as determined in the previous Annual Plan). For the avoidance of doubt, this financial commitment is measured against the value of labour hours across both MRO1-3 and MRO4 combined;
- (B) the Authority's indicative minimum volume requirements (expressed in hours) and indicative profile of requirements in respect of the MRO 1 - 3 Category for the Financial Year to which the Annual Plan relates, the

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previous Financial Year (as determined in the previous Annual Plan) and the following three Financial Years;

- (C) the Authority's indicative minimum volume requirements (expressed as annual load by equipment) and indicative profile of requirements in respect of the MRO 4 Category for the Financial Year to which the Annual Plan relates, the previous Financial Year (as determined in the previous Annual Plan) and the following three Financial Years;
- (D) for Receipt, Inspection, Issue and Storage: indicative receipt and issue volumes by site and indicative storage requirements for the Financial Year to which the Annual Plan relates, the previous Financial Year (as determined in the previous Annual Plan) and the following three Financial Years;
- (E) for Training Uplift Fleet: indicative details of (i) the size of fleet by vehicle type and variant; (ii) sites within scope and (iii) expected high level training activities for the Financial Year to which the Annual Plan relates;
- (F) for Inventory and Repair Management: any changes in the Authority's inventory and repair management requirements, expressed in terms of DMCs to be managed;
- (G) for TSF Power Pack Regeneration: any change in the Authority's requirements;
- (H) for Light Weapons SSS: any changes in the indicative minimum volumes in relation to MRO 1 – 4 hours. DMC types to be managed (weapons and spares), volume of complete equipment issues to which the relevant Annual Plan relates;
- (I) for Basic Fleet Management: any change in the Authority's requirements; and
- (J) for Incentivised Fleet Management: any changes to the Authority's strategic priorities for Incentivised Fleet Management.

9.4A Under Aspirational Pricing each Annual Plan shall include:

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- (A) the Authority's indicative minimum volume requirements (expressed in hours and menu tasks) and indicative profile of requirements in respect of the MRO 1 - 3 Category for the Financial Year to which the Annual Plan relates, the previous Financial Year (as determined in the previous Annual Plan) and the following three Financial Years;
 - (B) the Authority's indicative minimum volume requirements (expressed as annual load by equipment and menu tasks) and indicative profile of requirements in respect of the MRO 4 Category for the Financial Year to which the Annual Plan relates, the previous Financial Year (as determined in the previous Annual Plan) and the following three Financial Years;
 - (C) for Training Uplift Fleet: indicative details of (i) the size of fleet by vehicle type and variant; (ii) sites within scope and (iii) expected high level training activities for the Financial Year to which the Annual Plan relates; and
 - (D) for Light Weapons SSS details of: (i) DMCs to be managed (weapons and spares); (ii) expected high level volume of complete equipment issues for the Financial Year to which the Annual Plan relates.
- 9.4B Under SSS Arrangements each Annual Plan shall include for each fleet and platform within the scope of the SSS Arrangements, indicative details of (i) the size of fleet by vehicle type and variant; and (ii) expected high level training activities for the Financial Year to which the Annual Plan relates and the previous Financial Year (as determined in the previous Annual Plan) expressed in line with the pricing units adopted by the Authority as part of the availability pricing arrangements in accordance with schedule 7 (Transformation Plan).
- 9.4C The Annual Plan arrangements for those Category requirements or part Category requirements that do not transition from Schedule of Rates pricing to Aspirational Pricing or from Aspirational Pricing to SSS Arrangements shall remain as set out in clause 9.4 and clause 9.4A, respectively.
- 9.5 Indicative requirements provided pursuant to this clause 9 and forecasts of activity in schedule 2 (Statement of Requirement – Requirement Volumes) are provided for planning purposes only. The Authority gives no warranty or guarantee that:

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- (A) any indicative requirements provided pursuant to clauses 9.3(A), 9.3(B), 9.4(B), 9.4A(A), 9.4A(B) or 9.4(C) will be reflected in the actual volume of MRO 1-3 or MRO 4 Services required by the Authority in the relevant Financial Year;
 - (B) any indicative requirements provided pursuant to clause 9.4(B) or 9.4(C) will be reflected in any binding commitment subsequently provided pursuant to clause 9.4(A) in respect of any Category of the Requirement for the relevant Financial Year; and
 - (C) subject to clause 70.1(C)(1) (Capacity Based Pricing) and clauses 70.3(A)(1) (Schedule of Rates Pricing – MRO 1-3) and 70.3(A)(3) (Schedule of Rates Pricing – MRO 4) any forecasts of activity specified in schedule 2 (Statement of Requirement – Requirement Volumes) will be reflected in the actual volume of Services required by the Authority or in any Annual Plan for any Financial Year.
- 9.6 Subject to clause 22 (Authority's Claims in relation to Service Failure), in any Financial Year, the Contractor must be able to provide the resources to deliver all volumes set out in the Annual Plan - Part A (inclusive of any indicative volumes).
10. **Open Book Accounting**
- The provisions of schedule 30 (Open Book Accounting, Records and Reporting) shall apply in respect of this Contract.
11. **Transparency**
- The provisions of schedule 29 (Transparency) shall apply in respect of this Contract.
12. **Auditing**
- 12.1 The Contractor shall maintain and shall procure that the Key Sub-contractors maintain on a current and accurate basis books of account relating to the provision of the Services and in so doing, as applicable) shall observe and comply with the requirements of any Recognised Investment Exchange on which the Contractor's shares (as relevant) are listed and the requirements (as amended from time to time) of:

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- (A) UK Generally Accepted Accounting Practice (UK GAAP), consisting of all Statements of Standard Accounting Practice (SSAPs), Financial Reporting Standards (FRSs), Urgent Issues Task Force Abstracts, the Companies Act 2006 and any relevant industry-specific authoritative guidance; or
 - (B) international generally accepted accounting practice, comprising to the extent adopted by the European Commission, all International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor body, and other relevant industry-specific authoritative guidance.
- 12.2 The Contractor shall be responsible for ensuring that Key Sub-contractors are audited in accordance with the standards set out in clause 12.1.
- 12.3 The Parties shall comply with schedule 9 (Audit) and the Authority Audit Agents shall have the Audit Rights set out in that schedule.
13. **Improvement Opportunities**
- 13.1 The Contractor shall identify opportunities (the implementation of which would require a Change) for continuous improvement of the provision of Services under this Contract and which shall result in cost savings.
- 13.2 This obligation shall include but not be limited to identifying new technology which could improve the services and changes in processes and ways of working which would enable cost savings. Any cost savings made by the Contractor will be subject to the profit sharing arrangements set out in schedule 35 (Profit Sharing).
14. **Compliance with Law**
- 14.1 The Contractor shall perform its obligations under this Contract (and shall procure that the Sub-contractors so perform their respective obligations) and shall ensure that all operations or activities carried out by the Contractor, Sub-contractors and the Contractor Personnel and agents in connection with this Contract comply at all times with:

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- (A) all Law in force from time to time, whether local, national or supra-national, and in particular (without limitation) the Sale of Goods Act 1979 and the Supply of Goods and Services Act 1982;
 - (B) the International Traffic in Arms Regulations (or any similar US Government law or regulation);
 - (C) all applicable regulations and codes of good conduct; and
 - (D) any reasonable instructions of the Authority or any other relevant regulatory body or organisation whether or not having the force of law (including, without limitation, those relating to health and safety at work, public safety and environmental matters), so as to ensure that the Authority is not at any time through any action or inaction of the Contractor or any Contractor Related Party placed in breach of any Law or its contractual or public law obligations towards third parties.
- 14.2 The Contractor shall, where relevant, ascertain what (if any) Relevant Consents may be required in respect of its activities under this Contract, whether local, national or supra-national and in all relevant jurisdictions, and shall ensure that it obtains all such Relevant Consents before carrying out any activities for which they are required, and that it maintains valid current Relevant Consents for as long as they are required for the purposes of this Contract.
- 14.3 The Contractor shall immediately notify the Authority if it becomes aware of any allegation of non-compliance with any Law or Relevant Consent from time to time by itself or any Sub-contractor in relation to this Contract.
- 14.4 Without prejudice to clause 14.1, the Contractor shall ensure that it and the Sub-contractors shall:
- (A) comply with all applicable Law relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 ("Relevant Requirements");
 - (B) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct were carried out in the UK;

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- (C) comply with the Authority ethics and anti-bribery policy referred to in schedule 3 (Codes and Standards) as the Authority may update it from time to time ("Relevant Policy");
 - (D) have and shall maintain in place throughout the Contract Period its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policy and clause 14.4(A), and will enforce them where appropriate;
 - (E) promptly report to the Authority any request or demand for any undue financial or other advantage of any kind received by the Contractor or a Sub-contractor in connection with the performance of this Contract of which the Contractor is or ought reasonably to be aware;
 - (F) immediately notify the Authority in writing if a foreign public official becomes an officer or employee of the Contractor or acquires a direct or indirect interest in the Contractor; and
 - (G) on the first day of each Financial Year following the Commencement Date, certify to the Authority in writing signed by an officer of the Contractor compliance with this clause 14 by the Contractor and all persons associated with it under clause 14.5. The Contractor shall provide such supporting evidence of compliance as the Authority may reasonably request.
- 14.5 The Contractor shall ensure that any person associated with it who is performing services or supplying goods in connection with this Contract including Sub-contractors does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Contractor in this clause 14 (the "Relevant Terms"). The Contractor shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the Authority for any breach by such persons of any of the Relevant Terms.
- 14.6 For the purpose of this clause 14, the meaning of "adequate procedures" and "foreign public official" and whether a person is associated with another person shall be determined in accordance with section 7 of the Bribery Act 2010 (and any guidance

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issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. A person associated with the Contractor includes any agent, delegate or Sub-contractor.

- 14.7 For the avoidance of doubt, breach by the Contractor or any Sub-contractors of any of the provisions under clause 14.4, shall be considered a Prohibited Act for which the Authority shall be entitled to terminate this Contract or any relevant specified part or parts of the Services in accordance with clause 43 (Termination for Prohibited Acts).

15. **Compliance with Authority Regulations**

- 15.1 The Contractor shall at all times comply, and shall ensure that any Contractor Personnel and the Contractor Related Parties when present within the boundaries of a Government establishment or any Authority Site comply, with all applicable regulations (including those relating to security arrangements) and any locally applicable regulations and requirements including, in relation to any overseas establishments or facilities, any requirements of applicable local laws and regulations as may be in force from time to time.
- 15.2 The Parties shall at all times act in accordance with the provisions set out in schedule 19 (Contractor Personnel at Government Establishments).

16. **Change in Law**

- 16.1 The Contractor shall not be relieved of its obligations to supply the Services in accordance with the terms of this Contract as a result of any Change in Law.
- 16.2 Change in Law shall be dealt with in accordance with schedule 24 (Change Procedure). The Authority shall not be entitled to refuse a Change which is required to comply with a Change in Law.
- 16.3 If the Change is necessary to comply with a Discriminatory Change in Law or a Specific Change in Law, then the Authority shall compensate the Contractor for the agreed cost of the Change in Law calculated pursuant to schedule 24 (Change Procedure).

16.4 **General Changes in Law**

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The Contractor shall only be entitled to be compensated in respect of General Changes in Law with effect from the start of the sixth Financial Year in accordance with the indexation mechanism set out in clause 70.6 (Indexation Mechanism).

17. **Property Arrangements**

The provisions of schedule 37 (Property - Licence to Occupy) shall apply in respect of this Contract.

18. **Governance**

The Parties shall comply with the provisions of schedule 8 (Governance).

19. **Contractor Indemnities**

- 19.1 Upon one Party's discovering any damage to property and/or receiving notice of a claim by a third party against it, such Party's Representative shall, as soon as practicable, notify the other Party's Representative, providing a record of any relevant details of the damage (including photographs if necessary) and/or third party claim.

19.2 **Contractor's Indemnity**

- (A) The Contractor shall, subject to clause 19.2(B), be responsible for, and shall release and indemnify the Authority, its employees, agents and contractors on demand from and against all liability for:

- (1) death or personal injury;
- (2) loss of or damage to property (including property belonging to the Authority or for which it is responsible ("Authority Property")); and
- (3) third party actions, claims, demands, costs, charges and expenses (including legal expenses on an indemnity basis),

which may arise out of, or in consequence of, the performance or non-performance by the Contractor of its obligations under this Contract or the

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presence on the Authority's Sites (or property which is within the ownership or control of the Authority and adjacent to any of the Site(s)) of the Contractor or any Contractor Related Party.

- (B) The Contractor shall, subject to clause 19.2(C), be responsible for, and shall release and indemnify the Authority, its employees, agents and contractors on demand from and against all liability for Direct Losses and Indirect Losses arising from third party actions, claims or demands (as described in clause 19.2(A)(3)) brought against the Authority or any Authority Related Party for breach of statutory duty which may arise out of, or in consequence of a breach by the Contractor of its obligations under this Contract to the extent there are no other remedies available to the Authority under this Contract.
- (C) The Contractor shall not be responsible or be obliged to indemnify the Authority for:
 - (1) any matter referred to in clause 19.3 (Other Indemnities) which arises as a direct result of the Contractor acting on a written notice issued by the Authority's Representative; and/or
 - (2) any injury, loss, damage, cost and expense caused by the negligence or wilful misconduct of the Authority or any Authority Related Party or by the breach of the Authority of its obligations under this Contract.

19.3 Other Indemnities

- (A) The Contractor shall, subject to clause 19.2(B), be responsible for, and shall release and indemnify the Authority, its employees, agents and contractors on demand pursuant to:
 - (1) paragraph 16.1 (Contractor's IPR Indemnity) of schedule 36 (IPR); and
 - (2) clause 37.5 (Data Protection).
- (B) The Authority shall indemnify the Contractor:

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- (1) if it invokes the provisions of clause 35 (Measures in a Crisis), pursuant to clause 35.6 (Authority's Indemnity on Measures in a Crisis); and
- (2) pursuant to paragraph 16.2 (Authority's IPR Indemnity) of schedule 36 (IPR),

such payment to be made in accordance with schedule 40 (Payment).

20. **Conduct of Indemnity Claims**

20.1 An indemnity by either Party under any provision of this Contract shall be without limitation to any indemnity by that Party under any other provision of this Contract.

20.2 If any claim is subject to an indemnity from either Party to the other the Party wishing to make a claim (the "Indemnified Party") shall notify the other Party (the "Indemnifying Party") of the relevant claim as soon as reasonably practicable, giving full particulars of the claim.

20.3 **Contractor's IPR Indemnity Claims**

Subject to the terms and conditions of schedule 36 (IPR):

(A) If the Authority is the Indemnified Party, the Contractor shall at its own expense conduct all negotiations and any litigation arising in connection with any claim brought against the Authority or the Contractor under clause 19.3(A) (Other Indemnities) ("Contractor's IPR Indemnity Claim") provided always that the Contractor:

- (1) shall consult the Authority on all substantive issues which arise during the conduct of such litigation and negotiations; and
- (2) shall take due and proper account of the interests of the Authority; and
- (3) shall not settle or compromise any claim without the Authority's Representative's prior written consent (such consent not to be unreasonably withheld or delayed).

(B) The Authority shall at the request of the Contractor afford to the Contractor all reasonable assistance for the purpose of contesting any claim or demand

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made against the Authority or the Contractor for infringement or alleged infringement of any IPR in connection with the performance of this Contract and shall be repaid all costs and expenses (including, but not limited to, legal costs and disbursements on a solicitors and client basis) incurred in so doing.

- (C) The Authority shall not make any admissions which may be prejudicial to the defence or settlement of any claim or action for infringement or alleged infringement of any IPR by the Authority or the Contractor in connection with the performance of this Contract.
- (D) If a claim, demand or action for infringement or alleged infringement of any IPR is made in connection with this Contract or in the reasonable opinion of the Contractor is likely to be made, the Contractor may at its own expense and subject to the consent of the Authority's Representative (such consent not to be unreasonably withheld or delayed) either:
 - (1) modify any or all of the Services without reducing the performance or functionality of the same, or substitute alternative Services of equivalent performance and functionality, so as to avoid the infringement or alleged infringement, provided that the terms herein shall apply (with necessary changes) to such modified or substituted Services; or
 - (2) procure a licence to use and provide the Services, which are the subject of the alleged infringement, on terms which are acceptable to the Authority.

20.4 Other Indemnity Claims

- (A) If the claim is not a Contractor's IPR Indemnity Claim:
 - (1) the Indemnified Party shall take all reasonable steps (and, if the Contractor is the Indemnified Party, it shall procure that the Sub-contractors shall take all reasonable steps) to minimise and mitigate any loss for which the Indemnifying Party is liable under this Contract; and
 - (2) if the claim relates to an action by a third party against the Indemnified Party, the Indemnifying Party may, unless the Contractor is the

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Indemnifying Party and a Senior Civil Servant personally notifies the Contractor that the Authority is refusing to allow the Contractor to have conduct of the claim on grounds of national security, at its own expense and with the assistance and co-operation of the Indemnified Party have conduct of such claim including its settlement and the Indemnified Party shall not, unless the Indemnifying Party has failed to resolve the claim within a reasonable period, take any action to settle or prosecute the claim.

- (B) If the Indemnifying Party wishes to have conduct of the claim it shall:
- (1) give reasonable security to the Indemnified Party for any cost or liability arising out of the conduct of the claim by the Indemnifying Party; and
 - (2) keep the Indemnified Party reasonably informed of the conduct of the claim and consult with the Indemnified Party to the extent reasonably practicable and not compromise the claim in any way whatsoever by making statements or admissions (other than in accordance with the Indemnified Party's consent, not to be unreasonably withheld or delayed) and do nothing which could prejudice the defence of any such claim; and
 - (3) not bring the name of the Indemnified Party into disrepute.
- (C) If the Indemnifying Party pays to the Indemnified Party an amount in respect of an indemnity and the Indemnified Party subsequently recovers (whether by payment, discount, credit, saving, relief or other benefit or otherwise) a sum which is directly referable to the fact, matter, event or circumstances giving rise to the claim under the indemnity, the Indemnified Party shall forthwith repay to the Indemnifying Party whichever is the lesser of:
- (1) an amount equal to the sum recovered (or the value of the saving or benefit obtained) less any out of pocket costs and expenses properly incurred by the Indemnified Party in recovering the same; and
 - (2) the amount paid to the Indemnified Party by the Indemnifying Party in respect of the claim under the relevant indemnity;

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provided that:

- (a) there shall be no obligation on the Indemnified Party to pursue such recovery; and
- (b) the Indemnifying Party shall be repaid only to the extent that the amount of such recovery aggregated with any sum recovered from the Indemnifying Party exceeds any loss sustained by the Indemnified Party (including for this purpose Indirect Losses or claims for loss of profits which are excluded by this Contract from being recovered from the Indemnifying Party).

21. **Contractor's Claims in Relation to this Contract**

- 21.1 Without prejudice to any entitlement of the Contractor to specific performance of any obligation under this Contract, the Contractor shall not be entitled to any common law or equitable rights including rights to damages or to any other rights under contract, tort or otherwise in relation to any breach of this Contract to the extent that such breach is a Compensation Event or this Contract provides an express remedy in relation to the breach.
- 21.2 The Contractor shall, if it is obliged to effect insurance under clause 24 (Insurance), not bring any claim or action against the Authority (or any Authority Related Party) in respect of any loss or damage in circumstances where the Contractor is able to recover such loss or damage under such insurance (or where it would have been able to recover such loss had it been complying with its obligations under this Contract) provided that, to avoid doubt, this clause 21.2 shall not by itself prevent the Contractor from claiming against the Authority (or any Authority Related Party) for any loss or damage not covered because of the level of deductibles under such insurance permitted by this Contract or to the extent such loss or damage exceeds the maximum level of such insurance required by this Contract.

22. **Authority's Claims in relation to Service Failure**

- 22.1 Subject to:
 - (A) any other express right of the Authority pursuant to this Contract; and

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- (B) the Authority's right to claim, on or after termination of this Contract, the amount of its reasonable costs, losses, damages and expenses suffered or incurred by it as a result of rectifying or mitigating the effects of any breach of this Contract by the Contractor, save to the extent that the same has already been recovered by the Authority pursuant to this Contract or has been taken into account to calculate any compensation payable by the Authority pursuant to clause 48.1 (Payments on Termination),

the sole remedy of the Authority in respect of a failure to provide the Services (including any breach of this Contract which has arisen as a direct consequence of a failure to provide the Services in accordance with this Contract) in accordance with this Contract shall be the operation of schedule 25 (Performance Mechanism).

23. **Limitations on Claims**

Notwithstanding any other provisions of this Contract, neither Party shall be entitled to recover compensation or make a claim under this Contract in respect of any loss that it has incurred to the extent that it has already been compensated in respect of that loss pursuant to this Contract or otherwise.

23A **Limitation on Contractor's Liability**

- 23A.1 Subject to clauses 23A.3 and 23A.4, the Contractor's aggregate liability for "Uninsured Amounts" shall be limited to [REDACTED] (such amount to be Indexed in accordance with Clause 70.6 (Indexation Mechanism)) ("Uninsured Amounts Cap"). For the purposes of this clause 23A, "Uninsured Amounts" means amounts payable by the Contractor under this Contract, the Environmental Deed, the Leases (as defined in the Business Transfer Agreement) and the Option Agreement other than amounts which are:

- (A) recoverable under a Required Insurance; or
- (B) required to be recoverable under a Required Insurance under this Contract.

For the avoidance of doubt, any excess or deductible applicable to any claim under a Required Insurance will not be an Uninsured Amount for the purposes of this clause

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23A.1 and shall not count towards the limitation of liability set out in this clause 23A.1.

23A.2 Subject to clause 23A.3, the Contractor's aggregate liability for "Insured Amounts" shall be limited to the amount recoverable (or should have been recoverable had the Contractor taken out and maintained the Required Insurances in accordance with terms of this Contract) by the Contractor from the relevant Required Insurance. For the purposes of this clause 23A.2, "Insured Amounts" means any amounts payable by the Contractor under this Contract, the Environmental Deed, the Leases (as defined in the Business Transfer Agreement) and the Option Agreement and which are:

- (A) recoverable under a Required Insurance; or
- (B) required to be recoverable under a Required Insurance under this Contract.

For the avoidance of doubt, any excess or deductible applicable to any claim under a Required Insurance will not be an Insured Amount for the purposes of this clause 23A.2 and shall not count towards the limitation of liability set out in this clause 23A.2. Furthermore, where a claim arises and such claim should have been covered by a Required Insurance pursuant to this Contract and was not so covered by such Required Insurance as a result of the Contractor failing to take out or maintain such Required Insurance, the Contractor shall be liable for such claim up to an amount equal to the relevant "Limit of Liability" set out in schedule 10 (Required Insurances) and the liability under such claim shall be deemed to be an "Insured Amount".

23A.3 The limitations of liability set out in clauses 23A.1 and 23A.2 shall not apply in respect of any liability of the Contractor to the Authority under this Contract in respect of:

- (A) death or personal injury;
- (B) indemnities under clause 19.3 (Other Indemnities), clause 29.1 (Employment Arrangements), clause 30.6 (Equality and Diversity) or clause 32.3 (Pensions);
- (C) any excess or deductible incurred in respect of any claim under any of the Required Insurances;

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- (D) any payments made or due to be made pursuant to clause 75 (Profit sharing);
- (E) any payments made or due to be made pursuant to clause 81.8 (Commercial Work);
- (F) any payments made or due to be made or any other amounts which fall due or become payable pursuant to clause 4 (Rents) of any Lease; and
- (G) any payments made or due to be made pursuant to clause 7.5 of the Option Agreement.

23A.4 If, at any time during the Contract Period, the Contractor has incurred liabilities for Uninsured Amounts which in the aggregate exceed seventy-five per-cent (75%) of the Uninsured Amounts Cap, the Authority shall be entitled to serve a notice on the Contractor requesting that the Uninsured Amounts Cap be increased by an amount equal to the Contractor's then accrued aggregate liability for Uninsured Amounts (such increased Uninsured Amounts Cap being the "Revised Cap"). Within twenty (20) Business Days of receipt of such notice, the Contractor shall inform the Authority whether it agrees to increase the Uninsured Amounts Cap to the Revised Cap.

23A.5 For the avoidance of doubt, where the Contractor agrees to increase the Uninsured Amounts Cap to the Revised Cap under clause 23A.4 the Uninsured Amounts Cap will be deemed to be increased to an amount equal to the Revised Cap and in the event that, at any time during the Contract Period, the Contractor has incurred liabilities for Uninsured Amounts which in the aggregate exceed seventy-five per-cent (75%) of any Revised Cap, the procedure under clauses 23A.4 and 23A.5 shall be repeated on each and every such occasion.

24. Insurance

24.1 Without prejudice to its liability to indemnify or otherwise be liable to the Authority under this Contract, the Contractor shall for the periods specified in schedule 10 (Required Insurances) take out and maintain, or procure the taking out and maintenance of, the Required Insurances. The Contractor shall ensure that the Required Insurances are effective in each case not later than the date on which the relevant risk commences.

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- 24.2 The Required Insurances shall be maintained from time to time (as far as is reasonably practicable) on terms no less favourable to those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time and in accordance with Good Industry Practice.
- 24.3 The Required Insurances shall be taken out and maintained with Insurers who are of good financial standing and of good repute in the international insurance market.
- 24.4 Where specified in schedule 10 (Required Insurances) the Contractor shall ensure that the relevant policy of insurance:
- (A) shall contain an indemnity to principals clause, under which the Authority shall be indemnified in respect of claims made against the Authority arising from death or bodily injury or third party property damage, and for which the Contractor is legally liable in the provision of the Services under this Contract; and
 - (B) names the Authority as co-insured for its separate interest with attendant non-vitiation, waiver of subrogation and notice of cancellation provisions.
- 24.5 Without limiting the other provisions of this Contract, the Contractor shall:
- (A) take or procure the taking of all reasonable risk management and risk control measures in relation to the Services as it would be reasonable to expect of a prudent Contractor acting in accordance with Good Industry Practice including, but not limited to, the investigation and reporting of claims to insurers; and
 - (B) promptly notify the Insurers of any material increase in any risk insured under any Required Insurances of which the Contractor is or becomes aware.
- 24.6 Neither Party shall take any action or fail to take any reasonable action or, insofar as is reasonably within its power, permit anything to occur in relation to it which would entitle any Insurer to refuse to pay any claim under any of the Required Insurances.
- 24.7 Provided that notice has been given to the Contractor, the Authority may elect, but shall not be obliged, to purchase any insurance which the Contractor is required to

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maintain pursuant to this Contract but has failed to maintain in full force and effect, and the Authority shall be entitled to recover the reasonable premium and other reasonable costs incurred in connection therewith as a debt due from the Contractor.

- 24.8 The Contractor shall, upon the Commencement Date and within fifteen (15) Business Days after the renewal of any of the Required Insurances, provide evidence in a form satisfactory to the Authority that the Required Insurances are in full force and effect and meet in full the requirements of this clause 24 and schedule 10 (Required Insurances). The supply to the Authority of any evidence of insurance cover in compliance with the requirements of this clause 24.8 shall not imply acceptance by the Authority that the extent of insurance cover is sufficient or that the terms and conditions thereof are satisfactory, in either case, for the purposes of this Contract.
- 24.9 The Contractor shall hold all policies in respect of the Required Insurances and cause any insurance broker effecting the Required Insurances to hold any insurance slips and other evidence of placing cover representing any of the Required Insurances to which it is a part and for which it is responsible under this Contract.
- 24.10 The Contractor shall notify the Authority at least ten (10) Business Days prior to the cancellation, suspension, termination or non-renewal of any of the Required Insurances.
- 24.11 The Contractor shall promptly notify to Insurers any matter arising from, or in relation to, the Services and/or this Contract for which it may be entitled to claim under any of the Required Insurances. In the event that the Authority receives a claim relating to the Services or this Contract, the Contractor shall co-operate with the Authority and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.
- 24.12 Except where the Authority is the claimant party, the Contractor shall give the Authority notice within twenty (20) Business Days after any insurance claim in excess of [REDACTED] relating to the provision of the Services or this Contract on any of the Required Insurances or which, but for the application of the applicable policy excess, would be made on any of the Required Insurances and (if required by the Authority) full details of the incident giving rise to the claim.

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- 24.13 Where the Authority is a claimant party, the Contractor shall keep the Authority informed on a quarterly basis in reasonable detail in writing of the notification and progress of any claim it makes in respect of any liability under such insurance.
- 24.14 Where any Required Insurance requires payment of a premium, the Contractor shall be liable for such premium, including any increase in premium.
- 24.15 Where any Required Insurance referred to in schedule 10 (Required Insurances) is subject to an excess or deductible, below which the indemnity from insurers is excluded, the Contractor shall be liable for such excess or deductible which would otherwise be insured but for the excess or deductible save where, and then only to the extent that, a claim is due to an act or omission of the Authority or an Authority Related Party. The Contractor shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Required Insurances whether under the terms of this Contract or otherwise.

25. **Environment**

- 25.1 The provisions of schedule 11 (Environmental Health and Safety) shall apply in respect of this Contract.

25.2 **Montreal Protocol Substances**

The provisions of schedule 12 (Montreal Protocol Substances) shall apply in respect of this Contract.

26. **Health and Safety**

- 26.1 The provisions of schedule 11 (Environmental Health and Safety) shall apply in respect of this Contract.
- 26.2 The Contractor shall provide a safety, health, environment and fire plan as part of the Service Delivery Plan.
- 26.3 Where the Contractor is required to use dangerous articles or substances pursuant to its obligations under this Contract in performing the Services or where the Contractor

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proposes to use such dangerous articles or substances, the Contractor shall notify the Authority prior to the use of any such dangerous articles or substances.

27. **Change of Control and National Interest**

27.1 The Contractor shall or shall procure that:

- (A) subject to clauses 27.3 and 27.6, following the Commencement Date and before any assignment, transfer, novation or disposal of any legal or beneficial interest in any Share in the Contractor the identity of each proposed new Shareholder in the Contractor and such other information concerning the proposed assignment, transfer, novation or disposal as the Authority may reasonably request must be notified to the Authority;
- (B) subject to clauses 27.2, 27.3, 27.5 and 27.6, following the Commencement Date and before any Change of Control of the Contractor, any Shareholder in the Contractor or any Guarantor takes effect:
 - (1) the proposed Change of Control (including the identity of the proposed new Controller(s) and such other information concerning the proposed Change of Control as the Authority may reasonably request) must be notified to the Authority; and
 - (2) the Authority's written approval (such approval, other than where clause 27.5 applies, not to be unreasonably withheld or delayed) must be sought to the proposed Change of Control and such Change of Control must not proceed without such approval.

27.2 The Contractor warrants the accuracy of the information so notified or provided to the Authority in accordance with this clause 27.

27.3 Where the proposed Change of Control referred to in clause 27.1(B) will result in an entity which is a Close Affiliate of the current Controller becoming the new Controller, the Authority may only withhold its consent to such assignment, transfer, novation or disposal in accordance with clause 27.5.

27.4 Where the proposed Change of Control referred to in clause 27.1(B) will result in an entity which is either another Shareholder in the Contractor, or a Close Affiliate of one

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of the other Shareholders in the Contractor, becoming the new Controller, and such Change of Control will take place at any time after the satisfaction of all Readiness Conditions comprised in the Transformation Plan, the Authority may only withhold its consent to that Change of Control in accordance with clause 27.5.

- 27.5 The Authority shall have an absolute right to withhold its consent under clauses 27.1, 27.3 and 27.4 without giving reasons if a Senior Civil Servant notifies the Contractor that the Authority considers that it would be contrary to the defence or security interests of the United Kingdom for the proposed assignee, transferee, novatee or acquirer directly or indirectly to participate in the Project or be involved with the Contractor or to be the Controller of the Contractor or any Guarantor.
- 27.6 A Change of Control in a Shareholder in the Contractor or Guarantor referred to in clause 27.1(B) does not require the prior approval of, or (subject to this clause 27.6) prior notification to, the Authority if the Change of Control arises through the acquisition of Control of an entity through shares in that entity listed or traded on a Recognised Investment Exchange, a Recognised Overseas Investment Exchange, a Designated Investment Exchange, a Regulated Market or the Alternative Investment Market operated by London Stock Exchange plc. In such circumstance the Contractor must notify the Authority (or procure the Authority to be notified) in writing of the Change of Control:
- (A) as soon as reasonably practicable after the public announcement of an offer or other circumstances which, with or without the satisfaction of conditions or the passage of time, may lead to a Change of Control; and
 - (B) on the Change of Control taking effect.
- 27.7 The Authority can assume that if it deals with any single representative of the Contractor that he is authorised to bind the Contractor and it is not necessary for that individual to receive any further authorisation from the Contractor, any one or more of the Shareholders or the Guarantors or any other person.
- 27.8 The Contractor shall be liable for any costs arising in relation to any Change of Control required pursuant to this clause 27 in accordance with the Authority's policies in force from time to time.

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28. **Dispute Resolution**

- 28.1 Any Disputes shall be resolved in accordance with schedule 13 (Dispute Resolution).
- 28.2 Neither Party shall commence any legal proceedings until it has followed the Dispute Resolution Procedure, provided that nothing in the Dispute Resolution Procedure shall prevent a Party from seeking interim or interlocutory relief in any court.

29. **Employment Arrangements**

- 29.1 The Contractor shall indemnify the Authority and any Replacement Contractor against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with the employment or termination of employment by the Contractor or any Sub-contractor of any person (including Contractor Personnel) engaged in connection with the provision of the Services during the Contract Period, including, for the avoidance of doubt, liability to pay any statutory and/or contractual redundancy payments.
- 29.2 The Contractor agrees to notify the Authority within 14 days in the event that a Former Authority Employee is moved out of re-deployed away from the Services under this contract for any reason.
- 29.3 The Authority and Contractor agree and acknowledge that in the event of the Contractor ceasing to provide the Services or part of them for any reason, Annex 1 (Staff Transfer Arrangements on Exit), Annex 2 (Contractor personnel-related information to be released upon re-tendering where the Transfer Regulations apply) and Annex 3 (Personnel information to be released pursuant to this Contract) of schedule 5 (Exit Management) relating to staff transfer shall apply.
- 29.4 Save as provided under paragraph 2 (Employment) of Annex 1 (Staff Transfer Arrangements on Exit) of schedule 5 (Exit Management), the Contractor shall not (and shall procure that the Sub-contractors shall not) take any step (expressly or implicitly and directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Authority and/or the Replacement Contractor.
- 29.5 During the Exit Period, the Contractor shall (and shall procure that the Sub-contractors shall) give the Authority and/or the Replacement Contractor reasonable

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access to the Contractor Personnel to discuss transferring their employment to the Authority and/or the Replacement Contractor.

- 29.6 The Contractor shall promptly notify the Authority or, at the direction of the Authority, the Replacement Contractor, of any period of notice given by the Contractor or received from any person referred to in the staffing information described in Annex 1 (Staff Transfer Arrangements on Exit) of schedule 5 (Exit Management), regardless of when such notice takes effect.
- 29.7 For a period of twelve (12) months following the termination (howsoever caused and which may be in full or in part) or expiry or end of the Exit Period (such termination or expiry or end of the Exit Period being the "Relevant Date"), the Contractor covenants with the Authority (for the benefit of itself and on behalf of the Replacement Contractor and the Authority) that it shall not, and shall procure that any Sub-contractor shall not, unless it has obtained the prior written consent of the Authority, directly or indirectly solicit or entice away or endeavour to solicit or entice away or cause to be solicited or enticed away from the Authority and/or the Replacement Contractor any person:
- (A) who is, and was, on the date on which the attempt to solicit or entice away occurs (the "Solicitation Date"):
 - (1) directly or indirectly employed or engaged by the Authority and/or the Replacement Contractor in a technical capacity requiring specialist knowledge; or
 - (2) whose departure from the Authority and/or the Replacement Contractor would be reasonably likely to have a material adverse effect on the Replacement Contractor's or the Authority's standard of performance under this Contract or any contract in respect of Replacement Services; and
 - (B) with whom at any time during the twelve (12) months prior to the Solicitation Date the Contractor or the applicable Key Sub-contractor had a material amount of contact; or

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- (C) in respect of whom the Contractor or the applicable Sub-contractor possessed a material amount of Commercially Confidential Personnel Information as at the Solicitation Date, with a view to inducing that person to leave such employment or engagement (whether or not such person would commit a breach of his contract of employment or engagement by reason of leaving).
- 29.8 Between the Relevant Date and the expiration of twelve (12) months from the Relevant Date, the Contractor covenants with the Authority (for the benefit of itself and on behalf of the Replacement Contractor and the Authority) that it shall not, and shall procure that any Key Sub-contractor shall not, unless it has obtained the prior written consent of the Authority, directly or indirectly solicit or entice away or endeavour to solicit or entice away or cause to be solicited or enticed away from the Authority or the Replacement Contractor any person:
- (A) who is, and was, at the Relevant Date:
 - (1) directly or indirectly employed or engaged by the Authority or the Replacement Contractor in a technical capacity requiring specialist knowledge; or
 - (2) whose departure from the Replacement Contractor or the Authority would be reasonably likely to have a material adverse effect on the Replacement Contractor's or the Authority's standard of performance under any contract in respect of Replacement Services; and
 - (B) with whom at any time during the twelve (12) months prior to the Relevant Date the Contractor or the applicable Key Sub-contractor had a material amount of contact; or
 - (C) in respect of whom the Contractor or the applicable Key Sub-contractor possessed a material amount of Commercially Confidential Personnel Information as at the Relevant Date, with a view to inducing that person to leave such employment or engagement (whether or not such person would commit a breach of his Agreement of employment or engagement by reason of leaving).

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29.9 Notwithstanding paragraphs 29.7 and 29.8, any recruitment of any person by the Contractor or a Key Sub-contractor as a result of that person independently responding to any general recruitment advertisement by the Contractor or the Key Sub-contractor in general or specialist publications shall not constitute a breach of this Contract.

29.10 For the purposes of paragraphs 29.7 to 29.9, “Commercially Confidential Personnel Information” shall mean all and any information concerning the curriculum vitae, remuneration details, work-related experience, attributes and other personal information concerning those employed or engaged by the Authority or the Replacement Contractor, but excluding any information which becomes available to the public generally other than by reason of a breach by the Contractor of its obligations under this Contract.

29.11 Where there are:

- (A) any differences (other than any differences which result from errors, inaccuracies or omissions in the Final Former Authority Employee Data which are addressed under clause 29.11(B) below) between the Initial Former Authority Employee Data and the Final Former Authority Employee Data; and/or
- (B) any errors, inaccuracies or omissions in the Final Former Authority Employee Data (other than errors, inaccuracies or omissions in respect of the number or identity of the Former Authority Employees),

which together result in reasonable additional Former Authority Employee Costs to the Contractor amounting in aggregate to [REDACTED] or more, the Contractor may propose a reasonable adjustment to the annual costs as set out in column (i) of Table 70(A) of clause 70.1(A) to meet such total reasonable additional Former Authority Employee Costs (inclusive of the [REDACTED] threshold referred to above) that the Contractor incurs as a result of such a change provided that such a change is not as a result of an act or omission of the Contractor. Any such adjustment shall be proposed and dealt with as a Contractor Change pursuant to schedule 24 (Change Procedure) (provided that paragraph 4.4(B) of schedule 24 shall not apply) subject to the following amendments. The Contractor shall produce such evidence of the total

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reasonable additional Former Authority Employee Costs incurred as the Authority may reasonably require as soon as is reasonably practicable and in any event no later than twenty eight (28) Business Days following the receipt of such a written request prior to any adjustment being made. No such adjustment shall be made where there is a failure to produce such evidence within this timescale or where the Authority considers such information insufficient.

29.12 Where the Authority considers that there are:

- (A) any differences (other than any differences which result from errors, inaccuracies or omissions in the Final Former Authority Employee Data which are addressed under clause 29.12(B) below) between the Initial Former Authority Employee Data and the Final Former Authority Employee Data; and/or
- (B) any errors, inaccuracies or omissions in the Final Former Authority Employee Data (other than errors, inaccuracies or omissions in respect of the number or identity of the Former Authority Employees),

which together result in a reduction of the Former Authority Employee Costs to the Contractor amounting in aggregate [REDACTED] or more, the Authority may propose a reasonable adjustment to the annual costs as set out in column (i) of Table 70(A) of clause 70.1(A) to reflect any total reasonable reduction in Former Authority Employee Costs (inclusive of the [REDACTED] threshold referred to above) to the Contractor. Any such adjustment shall be proposed and dealt with as an Authority Change pursuant to schedule 24 (Change Procedure) (provided that paragraph 3.2(D)(2) of schedule 24 shall not apply), subject to the following amendments. The Authority and the Contractor shall produce such reasonable evidence as the other Party shall reasonably require as soon as is reasonably practicable and in any event no later than twenty eight (28) Business Days after a request is made in writing in order to establish such a reduction in the Former Authority Employee Costs. A failure by the Contractor to produce such evidence shall preclude the Contractor from objecting to an adjustment to the Monthly Payment and Monthly Base Amount. A failure by the Authority to produce such evidence, save where such a failure is as a

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result of an act or omission of the Contractor, shall result in no such adjustment to the Monthly Payment and Monthly Base Amount.

- 29.13 No such adjustments shall be made in respect of errors, inaccuracies or omissions raised under clauses 29.11 and 29.12 by a Contractor Change Request or a Change Notice submitted more than six (6) months following the Commencement Date.

30. Equality and Diversity

- 30.1 The Contractor shall not (and shall use reasonable endeavours to procure that any Contractor Associated Companies and any Sub-contractor shall not) unlawfully discriminate either directly or indirectly on the grounds of age, disability, gender (including re-assignment), sex or sexual orientation, marital status (including civil partnerships), pregnancy and maternity, race, or religion or belief.
- 30.2 Without prejudice to the generality of the obligation in clause 30.1 above, the Contractor shall not (and shall use reasonable endeavours to procure that any Contractor Associated Companies and any Sub-contractor shall not) unlawfully discriminate within the meaning and scope of the Equality Act 2010 (or any statutory modification or re-enactment thereof) or other relevant or equivalent legislation in the country where the Contract is being performed.
- 30.3 The Contractor agrees to use reasonable endeavours to procure the observance of the provisions of this Condition by any of its employees, agents or other persons acting under its direction or control who are engaged in the performance of the Contract.
- 30.4 The Contractor agrees to reflect this Condition in any subcontract that it enters into to satisfy the requirements of the Contract and to require its subcontractors to reflect this Condition in their subcontracts that they enter into to satisfy the requirements of the Contract.
- 30.5 If the Contractor becomes aware of any prosecution or proceedings, brought under the Acts set out in clause 30.1, against the Contractor and/or any Contractor

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Associated Company and/or any Sub-contractor and/or any servants, employees or agents of such persons, the Contractor shall immediately notify the Authority.

30.6 In the event of any finding of unlawful discrimination being made against the Contractor, any Contractor Associated Company or any other Sub-contractor in relation to the Services due to failure to comply by the Contractor and/or any Contractor Associated Company and/or any other Sub-contractor with clauses 30.1 and 30.2 or any other relevant legal obligation, during the Contract Period by any court or tribunal, or of an adverse finding in any formal investigation pursuant to any statutory powers or duties by the Equality and Human Rights Commission (or any body which replaces this) over the same period, the Contractor shall be responsible for informing the Authority of this finding promptly upon becoming aware of the same and (if any unlawful discrimination is in any way connected with this Contract) shall take appropriate steps to the reasonable satisfaction of the Authority to prevent repetition of the unlawful discrimination and the Contractor shall indemnify the Authority against any loss in connection with any such investigation or proceedings. Where any investigation is undertaken by anybody referred to in this clause 30.6 and/or proceedings are instituted in connection with any matter which is, or is alleged to be, contrary to any legislation or codes of practice referred to in this clause 30.6, the Contractor shall be responsible for itself and Contractor Associated Companies and any other Sub-contractors for:

- (A) providing any information requested by the investigation body or relevant court or tribunal or the Authority in the reasonable time allotted;
- (B) attending any meetings upon reasonable notice as required by the investigation body or relevant court or tribunal or the Authority and request any Contractor Personnel to attend;
- (C) promptly allowing access to and investigation of any documents or data deemed by the investigation body or relevant court or tribunal or the Authority to be relevant;
- (D) requesting any Contractor Personnel to appear as a witness in any investigation or proceedings; and

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- (E) co-operating as far as reasonably practicable as required by the person or body conducting such investigation or relevant court or tribunal or the Authority.
- 30.7 The Contractor shall be responsible for itself, Contractor Associated Companies and any other Sub-contractors promptly providing the Authority with full written details of any steps taken under clause 30.6.
- 30.8 The Contractor shall be responsible for itself, Contractor Associated Companies and any other Sub-contractors providing such information as the Authority may reasonably request for the purpose of assessing the Contractor's, Contractor Associated Companies' or any other Sub-contractors' (as appropriate) compliance with the obligations pursuant to this clause 30 including, if requested, examples of any instructions, recruitment advertisements or other literature and details of the monitoring of applicants and employees.
- 30.9 Without prejudice to clauses 30.1 to 30.10 the Contractor shall be responsible for itself, Contractor Associated Companies and any other Sub-contractors:
- (A) monitoring the representation among their staff of persons of different racial groups (which shall mean groups of persons classified as "ethnic groups" in the most recent official census by the Office of National Statistics or successor body) and of different gender identities or disability (together "minority groups") having regard to the Authority procedures for monitoring representation among its own employees;
 - (B) where it appears to the Contractor, any Contractor Associated Company or any other Sub-contractor in relation to particular work of its employees engaged in the provision of the Services, either that such staff include no members of a particular minority group doing that work or that members of that minority group are under-represented amongst such staff doing that work compared to their representation in the staff as a whole or in the population from which such staff are normally recruited, undertaking the following actions as may be appropriate and practicable (but subject always to its or their statutory obligations not to unlawfully discriminate):

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- (1) placing and using job advertisements to reach members of such minority groups and to encourage applications;
- (2) using employment agencies and career offices in areas where members of such minority groups live and work;
- (3) promoting recruitment and training schemes for school-leavers and/or unemployed persons intended to reach members of such minority groups; and
- (4) providing appropriate training and the encouragement of members of staff from such minority groups to apply for promotion or transfer to do work in which such minority groups are under-represented. The Contractor shall within 14 days of the anniversary of the Commencement Date each year and within a reasonable time of any request from the Authority submit a report to the Authority demonstrating compliance with this clause 30 by it and (by reference to compliance with the relevant contractual terms) any Contractor Associated Company and any other Sub-contractors.

30.10 The Contractor shall:

- (A) undertake such acts and provide assistance as the Authority requests so as to enable the Authority to comply with its obligation under section 149 of the Equality Act 2010;
- (B) do everything that is required by the Authority so as to enable the Authority to comply with section 149 of the Equality Act;
- (C) have proper regard to and comply with the statutory and non-statutory codes of practice and guidance as issued from time to time by the Equality and Human Rights Commission or Secretary of State or other competent Authority; and
- (D) comply with the Authority's equal opportunities policies as provided to the Contractor from time to time where Contractor Personnel are required to carry out work on premises occupied by or on behalf of the Authority or a Crown Body or alongside Authority staff.

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30.11 The Contractor agrees to take reasonable efforts to secure the observance of the provisions of clause 30.10 by any of its employees, agents or other persons acting under its direction or control who are engaged in the performance of this Contract.

31. Key Personnel

31.1 The Parties have agreed to the appointment of the Key Personnel listed in schedule 14 (Key Personnel) as at the Commencement Date.

31.2 The Contractor shall ensure that the Key Personnel remain in place until the second anniversary of the Commencement Date, save where the individual concerned resigns his or her employment or his or her contractual arrangements with the Contractor or any other Sub-contractor is terminated for material breach of contract.

31.3 Subject to clause 31.2, the Contractor shall provide the Authority with at least six (6) months' notice of its intention to remove or replace Key Personnel, and shall not remove or replace Key Personnel without having obtained the prior written consent of the Authority (not to be unreasonably withheld or delayed).

31.4 The Contractor shall ensure that where, subject to clause 45 (Effect of Termination and Exit Plan) and a member of the Key Personnel is removed, the relevant position is immediately filled by a suitably qualified and experienced person and that there is no resulting impact on the provision of the Services.

31.5 The Authority may instruct the Contractor to remove any Key Personnel that the Authority reasonably considers in any respect unsatisfactory in relation to the performance of the Services from their on-going involvement with the provision of the Services.

31.6 The Authority may identify any member of the Contractor Personnel as Key Personnel, and the name of and relevant details for any such person will then be included on the list of Key Personnel by the Contractor. The Authority may also identify any post as a post to be filled by Key Personnel.

32. Pensions

32.1 The Contractor shall:

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- (A) at all material times comply with the Admission Agreement to which it is a party and any Pension Direction in which it is named and shall not terminate the Admission Agreement or breach the terms of the Pension Direction while the Contractor is providing any of the Services;
- (B) ensure that on each occasion (including, but without limitation, on the termination of a contract between the Contractor and a Sub-contractor) any Former Authority Employee becomes an employee of the Contractor pursuant to the Transfer Regulations (and the date upon which he becomes such an employee is called the "Employment Date") the Former Authority Employee if not already an Active Member of the Pension Schemes becomes such an Active Member with effect as on and from the Employment Date provided that this is permitted under the terms of the Pension Schemes and the Admission Agreement or Pension Direction, as applicable; and
- (C) ensure that in relation to each Former Authority Employee who immediately prior to the Employment Date is an Active Member or who becomes an Active Member with effect from that date and for so long as the Former Authority Employee is employed by the Contractor and is assigned to or otherwise engaged at least to the minimum extent specified in the Admission Agreement or Pension Direction in the provision of the Services or any of them:
 - (1) it is an express term of the contract of employment of the Former Authority Employee with the Contractor that the Contractor shall ensure that (subject to the terms from time to time of the Schemes and the Admission Agreement, or, as applicable, Pension Direction) the Former Authority Employee may be and may continue to be an Active Member; and
 - (2) each such Former Authority Employee is able to be and remain such a member; and
- (D) comply with New Fair Deal or any replacement guidance which may be published whilst the Contractor is providing any of the Services.

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- 32.2 The Contractor shall ensure that no Sub-contractor by whom any of the Former Authority Employees become employed pursuant to the Transfer Regulations is appointed unless the contract under which the Sub-contractor is to provide any of the Services (the "Relevant Contract") contains terms which provide for the following:
- (A) a condition precedent (which may not be waived) to such contract becoming effective is that there is in force an Admission Agreement between (1) The Minister for the Cabinet Office (2) the Sub-contractor, and (3) the Authority and/or, as applicable, a Pension Direction has been issued by the Secretary of State for Health;
 - (B) the Sub-contractor must at all material times comply with the Admission Agreement and the Pension Direction and will not terminate the Admission Agreement while the Sub-contractor is providing any of the Services;
 - (C) a breach of the Admission Agreement or Pension Direction which is not capable of remedy or which if it is capable of remedy is not remedied within 10 Business Days of the Sub-contractor being given notice of such breach by the Schemes, the Minister for the Cabinet Office (in respect of the Admission Agreement), the Secretary of State for Health (in respect of the Pension Direction) or the Authority is an event of default by the Sub-contractor enabling the other party to the Relevant Contract to terminate the Relevant Contract or the Contractor to terminate the Sub-contract (which the Contractor undertakes to the Authority to do if directed to do so by the Authority) immediately on the giving of notice and no notice to waive the event of default or which states that termination is not immediate and reserves a future right to terminate may be given without the consent of the Authority;
 - (D) on each occasion (including, but without limitation, the termination of any contract pursuant to which the Sub-contractor sub-subcontracts the provisions of any of the Services) any Former Authority Employee becomes an employee of the Sub-contractor pursuant to the Transfer Regulations the Former Authority Employee shall if he is not already an Active Member of the Pension Schemes become such an Active Member with effect as on and from the date upon which he becomes such an employee provided that this

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is permitted under the terms of the Pension Schemes and the Admission Agreement, or, as applicable, Pension Direction;

- (E) on each such occasion the Sub-contractor must make it a term of the contract of employment of each Former Authority Employee employed by the Sub-contractor that the Sub-contractor must ensure that the Former Authority Employee may be an Active Member at all times he is assigned to or otherwise engaged at least to the minimum extent specified in the Admission Agreement or Pension Direction, as applicable, in the provision of any of the Services (subject to the terms of the Schemes from time to time and the Admission Agreement or Pension Direction);
- (F) a Former Authority Employee who is named in a Pension Direction may enforce any rights under the Sub-contract in connection with membership or continued membership of the NHS Pension Scheme against the Sub-contractor pursuant to the Contracts (Rights of Third Parties) Act 1999 but the consent of such Former Authority Employee shall not be required to any variation or rescission of the Sub-contract;
- (G) any contract pursuant to which the Sub-contractor sub-contracts to another person ("Sub-contractor B") and which results in any Former Authority Employer becoming an employee of the Sub-contractor B pursuant to the Transfer Regulations must contain the same terms as must be included in the Sub-contractor's contract in accordance with this clause 32.2 and such contract shall not take effect unless and until there is in force an Admission Agreement to which Sub-contractor B is a party and/or, as applicable, a Pension Direction has been issued by the Secretary of State for Health which names Sub-contractor B;
- (H) the Sub-contractor must use its best endeavours to enforce the terms of his contract with Sub-contractor B which must be included in that contract in accordance with this clause 32.2; and
- (I) the Sub-contractor must comply with New Fair Deal or any replacement guidance which may be published whilst the Sub-contractor is providing any of the Services.

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32.3 The Contractor shall indemnify the Authority and at all times keep the Authority indemnified in respect of any Claim in connection with any failure or alleged failure by the Contractor or any Sub-contractor to comply with the Schemes or the Admission Agreement to which the Contractor or the Sub-contractor, as the case may be, is a party or the Pension Direction in which the Contractor or the Sub-contractor, as the case may be, is named or to comply with (in the case of the Contractor) the provisions of this clause 32 or (in the case of a Sub-contractor) the provisions to be included in the Relevant Contract pursuant to clause 32.2. For the avoidance of doubt, the Contractor and/or Sub-contractor shall not be obliged to indemnify the Authority under this clause 32.3 if and to the extent the Claim arises from the failure or alleged failure caused by the act or omission of the Authority. If the Contractor or Sub-contractor fails to pay by the due date any amount payable to any of the Schemes the Authority may deduct an amount equal to that which has not been paid from any money otherwise payable by the Authority to the Contractor and pay that amount to the Schemes.

32.4 Save with the approval of the Authority the Contractor shall not and shall procure any Sub-contractor shall not on or after the earliest of:

- (A) the date which is eighteen (18) months before the Expiry Date;
- (B) the Authority giving the Contractor a Termination Notice terminating the whole of this Contract or any part of the Services;
- (C) the Contractor giving notice under clause 42.2 (Termination for Force Majeure Event) and such notice is accepted by the Authority;
- (D) on notification to the Contractor by the Authority of a Replacement Contractor; and
- (E) on receipt by the Contractor of a written request by the Authority,

allow (other than as required by Law or an amendment to the Schemes) the grant or variation of any new or existing Relevant Benefits for or in respect of any employee of the Contractor to be made, announced or proposed.

32.5 The Contractor shall not and it shall procure that the Sub-contractor does not issue any announcements to Former Authority Employees prior to the Relevant Transfer

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Date concerning the matters in this clause 32 without the consent in writing of the Authority (such consent not to be unreasonably withheld or delayed) and the Authority shall not issue any such announcement without the consent of the Contractor (such consent not to be unreasonably withheld or delayed).

- 32.6 The Contractor shall procure, and shall ensure that any Sub-contractor shall procure, that any information to be provided to the Authority pursuant to the Admission Agreement or Pension Direction is sent to the Authority's address for service set out in clause 56.2 (Notices).
- 32.7 The Contractor shall provide and shall procure each Sub-contractor provides all such co-operation and assistance as the Schemes and a Replacement Contractor or sub-contractor of a Replacement Contractor and/or the Authority may reasonably require to enable the Replacement Contractor or sub-contractor of a Replacement Contractor to participate in the Schemes in respect of any Former Authority Employee and to give effect to any transfer of accrued rights required as part of the participation under New Fair Deal.
- 32.8 For the purposes of this clause 32, if an individual who is a Former Authority Employee ceases to be eligible for membership of (and if he is an Active Member ceases to accrue benefits under) the Schemes in accordance with the terms of the Schemes and the Admission Agreement or the Pension Direction (as applicable) he shall cease to be a Former Authority Employee except that:
- (A) he shall not cease to be a Former Authority Employee by reason only of his opting out of the Pension Schemes in circumstances in which he does not cease to be eligible for participation in the Schemes in accordance with their terms or the transfer of his employment pursuant to the Transfer Regulations;
 - (B) if he ceases to be a Former Authority Employee he shall nevertheless continue to be regarded as a Former Authority Employee in respect of any period prior to the date of such cessation.
- 32.9 **Changes in Pension Contribution Rates**

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- (A) Where any changes occur after the Commencement Date in the Standard Employer Contribution Rate and/or where any Earnings Definition Change result in additional Former Authority Employee Costs to the Contractor (other than an Excluded Costs which shall not be taken into account in respect of any Monthly Payment and Monthly Base Amount adjustment), the Contractor may propose a reasonable adjustment to the annual costs as set out in column (i) of Table 70(A) of clause 70.1(A) to meet such additional Former Authority Employee Costs that the Contractor incurs as a result of such change. Any such adjustment shall be proposed and dealt with as a Contractor Change pursuant to schedule 24 (Change Procedure) (provided that paragraph 4.4(B) of schedule 24 shall not apply).
- (B) Where any changes occur after the Commencement Date in the Standard Employer Contribution Rate and/or where any Earnings Definition Change result in a reduction of the Former Authority Employee Costs to the Contractor or apart from any Excluded Costs would have done so, the Authority may propose a reasonable adjustment to the annual costs as set out in column (i) of Table 70(A) of clause 70.1(A) to reflect any reduction in Former Authority Employee Costs to the Contractor. Any such adjustment shall be proposed and dealt with as an Authority Change pursuant to schedule 24 (Change Procedure) (provided that paragraph 3.2(D)(2) of schedule 24 shall not apply).

33. ITAR

- 33.1 The Parties shall have the rights and shall perform the obligations set out in schedule 17 (ITAR and Other Import and Export Licences).
- 33.2 The Contractor shall further comply with the ITAR requirements set out in the General Correspondence Letter at Annex A to schedule 17 (ITAR and Other Import and Export Licences).

34. Authority Step-In

- 34.1 In this clause 34, references to the Authority taking action shall be deemed to include references to the Authority procuring the taking of action by others on behalf of the Authority.

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34.2 If the Authority reasonably believes that it needs to take action in connection with the Services:

- (A) because a serious risk exists to the health or safety of persons or property or to the Environment;
- (B) to discharge a statutory duty;
- (C) because the Authority invokes the provisions of clause 35 (Measures in a Crisis);
- (D) because of Poor Performance;
- (E) because a Contractor Default has occurred and the Authority considers it may create an immediate or serious threat to the business and/or operational effectiveness of the Authority; or
- (F) because there is a material interruption or delay in the provision of all or any part of the Services,

the Authority shall be entitled to take action in accordance with this clause 34 and clause 35 (Measures in a Crisis).

34.3 Procedure for Authority Step-In

- (A) If clause 34.2 applies and the Authority wishes to take action, the Authority's Representative shall notify the Contractor's Representative of the following:
 - (1) the action it wishes to take; and
 - (2) the reason for such action; and
 - (3) the date it wishes to commence such action; and
 - (4) the time period which it believes shall be necessary for such action; and
 - (5) to the extent practicable, the effect on the Contractor and its obligation to carry out the Services during the period such action is being taken.

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- (B) Following service of such notice, the Authority shall take such action as notified under clause 34.3(A) and any consequential additional action as it reasonably believed is necessary (together, the “Required Action”) and the Contractor shall give all reasonable assistance to the Authority while it is taking the Required Action.

34.4 Effect of Step-In Without Contractor Breach

- (A) If the Contractor is not in breach of its obligations under this Contract and the Authority exercises its right to take action in connection with the Services pursuant to clauses 34.3(A) and/or 34.3(B):
- (1) then for so long as and to the extent that the Required Action is taken, and this prevents the Contractor from providing all or any part of the Services, the Contractor shall be relieved from its obligations to provide such part of the Services; and
 - (2) in respect of the period in which the Authority is taking the Required Action and provided that the Contractor provides the Authority with reasonable assistance (such assistance to be at the expense of the Authority to the extent incremental costs are incurred), the Monthly Payment due from the Authority to the Contractor shall equal the amount the Contractor would receive if it were satisfying all its obligations and providing the Services affected by the Required Action in full over that period; and
 - (3) if the Authority's Representative has issued the notice contemplated in clause 35 (Measures in a Crisis), the Authority's indemnity as set out in clause 35 shall continue to apply.

34.5 Effects of Step-In Following Contractor Breach

- (A) If the Contractor is in breach of its obligations under this Contract or Poor Performance has occurred and in consequence the Authority exercises its

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right to take action in connection with the Services pursuant to this clause 34:

- (1) then for so long as and to the extent that the Required Action is taken, and this prevents the Contractor from providing the Services, the Contractor shall be relieved from its obligations to provide such part of the Services; and
- (2) in respect of the period in which the Authority is taking Required Action, the Monthly Payment due from the Authority to the Contractor shall equal the amount the Contractor would receive if it were satisfying all its obligations and providing the Service affected by the Required Action in full over that period, less an amount equal to all the Authority's costs in taking the Required Action.

34.6 **Authority Step-Out**

- (A) The Authority's Representative may at any time during the period of the Required Action notify the Contractor's Representative that the Authority wishes to cease the Required Action and the date on which it intends to cease the Required Action.
- (B) On the date on which the Required Action ceases:
 - (1) the Authority will be released from all of its obligations and liabilities in relation to the Required Action arising prior to the cessation of the Required Action other than its obligations to pay the Contractor; and
 - (2) the Contractor shall resume all or any part of the Services which was the subject of the Required Action.

35. **Measures in a Crisis**

35.1 If, at any time, the Authority believes, in its sole opinion, that there exist any of the circumstances identified in clause 35.2, the Authority's Representative may issue a written notice to the Contractor's Representative of such belief.

35.2 The circumstances referred to in clause 35.1 are where, in view of:

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- (A) the national interest, the requirements of national security, or the occurrence of a state of transition to war, war or other emergency (whether or not involving hostilities); and/or
- (B) a request to the Authority by a local authority, public body, or statutory corporation for assistance in relation to the occurrence or possible occurrence of a major accident, crisis or natural disaster; and/or
- (C) a request by NATO, the United Nations, the European Union or any other country for support and assistance in relation to international obligations,

it is necessary, appropriate, or desirable for the Authority to take all or any of the measures described in clause 35.4 (Effect of Implementation of Measures in a Crisis) and/or 35.5 (Authority's Overriding Rights).

35.3 Measures in a Crisis shall cease to apply when the Authority's Representative issues a written notice to that effect to the Contractor's Representative and thereafter the Contractor shall continue to be bound by the provisions of this Contract.

35.4 Effect of Implementation of Measures in a Crisis

- (A) If the Authority's Representative has issued the notice contemplated in clause 35.1:
 - (1) the Authority's Representative may require the Contractor, within such period as the Authority's Representative in its sole discretion specifies (but provided that such period is reasonable taking into account all relevant circumstances), to provide such information in the possession, knowledge or control of the Contractor as the Authority's Representative may, in its sole discretion require, including information relating to all or any of the following matters:
 - (a) the Services currently being carried out by the Contractor; and/or
 - (b) the Services to be carried out by the Contractor (and due to commence within a period specified by the Authority); and/or

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- (c) the Contractor's current deployment of its employees whether inside or outside the Authority Sites; and/or
- (d) all supporting equipment and documentation currently held by the Contractor and the location of such equipment and documentation,

and the Contractor shall promptly and diligently comply fully with the requirement to provide such information.

(B) Upon providing the Authority's Representative with the information requested pursuant to clause 35.4 (Effect of Implementation of Measures in a Crisis), or upon expiry of the period specified by the Authority for the supply of such information, the Contractor shall, upon being so requested by the Authority's Representative, discuss in good faith with the Authority's Representative any matters which the Authority, in its sole opinion, may consider relevant or appropriate to any proposals the Authority may have for the reallocation of priorities for, or for the reorganisation of, the Services carried out, or to be carried out, by the Contractor. These shall be in order to deal with the circumstances which gave rise to the issuing of a notice pursuant to clause 35.1, including the following matters:

- (1) the revision (including the early completion, suspension or cancellation) of any Service for the Authority; and
- (2) the immediate implementation of new services,

and the Parties shall endeavour, as far as reasonably possible, to reach agreement as a matter of urgency on such matters.

35.5 Authority's Overriding Rights

(A) Notwithstanding any provision to the contrary in this Contract, and notwithstanding that any of the measures described in clause 35.4 (Effect of Implementation of Measures in a Crisis) may not have been taken, required to be taken, or have been completed, the Authority may, at any time and in its sole discretion step-in to this Contract, pursuant to clause 34 (Authority Step-In) and/or the Authority's Representative may instruct the Contractor:

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- (1) to accelerate to early completion, to suspend, or to cease permanently, any part of the Services carried out by the Contractor for third parties, to remove (permanently or temporarily) the property of third parties from any Authority Site and to procure that any such action is carried out on terms with such parties which result in the least possible loss to the Contractor; and
- (2) to accelerate to early completion or to suspend the Services; and
- (3) to carry out any changes whatsoever to this Contract required by the Authority without reference to clauses 80 (Change) and 16 (Change in Law) of this Contract,

and the Contractor shall promptly and diligently comply with any instruction issued by the Authority's Representative referred to in this clause 35.5.

35.6 Authority's Indemnity on Measures in a Crisis

- (A) If the Authority has stepped-in to this Contract pursuant to clause 34.2(C) (Authority Step-In – Measures in a Crisis), and/or the Authority's Representative has instructed the Contractor in accordance with clause 35.5 (Authority's Overriding Rights), the provisions of clause 34.4 (Effect of Step-In Without Contractor Breach) shall apply and then:
 - (1) for so long as and to the extent that the provisions of clause 35.4 (Effect of Implementation of Measures in a Crisis) or any instruction issued by the Authority's Representative pursuant to clause 35.5 (Authority's Overriding Rights) ("MIAC Required Action") prevents the Contractor from providing all or any part of the Services, the Contractor shall be relieved from its obligations to provide such Services; and
 - (2) in respect of the period in which the Authority is taking the MIAC Required Action and provided that the Contractor complies with its obligations under clause 35.4 (Effect of Implementation of Measures in a Crisis) or clause 35.5 (Authority's Overriding Rights), then:
 - (a) in respect of the period in which the Authority is taking the MIAC Required Action and provided that the Contractor provides the

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Authority with reasonable assistance (such assistance to be at the expense of the Authority to the extent incremental costs are incurred), the payment from the Authority to the Contractor shall equal the amount the Contractor would receive if it were satisfying all its obligations and providing the Services affected by the MIAC Required Action in full over that period; and

- (b) subject to clause 20 (Conduct of Indemnity Claims);
 - (i) the Authority shall indemnify the Contractor against any Direct Losses from any claim or action for damages by a third party against the Contractor arising out of the MIAC Required Action; and/or
 - (ii) the Authority shall further indemnify the Contractor against any reasonable Indirect Losses which it proves it has suffered in relation to contracts with third parties by reason of the MIAC Required Action or the provision of services to the Authority by reason of the MIAC Required Action.

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36. **Confidentiality**

36.1 Subject to the provisions of clause 11 (Transparency), each Party shall treat all information it receives from the other Party under this Contract as Confidential Information, shall only disclose such information to those of its officers, agents and employees having a need to know for the purpose of this Contract and exploiting rights granted under this Contract, and shall not disclose any such information to third parties except as permitted under, and subject to the provisions of, clauses 36.2 to 36.9 (inclusive).

36.2 The obligations set out under clause 36.1 not to release information to third parties shall not apply to:

- (A) any disclosure of information that is reasonably required by any person engaged in the performance of their obligations under this Contract for the performance of those obligations; or
- (B) any disclosure of information which a Party can demonstrate is already or comes into the public domain otherwise than as a result of a breach of this clause 36; or
- (C) any disclosure to enable a determination to be made under clause 28 (Dispute Resolution) or in connection with a dispute between the Contractor and any of its Sub-contractors; or
- (D) any disclosure which is required pursuant to any statutory, legal (including any order of a court of competent jurisdiction) or Parliamentary obligation placed upon the Party making the disclosure or the rules of any Recognised Investment Exchange or governmental or regulatory authority having the force of law or if not having the force of law, compliance with which is in accordance with the general practice of persons subject to the stock exchange or governmental or regulatory authority concerned; or
- (E) any disclosure of information which is already lawfully in the possession of the receiving Party, prior to its disclosure by the disclosing Party; or
- (F) any provision of information to the Parties' own professional advisers or insurance advisers or, where it is proposed that a person should or may

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provide funds (whether directly or indirectly and whether by loan, equity participation or otherwise) to the Contractor to enable it to carry out its obligations under this Contract, or may wish to acquire shares in the Contractor and/or a holding company in accordance with the provisions of this Contract, to that person or their respective professional advisers but only to the extent reasonably necessary to enable a decision to be taken on the proposal;

- (G) or any disclosure by the Authority of information as may be reasonably required:
 - (1) for the purpose of conducting a due diligence exercise, to any proposed new contractor, its advisers and lenders, should the Authority decide to retender all or part of this Contract or a replacement or continuation thereof or any part thereof; or
 - (2) for any other purpose in the exercise of the Authority's rights of disclosure and use set out under clause 79 (Intellectual Property); or
- (H) any registration or recording of the Relevant Consents and property registration required; or
- (I) any disclosure of information by the Authority to any other department, office or agency of the Government or their respective advisers or to any person engaged in providing services to the Authority for any purpose related to or ancillary to this Contract; or
- (J) any disclosure of information for the purpose of:
 - (1) the examination and certification of the Authority's or the Contractor's accounts;
 - (2) any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources;
 - (3) complying with a proper request from either Party's insurance adviser, or insurer on placing or renewing any insurance policies; or

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(4) (without prejudice to the generality of clause 36.2(D)) compliance with the FOIA and/or the Environmental Information Regulations,

provided that neither clause 36.2(D) nor clause 36.2(J)(4) shall permit disclosure of Confidential Information otherwise prohibited by clause 36.1 where that information is exempt from disclosure under Section 41 of the FOIA.

- 36.3 Where disclosure is permitted under the provisions of clause 36.2, the Party disclosing the information shall procure that the recipient of the information shall be subject to obligations of confidentiality no less onerous than those contained in this Contract. This obligation shall not however apply to disclosures of information made under the provisions of clauses 36.2(B), 36.2(D), 36.2(E), 36.2(H) or 36.2(J).
- 36.4 For the purposes of the National Audit Act 1983 the Comptroller and Auditor General may examine such documents as he may reasonably require which are owned, held or otherwise within the control of the Contractor and any Sub-contractor and may require the Contractor and any Sub-contractor to produce such oral or written explanations as he considers necessary. It is hereby declared that the carrying out of an examination under Section 6(3)(d) of the National Audit Act 1983 in relation to the Contractor is not a function exercisable under this Contract.
- 36.5 The Contractor shall not and shall procure that the Named Employees and Sub-contractors shall not make use of this Contract or any information issued or provided by or on behalf of the Authority in connection with the Contract otherwise than for the purpose of this Contract, except with the written consent of the Authority's Representative.
- 36.6 Where the Contractor, in carrying out its obligations under this Contract, is provided with information by or on behalf of the Authority relating to a person or persons, the Contractor shall not disclose or make use of any such information otherwise than for the purpose for which it was provided, unless the Contractor has obtained the prior written consent of the Authority's Representative.
- 36.7 On or before the Expiry Date, the Contractor shall ensure that all documents or computer records in its possession, custody or control, which contain information relating to persons for whom Services have been provided under this Contract,

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including any documents in the possession, custody or control of a sub-contractor, are delivered up to the Authority.

36.8 The Parties acknowledge that the National Audit Office has the right to publish details of the Contract (including Commercially Sensitive Information) in its relevant reports to Parliament.

36.9 The provisions of this clause 36 are without prejudice to the application of the Official Secrets Acts 1911 to 1989 and to clause 37 (Data Protection).

37. Data Protection

37.1 With respect to the Parties' rights and obligations under this Contract, the Parties agree that the Authority is the Data Controller and that the Contractor is the Data Processor of the Authority Data that constitutes Personal Data, and that each of them shall comply with the provisions of Data Protection Legislation to the extent applicable.

37.2 The Contractor shall:

- (A) process the Personal Data strictly in accordance with the terms of this Contract and the Authority's instructions (which may be specific instructions or instructions of a general nature as set out in this Contract or as otherwise notified by the Authority to the Contractor during the Contract Period) and shall not store, disclose or use in any other processes any data or Personal Data except as necessary for the performance by the Contractor of its obligations under this Contract or as otherwise expressly authorised in writing by the Authority;
- (B) ensure that the Personal Data is Processed only to the extent, and in such manner, as is necessary for the provision of the Services or as is required by Law or any Regulatory Body;
- (C) ensure that all appropriate technical and organisational measures are implemented to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful Processing, accidental loss,

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destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;

- (D) take reasonable steps to ensure the reliability of any Contractor Personnel who have access to the Personal Data, and ensure that only such Contractor Personnel as may be required to do so shall have access to the Personal Data and that they shall comply with the obligations set out in this clause. The Contractor shall ensure that any such Contractor Personnel have undergone training in Data Protection Legislation and in the care and handling of Personal Data;
- (E) obtain prior written consent from the Authority in order to transfer the Personal Data to any Close Affiliate of the Contractor for the provision of the Services;
- (F) ensure that all Contractor Personnel required to access the Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this clause 37;
- (G) ensure that none of the Contractor Personnel publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Authority;
- (H) assist the Authority promptly with all subject access requests which may be received by either Party from Data Subjects, and notify the Authority within five (5) Business Days if it or any of its Close Affiliates receives:
 - (1) a request from a Data Subject to have access to that person's Personal Data; or
 - (2) a complaint or request relating to the Authority's obligations under the Data Protection Legislation;

and shall be responsible for providing the Authority with full cooperation and assistance in relation to any complaint or request made, including by:

- (a) providing the Authority with full details of the complaint or request;

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- (b) complying with a data access request within the relevant timescales set out in the Data Protection Legislation and in accordance with the Authority's instructions;
 - (c) providing the Authority with any Personal Data it holds in relation to a Data Subject (within the timescales required by the Authority); and
 - (d) providing the Authority with any information requested by the Authority;
- (I) promptly carry out any request from the Authority requiring the Contractor to amend, transfer or delete the Personal Data or any part of the Personal Data;
- (J) notify the Authority immediately upon receiving any notice or communication from any supervisory or Regulatory Body which relates directly or indirectly to the processing of the Personal Data;
- (K) if requested in writing by the Authority from time to time, provide to the Authority a copy of the Personal Data in the format and on the media reasonably specified by the Authority;
- (L) permit the Authority to inspect and audit, in accordance with schedule 9 (Audit), the Contractor's Processing activities (and/or those of any Close Affiliate of the Contractor) and comply with all reasonable requests or directions by the Authority to enable the Authority to verify and/or procure that the Contractor is in full compliance with its obligations under this Contract;
- (M) provide a written description of the technical and organisational methods employed by the Contractor for Processing Personal Data (within the timescales required by the Authority) and shall also provide to the Authority assurance in respect of the security of any Personal Data processed by the Contractor as may be reasonably required by the Authority to comply with its obligations under Data Protection Legislation; and

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- (N) not Process or otherwise transfer any Personal Data outside the European Economic Area without the prior written consent of the Authority and, where the Authority consents to a transfer, to comply with:
- (1) the obligations of a Data Controller under the Eighth Data Protection Principle set out in schedule 1 of the Data Protection Act 1998 by providing an adequate level of protection to any Personal Data that is transferred; and
 - (2) any reasonable instructions notified to it by the Authority.
- 37.3 The Contractor shall acquire no rights in any of the Personal Data and shall only be entitled to process it in accordance with its obligations under this Contract. In addition, the Contractor shall not delete or remove any proprietary notices contained within or relating to the Personal Data. On termination of this Contract, the Contractor shall immediately cease to use Personal Data and shall arrange for their safe return or destruction as shall be agreed with the Authority at the relevant time.
- 37.4 The Contractor shall comply at all times with the Data Protection Legislation and shall not perform its obligations under this Contract in such a way as to cause the Authority to breach any of its applicable obligations under the Data Protection Legislation.
- 37.5 The Contractor shall fully indemnify and keep the Authority indemnified against all claims, demands, actions, costs, expenses, losses and damages arising from or incurred by reason of any loss, damage or distress suffered by any person as a result of the loss, destruction or unauthorised disclosure of, or unauthorised access to, Personal Data by the Contractor or any Contractor Personnel as a result of any failure to comply with the provisions of this clause.
38. **Freedom of Information**
- 38.1 The Contractor acknowledges that the Authority is subject to the requirements of the FOIA and the Environmental Information Regulations and shall facilitate the Authority's compliance with its Information disclosure requirements pursuant to the same in the manner provided for in clauses 38.2 to 38.7 (inclusive).
- 38.2 Where the Authority receives a Request for Information in relation to Information that the Contractor is holding on its behalf and which the Authority does not hold itself the

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Authority shall refer to the Contractor such Request for Information that it receives as soon as reasonably practicable and in any event within five (5) Business Days of receiving a Request for Information and the Contractor shall:

- (A) provide the Authority's Representative with a copy of all such Information in the form that the Authority's Representative requires as soon as reasonably practicable and in any event within ten (10) Business Days (or such other period as the Authority acting reasonably may specify) of the Authority's request; and
- (B) provide all necessary assistance as reasonably requested by the Authority's Representative in connection with any such Information, to enable the Authority to respond to a Request for Information within the time for compliance set out in Section 10 of the FOIA or Regulation 5 of the Environmental Information Regulations (as applicable).

38.3 Following notification under clause 38.2, and up until such time as the Contractor has provided the Authority's Representative with all the Information specified in clause 38.2(A), the Contractor may make representations to the Authority's Representative as to whether or not or on what basis Information requested should be disclosed, and whether further information should reasonably be provided in order to identify and locate the Information requested, provided always that the Authority shall be responsible for determining at its absolute discretion:

- (A) whether Information is exempt from disclosure under the FOIA and the Environmental Information Regulations; and
- (B) whether Information is to be disclosed in response to a Request for Information,

and in no event shall the Contractor respond directly, or allow its sub-contractors to respond directly, to a Request for Information unless expressly authorised to do so by the Authority's Representative.

38.4 The Contractor shall ensure that all Information held on behalf of the Authority is retained for disclosure for at least six (6) years (from the date it is acquired) and shall permit the Authority to inspect such Information as requested from time to time.

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- 38.5 The Contractor shall transfer to the Authority any Request for Information received by the Contractor as soon as practicable and in any event within two (2) Business Days of receiving such Request for Information.
- 38.6 The Contractor acknowledges that any lists provided by it listing or outlining Confidential Information are of indicative value only and that the Authority may nevertheless be obliged to disclose Confidential Information in accordance with the requirements of the FOIA and the Environmental Information Regulations.
- 38.7 In the event of a request from the Authority pursuant to clause 38.2 above the Contractor shall as soon as practicable, and in any event within five (5) Business Days of receipt of such request, inform the Authority of the Contractor's estimated costs of complying with the request to the extent these would be recoverable if incurred by the Authority under Section 12(1) of the FOIA and the Fees Regulations. Where such costs (either on their own or in conjunction with the Authority's own such costs in respect of such Request for Information) will exceed the appropriate limit referred to in Section 12(1) of the FOIA and as set out in the Fees Regulations (the "Appropriate Limit") the Authority shall inform the Contractor in writing whether or not it still requires the Contractor to comply with the request and where it does require the Contractor to comply with the request the ten (10) Business Days period for compliance shall be extended by such number of additional days for compliance as the Authority is entitled to under Section 10 of the FOIA. In such case, the Authority shall notify the Contractor of such additional days as soon as practicable after becoming aware of them and shall reimburse the Contractor for such costs as the Contractor incurs in complying with the request to the extent the Authority is itself entitled to reimbursement of such costs in accordance with the Authority's own FOIA policy from time to time.
- 38.8 The Contractor acknowledges that (notwithstanding the provisions of clauses 6 (Term) and 36 (Confidentiality)) the Authority may, acting in accordance with the Secretary of State for Constitutional Affairs' Code of Practice on the discharge of public authorities' functions under Part I of the Freedom of Information Act 2000 (the "Code"), be obliged under the FOIA, or the Environmental Information Regulations to disclose Information concerning the Contractor or the Project:
- (A) in certain circumstances without consulting with the Contractor; or

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- (B) following consultation with the Contractor and having taken its views into account,

provided always that where clause 38.8(A) applies the Authority's Representative shall, in accordance with the recommendations of the Code, draw this to the attention of the Contractor prior to any disclosure.

39. **Voluntary Termination by the Authority**

39.1 The Authority may terminate this Contract voluntarily either in its entirety or in respect of one or more Categories at any time on or before the Expiry Date.

39.2 If the Authority wishes to exercise its right of termination pursuant to clause 39.1, it must serve a Termination Notice on the Contractor's representative stating:

- (A) that the Authority is exercising such right of voluntary termination;
- (B) whether such right is being exercised in respect of the whole Contract or in respect of one or more Categories (and if so specifying the relevant Categories); and
- (C) that this Contract shall terminate (either in its entirety or in respect of the relevant Categories) on the Termination Date.

39.3 This Contract shall terminate (either in its entirety or in respect of the relevant Categories) on the Termination Date and the provisions of clause 48 (Payments on Termination) and schedule 6 (Payments on Termination) shall apply.

40. **Termination for Contractor Default**

40.1 The Authority may terminate this Contract, in whole or (subject to clause 44 (Partial Termination) in part, at any time on or before the Expiry Date on the grounds of Contractor Default, pursuant to the provisions of this clause 40.

40.2 If a Contractor Default has occurred and the Authority wishes to terminate this Contract pursuant to clause 40.1, it must serve a Termination Notice on the Contractor's Representative stating:

- (A) that the Authority is terminating this Contract for the Contractor Default; and

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- (B) the type and nature of the Contractor Default that has occurred, giving reasonable details;
 - (C) that in the case of any the Contractor Default falling within limbs (A), (G), (I), (J), (K), (M), (N) or (O) of the definition of the Contractor Default this Contract shall terminate on the Termination Date, unless:
 - (1) in the case of a breach under limb (A) of the definition of the Contractor Default the Contractor puts forward an acceptable rectification programme to the Authority within twenty (20) Business Days after the date the Contractor receives the Termination Notice (and implements such programme in accordance with its terms and rectifies the Contractor Default in accordance with the programme);
 - (2) in the case of any the Contractor Default falling within the limbs (G), (I), (J), (K), (M), (N) or (O) of the definition of the Contractor Default, the Contractor rectifies the Contractor Default within 40 Business Days after the date the Contractor receives the Termination Notice; or
 - (D) in the case of any Contractor Default falling within limbs (A), (D), (F), (H), (K), or (N), of the definition of the Contractor Default, whether such right is being exercised in respect of the whole Contract or in respect of one or more Categories or Sub-Categories (and if so specifying the relevant Categories or Sub-Categories);
 - (E) that in the case of any other Contractor Default (not being limbs (A), (G), (I), (J), (K), (M), (N) or (O)), this Contract shall terminate on the Termination Date.
- 40.3 If the Contractor either rectifies the Contractor Default within the time period specified in the Termination Notice, or implements the accepted rectification programme, if applicable, in accordance with its terms, the Termination Notice shall be deemed to be revoked and this Contract shall continue.
- 40.4 If:
- (A) in the case of a Contractor Default within limb (A) of the definition of that term no acceptable rectification programme has been put forward pursuant

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to clause 40.2(C)(1) and the Contractor fails to rectify within the time period specified in the Termination Notice; or

- (B) in the case of a Contractor Default falling within the limbs (G), (I), (J), (K), (M), (N) or (O) of the definition of the Contractor Default, the Contractor fails to rectify the Contractor Default within the time period specified in the Termination Notice,

the Authority may give notice stating that this Contract will terminate (either in respect of the whole Contract or in respect of one or more Categories or Sub-Categories as specified in the Termination Notice) on the Termination Date.

40.5 If the Contractor fails to implement any rectification programme in accordance with its terms, this Contract will terminate (either in respect of the whole Contract or in respect of one or more Categories or Sub-Categories as specified in the Termination Notice) on the Termination Date after notification by the Authority to the Contractor of such failure to implement the rectification programme in accordance with its terms.

40.6 The provisions of clause 48 and schedule 6 (Payments on Termination) shall apply.

41. **Persistent Breach**

41.1 If a particular breach (other than a breach for which Performance Failure Deductions or Withheld Payments have or could have been imposed) has continued for more than twenty (20) Business Days or occurred more than six (6) times in any three (3) month period, then the Authority's Representative may serve a notice on the Contractor's Representative:

- (A) specifying that it is a formal warning notice; and
- (B) giving reasonable details of the breach;
- (C) stating that the breach is a breach which, if it recurs frequently or continues, may result in loss or deferral of the Reward Fee or removal of Exclusivity pursuant to clause 84.3(D) (Exclusivity).

42. **Termination for Force Majeure Event**

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- 42.1 The Authority may terminate this Contract in whole or in part, at any time on or before the Expiry Date on the grounds of a Force Majeure Event, pursuant to the provisions of this clause 42.
- 42.2 If no terms, pursuant to clause 87 (Force Majeure Events), are agreed to address the consequences of the Force Majeure Event on or before the date falling 190 Business Days after the date of the commencement of the Force Majeure Event and such Force Majeure Event is continuing or its consequence remains such that the Affected Party is unable to comply with its obligations under this Contract for a period of more than 250 Business Days, then, subject to clause 42.3, either Party may terminate this Contract by giving twenty (20) Business Days' written notice to the other Party.
- 42.3 If the Contractor gives notice to the Authority under clause 42.2 that it wishes to terminate this Contract, then the Authority has the option either to accept such notice or to respond in writing on or before the date falling ten (10) Business Days after the date of its receipt stating that it requires this Contract to continue. If the Authority gives the Contractor such notice of continuance, then:
- (A) the Authority shall pay to the Contractor the Monthly Payment from the day after the date on which this Contract would have terminated under clause 42.2 as if the Services were being fully provided; and
 - (B) this Contract shall not terminate until expiry of written notice (of at least twenty (20) Business Days) from the Authority to the Contractor that it wishes this Contract to terminate.
- 42.4 This Contract shall terminate twenty (20) Business Days after the Authority's notice to the Contractor pursuant to clause 42.2 or forthwith on the Authority's notice to the Contractor pursuant to clause 42.3.
- 42.5 **Partial Termination on Force Majeure**
- Subject to clause 87.4(B)(1) (Force Majeure Events), if only a single site is affected by a Force Majeure Event which continues for the time periods set out in clause 42.2 above, then the Authority may at its sole discretion, partially terminate this Contract so that the services provided at the affected site are discontinued.

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42.6 Where termination for a Force Majeure Event occurs in accordance with clause 42.5 above then the Parties shall agree any revision to the provision of the Services pursuant to an Authority Change in accordance with schedule 24 (Change Procedure).

42.7 If this Contract is terminated under this clause 42, no compensation shall be payable by either Party to the other.

43. **Termination for Prohibited Acts**

43.1 If the Contractor or any Sub-contractor or anyone employed by or acting on behalf of any of them commits a Prohibited Act, the Authority may serve an Authority Termination Notice on the Contractor terminating this Contract or any relevant specified part of parts of the Services in accordance with the following provisions:

- (A) if the Prohibited Act is committed by the Contractor or by an employee not acting independently of the Contractor, the Authority may serve a Termination Notice on the Contractor and this Contract will terminate on the Termination Date;
- (B) if the Prohibited Act was committed by an employee of the Contractor acting independently of the Contractor, the Authority may serve a Termination Notice on the Contractor, and this Contract will terminate unless within thirty (30) Business Days of receipt of the Termination Notice the Contractor terminates or procures the termination of the relevant employee's employment and (if necessary) procures the performance of such part of the Services by another person;
- (C) if the Prohibited Act is committed by a Sub-contractor or by an employee of that Sub-contractor not acting independently of that Sub-contractor, the Authority may serve a Termination Notice on the Contractor, and this Contract will terminate unless within thirty (30) Business Days of receipt of the Authority Termination Notice the Contractor terminates the relevant Sub-contract and procures the performance of such part of the Services by another person;

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- (D) if the Prohibited Act is committed by an employee of a Sub-contractor acting independently of and without the knowledge of that Sub-contractor, the Authority may serve a Termination Notice on the Contractor, and this Contract will terminate unless within thirty (30) Business Days of receipt of the Termination Notice the Sub-contractor terminates the relevant employee's employment and (if necessary) procures the performance of such part of the Services by another person; and
- (E) if the Prohibited Act is committed by any other person not specified in clauses 43.1(A) to 43.1(D), the Authority may serve a Termination Notice on the Contractor, and this Contract will terminate unless within thirty (30) Business Days of receipt of the Authority Termination Notice the Contractor procures the termination of such person's employment and of the appointment of their employer (where not employed by the Contractor or the Sub-contractors) and (if necessary) procures the performance of such part of the Services by another person.

43.2 Any Termination Notice under this clause 43 shall additionally specify:

- (A) the nature of the Prohibited Act unless, in the case of a Breach of Security, a Senior Civil Servant in its absolute discretion considers that disclosure of the nature of the Breach of Security is not in the interests of national security;
- (B) the identity of the party whom the Authority believes has committed the Prohibited Act; and
- (C) the date on which this Contract or the specified part or parts of the Services will terminate.

43.3 In this clause 43, the expression "not acting independently of" (when used in relation to the Contractor or a Sub-contractor) means and shall be construed as acting with the authority of or knowledge of any one or more of the directors of the Contractor or the Sub-contractor (as the case may be).

43.4 The provisions of clause 48 (Payments on Termination) and schedule 6 (Payments on Termination) shall apply.

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44. **Partial Termination**

- 44.1 The Authority shall be entitled to terminate any part or parts of the Services ("Partial Termination") in accordance with the provisions set out in clauses 39 (Voluntary Termination by the Authority), 40 (Termination for Contractor Default) (save for limbs (B), (C), (E), (G), (I), (J), (L), (M) or (O) of the definition of Contractor Default, to which the right of Partial Termination does not apply), 42 (Termination for Force Majeure Event) and 43 (Termination for Prohibited Acts), in relation to a Category or Sub-Category.
- 44.2 In the event that the Authority serves a Termination Notice requiring Partial Termination then, subject to clause 48 (Payments on Termination), the consequences of such Partial Termination shall be dealt with in accordance with schedule 24 (Change Procedure) as an Authority Change, provided that paragraph 3.2(D)(2) of schedule 24 (Change Procedure) shall not apply.
- 44.3 The provisions of clause 48 (Payments on Termination) shall apply to a Partial Termination but only to the extent that the Services have been terminated.

45. **Effect of Termination and Exit Plan**

- 45.1 The Parties shall comply with their respective obligations set out in schedule 5 (Exit Management) and the Exit Plan.
- 45.2 The Exit Plan shall be updated by the parties at the same time as each Annual Plan is developed.
- 45.3 Following service of a Termination Notice, this Contract shall terminate on the Termination Date.
- 45.4 On expiry or termination the Contractor shall prepare and carry out a training programme for certain personnel as required by the Authority for the purposes of any transfer of the Services.
- 45.5 The Contractor acknowledges that, notwithstanding any of the Authority's obligations of confidentiality under this Contract, the Authority may at any time disclose the Exit

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Plan to third parties who are tendering or involved in the tendering process for the re-let of the Services or substantially similar services on termination or expiry of this Contract.

- 45.6 When requested by the Authority prior to expiry or termination of the Contract, this Contractor shall provide the Authority with all material and information necessary in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential new service provider undertaking due diligence.

45.7 Duty to Co-operate

On or before a date falling no later than eighteen months before the Expiry Date or during the period of any Termination Notice and in either case for a reasonable period thereafter, the Authority's Representative shall notify the Contractor as to whether the Authority wishes to retender the Services.

- 45.8 During the final six months before the Expiry Date or during the period of any Termination Notice, the Contractor shall co-operate fully with the transfer of responsibility for the Services (or part of the Services) from the Contractor to any Replacement Contractor or to the Authority, in accordance with the Exit Obligations set out in paragraph 4.3 of schedule 5 (Exit Management).

45.9 Transfer of Responsibility

The Contractor shall use all reasonable endeavours so as to facilitate the smooth transfer of responsibility for the Services to a Replacement Contractor or to the Authority, as the case may be, and the Contractor shall take no action at any time during the Contract Period or thereafter which is calculated or intended, directly or indirectly, to prejudice or frustrate or make more difficult such transfer.

45.10 Costs of Retendering

The Authority shall bear all its own costs of retendering this Contract on expiry.

46. Continuing Obligations

- 46.1 Notwithstanding the termination of this Contract for any reason, this Contract shall continue in force to the extent necessary to give effect to those of its provisions which

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expressly or by implication have effect after termination and which for the avoidance of doubt shall include the following:

- (A) the provisions of clauses 1 (Definitions), 2 (Interpretation), 3 (Precedence of Documents), 10 (Open Book Accounting), 12 (Auditing), 19 (Contractor Indemnities), 20 (Conduct of Indemnity Claims), 21 (Contractor's Claims in Relation to this Contract), 23 (Limitations on Claims), 23A (Limitation on Contractor's Liability), 24 (Insurance), 25 (Environment), 26 (Health and Safety), 28 (Dispute Resolution), 29 (Employment Arrangements), 36 (Confidentiality), 37 (Data Protection), 38 (Freedom of Information), 48 (Payments on Termination), 52 (Public Relations and Publicity), 55 (Notices to Representatives), 58 (Waivers), 60 (Entire Agreement), 62 (Severability), 63 (Third Party Rights), 65 (Governing Law and Jurisdiction), 70 (Pricing), 71 (Key Performance Indicators), 77 (Contractor and Parent Company Guarantees and Contractor Security), 79 (Intellectual Property), and paragraphs 1.1, 2.3, 2.4, 2.8, 2.9, 3.1, 3.2, 3.6, 4.1, 5.1, 8.3, 8.4, 8.5, 9, 10, 11.4, 12, 13, 14, 15.1, 16.1, 16.2 and 16.4 of schedule 36 (IPR); and
- (B) the provisions of schedules 1 (Definitions), 5 (Exit Management), 6 (Payments on Termination), 9 (Audit), 13 (Dispute Resolution), 21 (Financial Model), 25 (Performance Regime), 27 (Security), 29 (Transparency), 30 (Open Book Accounting, Records and Reporting) and 40 (Payment); and
- (C) the Exit Plan.

47. **Accrued Rights**

Save as expressly provided, the termination of this Contract or its expiry (either in its entirety or in respect of one or more Categories or Sub-Categories) shall be without prejudice to any accrued rights or obligations under this Contract prior to such termination or expiry.

48. **Payments on Termination**

- 48.1 If this Contract is terminated pursuant to clause 40 (Termination for Contractor Default) or clause 43 (Termination for Prohibited Acts):

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- (A) other than in relation to the Termination Compensation payable pursuant to paragraph 4 (Termination for Failure to Implement Schedule of Rates Pricing) of schedule 6 (Payments on Termination) the Authority shall not make any payment of Termination Compensation or other payment of any kind to the Contractor in respect of the early termination of this Contract;
 - (B) the Contractor shall not be entitled to claim any damages or indemnities in respect of losses due to termination or the events giving rise to termination; and
 - (C) the Contractor shall pay the Termination Payment to the Authority in accordance with clause 40 (Termination for Contractor Default) or paragraph 2 (Contractor Default or Prohibited Acts Termination) of schedule 6 (Payments on Termination).
- 48.2 If this Contract is terminated pursuant to clause 39 (Voluntary Termination by the Authority) the Authority shall pay Termination Compensation to the Contractor in accordance with paragraph 3 (Authority Voluntary Termination) of schedule 6 (Payments on Termination).
49. **Sole Remedy**
- 49.1 Subject to clause 47 (Accrued Rights), any payments made pursuant to schedule 6 (Payments on Termination) shall be the Contractor's sole payment and remedy and shall be in full and final settlement of any claim, demand and/or proceedings of the Contractor in relation to the termination of this Contract pursuant to clause 39 (Voluntary Termination by the Authority), clause 40 (Termination for Contractor Default), clause 42 (Termination for Force Majeure Event), and clause 43 (Termination for Prohibited Acts), and the Contractor shall be excluded from all other rights and remedies it would otherwise have been entitled to in respect of such termination.
- 49.2 The operation of this clause 49 shall not affect the other rights and remedies of the Authority.
50. **Assignment**
- 50.1 **Binding on Successors and Assigns**

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50.2 This Contract shall be binding on the Contractor and the Authority and their respective successors and permitted assigns.

50.3 Assignment by the Contractor

- (A) The Contractor shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights and obligations under this Contract without the prior written consent of the Authority.
- (B) In circumstances where the Authority gives its prior written consent under clause 50.3(A) to an assignment or novation by the Contractor it may impose conditions on such consent, including the provision of a guarantee substantially in the form of the Parent Company Guarantee from the parent company of the assignee or novatee together with, where the parent company is incorporated outside the United Kingdom, a legal opinion in form and substance satisfactory to the Authority from an independent legal adviser qualified to practice in the jurisdiction in which such parent company is established and has its head office.
- (C) The provisions of this Contract, including any clauses concerning payment, shall continue to apply in all other respects after the assignment and shall not be amended without the prior approval of the Authority.

50.4 Assignment by the Authority

- (A) The Authority shall not assign, novate or otherwise transfer such rights and obligations to any other person without the prior written consent of the Contractor (not to be unreasonably withheld or delayed), other than:
 - (1) to a minister of the Crown; or
 - (2) to any other public body or person, provided that in such a case the assignee's or transferee's obligations are unconditionally and irrevocably guaranteed for the remainder of the Contract Period by the Authority or a Minister of the Crown having the legal capacity, power and authority to perform the obligations under the guarantee and the obligations of the Authority under this Contract.

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51. **Appointment of Managing Contractor**

At any time during the Contract Period, the Authority may appoint any private or public sector person or body (including any contractor that is given the responsibility for managing and integrating the delivery of this Agreement and other services or Authority agreements) as its Managing Contractor to manage all or any part of this Agreement for the Authority, and to exercise the Authority's rights and carry out the Authority's obligations under this Agreement on behalf of and for the benefit of the Authority, and any such person or body shall be an Authority Representative.

52. **Public Relations and Publicity**

52.1 The Contractor shall not by itself, its employees or agents, and shall procure that its Sub-contractors shall not:

- (A) communicate with representatives of the press, television, radio or other communications media on any matter concerning this Contract; or
- (B) photograph or film in or upon any Authority Sites; or
- (C) erect or exhibit on any part of the Authority Sites any signs or trade boards; or
- (D) exhibit or attach to any part of the Authority Sites any notice or advertisement,

unless the Authority's Representative has given its prior written consent or as otherwise required to comply with Legislation.

53. **Contractor Representative**

53.1 The Contractor shall appoint an identified individual or individuals to act as the Contractor Representative in connection with the provision of the Services and more generally in connection with this Contract and shall notify the Authority in writing of the name and contact details of the Contractor Representative from time to time.

53.2 The Contractor shall ensure that at least one member of the senior management team of the Contractor is available at all times (24 hours a day, 7 days a week, 52 weeks a year) who is able to make decisions about any issues that may arise and is

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authorised to issue instructions to the Contractor Personnel. Save where this person is the Contractor Representative, he or she shall not be authorised to agree amendments to this Contract.

- 53.3 The Contractor Representative shall have full authority to act on behalf of the Contractor for all purposes of this Contract. Unless notified in writing before such act or instruction, the Authority shall be entitled to treat any act of the Contractor Representative as being expressly authorised by the Contractor and the Authority shall not be required to determine whether authority has in fact been given by the Contractor.
- 53.4 The Contractor shall ensure that the Contractor Representative acts in accordance with the Contractor Representative's powers and performs the functions of the Contractor set out in this Contract.
- 53.5 No-one other than the Contractor Representative is authorised to agree amendments to this Contract on behalf of the Contractor.
- 53.6 The Contractor may by written notice to the Authority appoint a different person to act as the Contractor Representative or appoint more than one Contractor Representative. If more than one Contractor Representative is appointed, the Contractor shall provide with the notice of appointment written confirmation to the Authority of the extent of each such person's authority, and each such person's appointment shall not be effective until such confirmation is provided to the Authority.
- 53.7 During any period when the Contractor's Representative is unable, whether through illness, incapacity, holiday or any other reason, to carry out or exercise his functions under this Contract, the Contractor Representative may, with the Authority's prior written approval, delegate his functions to another person by giving the Authority written notice of the identity of such person and the extent of his authority. When the Contractor Representative is again able to carry out or exercise such functions he shall promptly revoke such delegation by written notice to the Authority.

54. **Authority Representative**

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- 54.1 The Authority shall appoint one or more persons to be Authority Representatives and shall notify the Contractor in writing of the name and contact details of the Authority Representatives from time to time.
- 54.2 The Authority Representatives shall have full authority to act on behalf of the Authority for all purposes of this Contract, unless otherwise notified in writing to the Contractor. Unless notified in writing before such act or instruction, the Contractor shall be entitled to treat any act of an Authority Representative as being expressly authorised by the Authority and the Contractor shall not be required to determine whether authority has in fact been given by the Authority.
- 54.3 The Authority may by written notice to the Contractor appoint a different person to act as an Authority Representative or appoint additional Authority Representatives. If more than two Authority Representatives are appointed, the Authority shall provide with the notice of appointment written confirmation to the Contractor of the extent of each such person's authority (and each such person's appointment shall not be effective until such confirmation is provided to the Authority).
- 54.4 During any period when any one of the Authority Representatives is unable, whether through illness, incapacity, holiday or any other reason, to carry out or exercise its functions under this Contract, that Authority Representative may delegate those functions to another person by giving the Contractor written notice of the identity of such person and the extent of his authority. Once such Authority Representative is again able to carry out or exercise such functions he shall promptly revoke such delegation by written notice to the Contractor.

55. **Notices to Representatives**

- 55.1 Subject to clause 56 (Notices), any notice, information, instructions or communication given:
- (A) to the Contractor Representative shall be deemed to have been given to the Contractor; and
 - (B) to the Authority Representative shall be deemed to have been given to the Authority.

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55.2 The Authority shall not be responsible for any notice, communication or other purported instruction required to be given under this Contract given by a person alleging to act for and on behalf of the Authority unless such person is one of the Authority Representatives. Accordingly, the Contractor shall not be entitled to rely on any such notice, communication or purported instruction and shall not do so or claim relief, additional time, losses, expenses, damages, costs or other liabilities should the Contractor act on or fail to act on it.

56. **Notices**

56.1 Any notice required to be given under or in connection with this Contract shall be:

- (A) in writing;
- (B) authenticated by signature or by such other method as agreed between the Parties;
- (C) marked for the attention of the relevant recipient identified in this Contract or as notified for this purpose; and
- (D) marked in a prominent position with the reference number of this Contract.

56.2 A notice shall be delivered by hand, recorded delivery or registered post, save as otherwise expressly provided in this Contract or as agreed by the Parties in writing, shall be sent to the relevant address below:

Authority

Contractor

Address:

Address:

DSG Land Equipment Service Provision
and Transformation Contract
Land Equipment Headquarters
Spruce 2c #1216
MOD Abbey Wood
Bristol
BS34 8JH

Sedgemoor Building, Monxton Road,
Andover, Hampshire HP11 8HT

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For the Attention of: [REDACTED] For the Attention of: Commercial
[REDACTED] Director - Babcock DSG Limited

Email:

Email:

[REDACTED]

[REDACTED]

56.3 Either Party may change its nominated address, facsimile number or telephone number by prior written notice to the other Party's Representative.

56.4 A notice shall be deemed to have been received:

(A) if delivered by hand, on the day of delivery if it is the recipient's Business Day and otherwise on the first Business Day of the receipt immediately following the day of delivery;

(B) if sent by recorded delivery or registered post, the earlier of actual receipt and five (5) Business Days from the date of posting.

56.5 The address of the Authority's Bill Paying Branch is as follows:

Bill Paying Branch

Ministry of Defence

[REDACTED]

DBS Finance

[REDACTED]

Walker House

Exchange Flags

Liverpool

L2 3YL

57. **No Recourse to Public Funds**

57.1 The Contractor shall at all times perform its obligations under this Contract at its own risk and without recourse to Government or other public funds or guarantees now or in the future, save as contemplated by clause 57.2 or elsewhere in this Contract or with the prior written approval of the Authority.

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57.2 Subject to clause 57.1, the Contractor confirms that it has not applied and has no intention (as at the Commencement Date) of applying for any Government or European Union grants or funding or any other public funds or guarantees for the purpose of performing its obligations under this Contract. If the Contractor is or becomes entitled to apply for any such grants or funding in relation to the carrying out of any of the Services the Contractor shall inform the Authority and obtain its consent before submitting the relevant application. The Authority's consent to the Contractor's application will be given on condition that, should the Contractor receive any such grant or funding the payments made by the Authority to the Contractor in accordance with this Contract will be reduced by the amount of the grant or funding.

57.3 The provisions of clause 57.2 shall not apply to any grants or funding which may be or become available in relation to land or buildings.

58. Waivers

58.1 No waiver by either Party of any Default by the other in the performance of any of the provisions of this Contract shall operate or be construed as a waiver of any other or further Default whether of a like or different character.

58.2 No failure to exercise or delay in exercising by either Party of any right, power, privilege, entitlement or remedy under or in connection with this Contract and nothing said, done or written by any person, or omitted to be said, done or written by any person including any servant or agent of either Party, shall in any way affect the rights of that Party, or modify, affect, reduce or extinguish the obligations and liabilities under this Contract of the other Party, or be deemed to be a waiver or release of any of the rights or remedies of the relevant Party.

58.3 No single or partial exercise of any right, power, privilege, entitlement or remedy under this Contract shall prevent any further or other exercise of that right, power, privilege, entitlement or remedy or the exercise of any other right or remedy.

58.4 Subject to clause 22 (Authority's Claims in relation to Service Failure) and clause 23 (Limitation on Claims), where in this Contract any obligation of a Party is to be performed within a specified time limit that obligation shall be deemed to continue after that time limit if the Party fails to comply with that obligation within the time limit

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without detriment to the other Party's rights, powers, privileges, entitlements or remedies in respect of such failure to comply.

58.5 Any waiver or release of any right or remedy of either Party must be specifically granted in writing signed (for the Authority) by the Authority Representative or (for the Contractor) by the Contractor Representative, and shall:

- (A) be confined to the specific circumstances in which it is given;
- (B) not affect any other enforcement of the same or any other right; and
- (C) (unless it is expressed to be irrevocable) be revocable at any time in writing.

58.6 Nothing in this Contract, and no act or omission by or on behalf of the Authority (including any acceptance, approval or consent by the Authority and any failure to comment, reject or object), shall imply that the Authority makes any admission, concession, representation or warranty of whatsoever nature as to the value, design, construction, maintenance, operation or fitness for use of any of the Services or any part of them, or shall be deemed to prejudice or impair the Authority's rights in any way.

59. **Capacity of the Authority**

Save as otherwise expressly provided, the obligations of the Authority under this Contract are obligations of the Authority in its capacity as a contracting counterparty and nothing in this Contract shall operate as an obligation upon, or in any other way fetter or constrain the Authority in any other capacity, nor shall the exercise by the Authority of its duties and powers in any other capacity lead to any liability under this Contract (howsoever arising) on the part of the Authority to the Contractor.

60. **Entire Agreement**

60.1 This Contract, along with the Business Transfer Agreement, the Share Purchase Agreement, the Shared Services Agreement, the Leases (as defined in the Business Transfer Agreement), the Option Agreement and the Environmental Deed, together

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with any documents referred to in this Contract, constitutes the entire agreement and understanding between the Parties as to its subject matter and supersedes all previous understandings and undertakings in such respect.

60.2 Subject to clause 60.3, each of the Parties acknowledges that it did not enter into this Contract on the basis of and does not rely, and has not relied, on any assumption, statement or representation (whether negligent or not) or warranty or other provision (in any case whether oral, written, express or implied) made or agreed to by any person (whether a Party to this Contract or not) except as expressly stated in this Contract, the Business Transfer Agreement, Share Purchase Agreement, the Shared Services Agreement, the Leases (as defined in the Business Transfer Agreement), the Environmental Deed and the Option Agreement and it shall have no remedy in respect of any misrepresentation or untrue statement made to it save as expressly provided in this Contract, the Business Transfer Agreement or Share Purchase Agreement.

60.3 Clause 60.2 shall not apply to any statement, representation or warranty made fraudulently, or to any provision of this Contract which was induced by fraud.

60.4 This Contract may not be amended except by the written agreement of the duly authorised representatives of the Parties.

61. **Independent Contractor**

61.1 No provision of this Contract shall be construed as a delegation by the Authority of any of its statutory authority to the Contractor.

61.2 Save in relation to performing the Services set out in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of schedule 2 (Statement of Requirements), the Contractor shall at all times be an independent contractor, and nothing in the Contract shall be inferred or construed as constituting a partnership, joint venture, representative, agency or employer and employee relationship between the Authority and the Contractor or any of the Contractor Personnel.

61.3 Save as otherwise expressly provided in this Contract, the Authority does not authorise the Contractor to enter into or purport to enter into, or terminate or purport

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to terminate, any binding contracts or other obligations on the Authority's behalf, as agent for the Authority or otherwise. The Contractor shall not enter into or purport to enter into, or terminate or purport to terminate, any such contracts or other obligations or bind the Authority in any way, and shall not represent to any person that it has authority to do so or hold itself out as having such authority.

61.4 Save as otherwise expressly provided in this Contract, neither the Contractor nor any Sub-contractor nor any the Contractor Personnel shall at any time hold himself or herself out to be employees of the Authority, and neither the Contractor nor any Sub-contractor nor any member of the Contractor Personnel shall be entitled to any of the benefits provided by the Authority to its established or unestablished officers and staff.

61.5 Each Party shall bear its own costs arising out of or in connection with the preparation, negotiation and entering into of this Contract.

62. **Severability**

62.1 Each provision of this Contract (including each provision in each of the schedules) is severable and distinct from the others. The Parties intend that every such provision shall be and remain valid and enforceable to the fullest extent permitted by Law. If any such provision is or at any time becomes to any extent invalid, illegal or unenforceable under any enactment or rule of law it shall to that extent be deemed not to form part of this Contract. The remaining provisions of this Contract shall continue in full force and effect and their validity, legality and enforceability shall not therefore be affected or impaired.

62.2 If a provision of this Contract is held to any extent to be invalid, the Parties shall as soon as reasonably practicable, commence negotiations in good faith to remedy that invalidity.

63. **Third Party Rights**

63.1 Subject to clause 63.2, a person who is not party to this Contract (save for any assignee pursuant to clause 50.3 (Assignment by the Contractor)) will have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Contract.

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63.2 A Former Authority Employee who is named in a Pension Direction may enforce against the Contractor any rights under this Contract in connection with membership or continued membership of the NHS Pension Scheme but the consent of any such Former Authority Employee to any variation or rescission of this Contract is not required.

64. **Counterparts**

This Contract may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument.

65. **Governing Law and Jurisdiction**

65.1 This Contract and any non-contractual obligations arising from or connected with it shall be governed by English law and this Contract shall be construed in accordance with English law.

65.2 In relation to any legal action or proceedings arising out of or in connection with this Contract (whether arising out of or in connection with contractual or non-contractual obligations), each of the parties irrevocably submits to the exclusive jurisdiction of the English courts. Any proceeding, suit or action arising out of or in connection with this Contract shall be brought only in the courts of England.

65.3 Other jurisdictions may apply solely for the purpose of giving effect to this clause 65 and for the enforcement of any judgement, order or award given under English jurisdiction.

66. **Business Continuity and Disaster Recovery**

The Parties shall have the rights and shall perform the obligations set out in schedule 18 (Business Continuity Plan).

67. **Other Contracts with the Crown**

67.1 Except as otherwise agreed in writing by the Parties, if the Contractor shall enter into any other contract with the Crown relating in any way to the subject matter of this Contract, then, no breach by the Crown of that other contract nor any other act or omission nor any written or oral statement nor any representation whatsoever of or

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by the Crown, its servants or agents or other contractors relating to or connected with any other contracts as aforesaid shall, regardless of any negligence on its part or their part:

- (A) give the Contractor any right under this Contract to an extension of time or additional payment or damages or any other relief or remedy whatsoever against the Authority; or
- (B) affect, modify, reduce or extinguish either the obligations of the Contractor or the rights or remedies of the Authority (including without limitation the right to liquidated damages under this Contract); or
- (C) be taken to amend, add to, delete or waive any term or condition of this Contract.

68. **Conflicts of Interest**

- 68.1 The Contractor shall comply with the Public Contracts Regulations 2015 ("PCR") or the Defence and Security Public Contracts Regulations 2011 ("DSPCR") (as appropriate) in relation to any contract it awards under Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of schedule 2 (Statement of Requirements) for the provision of works, goods or services within the meaning of the PCR and DSPCR. Whether each contract will be subject to the PCR or the DSPCR (the "Regulations") and which set of Regulations shall apply in respect of such contract shall be determined by the Authority.
- 68.2 Where the PCR or DSPCR apply, and prior to the Contractor engaging with a potential supplier in relation to a contract, the Contractor shall be required to obtain prior written approval from the Authority before placing any contract pursuant to the Contract with a value exceeding the relevant threshold under the Regulations for the application of the Regulations to that contract over the likely duration of the planned purchase/repair arrangement. Where appropriate, a Voluntary Transparency Notice shall be published in accordance with the relevant Regulations and/or Authority guidance.
- 68.3 The Contractor shall be required to adhere to the process set out in schedule 4 (Service Delivery Plan) in relation to managing conflicts of interest under this

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Contract in order to assure the Authority that appropriate measures have been put in place to prevent an inadvertent breach of the PCR and/or DSPCR and in relation to contracts which fall outside of the PCR and DSPCR.

68.4 The Contractor shall:

- (A) not misuse data/information from or about its customers or its actual potential suppliers, or collude with any third party to do so;
- (B) maintain effective policies, codes of conduct, staff terms and conditions and systems and controls to prevent any such misuse or collusion; and
- (C) ensure a zero tolerance approach to the misuse of such data and information.

68.5 **Procurement of Contracts and Conflicts of Interest**

- (A) Without prejudice to clause 68.4 above, the Contractor which, for the purposes of this clause 68 (Conflicts of Interest) only, shall mean, the Contractor excluding its Procurement Department shall not:
 - (1) improperly communicate any information or data in its possession or control (including information from or about its customers or its actual or potential suppliers or any Authority contractors or suppliers) to any bidder for any contract or its Procurement Department (including any contract relating to the Services or in connection with the Services) which is not also communicated to the other bidders for that contract; or
 - (2) misuse such information or data in any way which could prejudice bidding for or the award of such a contract or otherwise adversely affect any actual or potential contractor or supplier, or
 - (3) collude with any other person to do so.
- (B) The Contractor shall maintain effective policies, procedures, information barriers, codes of conduct, staff terms and conditions (including disciplinary sanctions and post-termination obligations) and systems and controls to

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prevent any improper communication, misuse or collusion referred to in clause 68.5(A) including:

- (1) maintaining IT security, firewalls and other procedures necessary to prevent such abuse by means of IT systems;
- (2) ensuring that the directors of the Contractor always treat any misuse of such data or information as a serious disciplinary matter, and that it is clearly understood by all employees, agents, consultants and Sub-contractors of the Contractor that any such misuse will have serious disciplinary consequences; and
- (3) being mindful at all times of the need to avoid both actual and perceived risks of such misuse and taking such steps as may be necessary or desirable to avoid such risks.

(C) Where a potential bidder notifies the Contractor or the Authority that it has reasonable grounds for believing that its commercial interests may be jeopardised by an actual or potential conflict of interest in the conduct of a competition to procure a contract, the Contractor shall invite the potential bidder to make formal written representations to the Contractor as to any changes it considers to be necessary to the competition procedures. The Contractor shall:

- (1) notify the Authority of any such representations; and
- (2) consider them fairly and impartially and take such steps as may be required to avoid any conflict of interest,

and the Contractor shall notify the Authority of any such steps, the reasons for them and the progress in implementing such steps. The Contractor shall ensure that procurement documents issued to potential bidders inform them of the process set out in this clause 68.5(C).

(D) The Authority shall have the right to conduct its own investigation into the procurement of any contract under the terms of this Contract which may include (but not be limited to) the right to:

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- (1) request explanations in respect of conduct or otherwise from the Contractor or a potential bidder;
- (2) request information from or require access to information held by the Contractor or a potential bidder; and/or
- (3) monitor compliance with the obligations set out in clauses 68.5(A) to 68.5(C) above;

68.6 Notwithstanding clause 68.5(D) above, the Authority shall have the right to conduct an audit of the procurement of a contract under the terms of this Contract in accordance with schedule 9 (Audit).

Contractor's Procurement Department

68.7 The Contractor shall ensure that its Procurement Department shall not:

- (A) improperly communicate any information or data in its possession or control (including information from or about its customers or its actual or potential suppliers or any Authority contractors or suppliers) to any other department of the Contractor in relation to any contract (including any contract relating to the Services or in connection with the Services) which is not also communicated to bidders for that contract; or
- (B) misuse such information or data in any way which could prejudice bidding for or the award of such a contract or otherwise adversely affect any actual or potential contractor or supplier, or
- (C) collude with any other person to do so.

68.8 The Contractor shall ensure that its Procurement Department shall at all times ensure that:

- (A) any information referred to in clause 68.7(A) above is not communicated to any other department of the Contractor until that information is made available during the procurement of any contract; and
- (B) no information relating to the prices and/or terms of a contract placed or managed by the Procurement Department (or offered during the course of

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any procurement managed by the Procurement Department) is communicated to another department of the Contractor.

68.9 The Contractor shall maintain effective policies, procedures, physical and information barriers, codes of conduct, staff terms and conditions (including disciplinary sanctions and post-termination obligations) and systems and controls to prevent any improper communication, misuse or collusion referred to in clause 68.7(A) above including:

- (A) maintaining IT security, firewalls and other procedures necessary to prevent such abuse by means of IT systems;
- (B) ensuring that the directors of the Contractor always treat any misuse of such data or information as a serious disciplinary matter, and that it is clearly understood by all employees, agents and consultants of the Contractor that any such misuse will have serious disciplinary consequences;
- (C) maintaining a physical barrier between the Contractor's Procurement Department and its other departments which shall, as a minimum require the Contractor's Procurement Department to be located entirely separately, for example on a separate floor of an office building, to all other Contractor departments involved in any manner with this Contract; and
- (D) being mindful at all times of the need to avoid both actual and perceived risks of such misuse and taking such steps as may be necessary or desirable to avoid such risks.

68.10 The Authority shall have the right to conduct its own investigation into the procurement of any contract pursuant to this Contract which may include (but not be limited to) the right to:

- (A) request explanations in respect of conduct or otherwise from the Contractor or a potential bidder;
- (B) request information from or require access to information held by the Contractor or a potential bidder; and/or
- (C) monitor compliance with the obligations set out in clauses 68.7(A) to 68.7(C) above.

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68.11 Notwithstanding clause 68.10 above, the Authority shall have the right to conduct an audit of the procurement of a contract pursuant to this Contract in accordance with schedule 9 (Audit).

69. **Tax Compliance**

69.1 If, at any point during the Contract Period, an Occasion of Tax Non-Compliance ("OOTNC") occurs, the Contractor shall:

(A) notify the Authority in writing of such fact within 5 Business Days of its occurrence; and

(B) promptly provide to the Authority:

(1) details of the steps which the Contractor is taking to address the OOTNC and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and

(2) such other information in relation to the OOTNC as the Authority may reasonably require.

69.2 For the avoidance of doubt, the obligation at clause 69.1 also applies to OOTNC in non-UK jurisdictions. If the OOTNC occurred in non-UK jurisdictions, the notification must be accompanied by a full explanation of the OOTNC and any relevant tax laws and administrative provisions so the Authority can understand the nature and seriousness of the OOTNC.

69.3 Promptly upon a request by the Authority, the Contractor shall supply to the Authority a certificate signed by two of its directors or senior officers on its behalf certifying that no OOTNC is continuing, or if a OOTNC is continuing, specifying the OOTNC and the steps, if applicable, being taken to remedy it. This should include any mitigating factors that the Contractor considers relevant.

69.4 Where any OOTNC arises during the performance of this Contract, the Authority shall be entitled to terminate this Contract in accordance with clause 40 (Termination for Contractor Default).

69.5 In exercising its rights or remedies under this clause 69, the Authority shall:

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- (A) act in a reasonable and proportionate manner taking into account, among other things:
 - (1) the gravity and duration of the OOTNC and any sanctions imposed by a court or tribunal; and
 - (2) any remedial action taken by the Contractor to prevent reoccurrence of the OOTNC.
- (B) seriously consider, where appropriate, action other than termination of this Contract to deal with the failure by the Contractor to comply with this clause 69.

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PART A

SECTION 2

70. **Pricing**

70.1 **Capacity Based Pricing**

(A)

- (1) Pricing from the Commencement Date until such time that the Schedule of Rates pricing arrangements described in clause 70.3 (Schedule of Rates Pricing) below are brought into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) will, in respect of all Categories, in Financial Years 1 to 10, be on the basis of a Firm price or Fixed price (exclusive of any Reward Fee described in clause 72 (Tangible Element Reward Fee), clause 73 (Intangible Element Reward Fee) and any Incentivised Fleet Management fee described in clause 70.7 (Incentivised Fleet Management) comprising (i) costs excluding Spares and direct sub-contracts, (ii) estimated Spares and direct sub-contract costs; and (iii) target profit.
- (2) The costs set out in column (i) of Table 70(A) below for each of Financial Years 1 and 2 is a Firm price based on the indicative minimum volume requirements of the Authority as set out in Part A of schedule 20 (Annual Plan) and any additional relevant information set out in schedule 2 (Statement of Requirement - Requirement Volumes). For each of Financial Years 3, 4 and 5, a Firm price in respect of the costs set out in column (i) of Table 70(A) below is based on the indicative volume requirements of the Authority as set out in Part A of schedule 20 (Annual Plan) and any additional relevant information set out in schedule 2 (Statement of Requirement - Requirement Volumes) and subject to variation in accordance with clause 70.1(C). The price in respect of the costs set out in column (i) of Table 70(A) below for the 6th and each subsequent Financial Year is a Fixed price based on the relevant information set out in schedule 2 (Statement of Requirement -

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Requirement Volumes).

(3) Subject to the terms of this Contract, the costs and profit set out in columns (i) and (iii) of Table 70(A) below for each Financial Year:

- (a) will be subject to variation in accordance with clause 70.1(C) and the mechanism set out in clause 70.6 (Indexation Mechanism); but
- (b) will not otherwise be subject to variation except in accordance with schedule 24 (Change Procedure).

Table 70(A)

Financial Year	(i) Costs excluding Spares and direct sub-contracts	(ii) Estimated Spares and direct sub-contract costs / limit of liability	(iii) Target profit (excluding Reward Fee and Incentivised Fleet Management fee	(iv) Available Incentivised Fleet Management fee	(v) Available Reward Fee	
					(v-a) Tangible Element Reward Fee	(v-b) Intangible Element Reward Fee
1						
2						
3						
4				maximum		
5				maximum		
6						

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Financial Year	(i) Costs excluding Spares and direct sub-contracts	(ii) Estimated Spares and direct sub-contract costs / limit of liability	(iii) Target profit (excluding Reward Fee and Incentivised Fleet Management fee	(iv) Available Incentivised Fleet Management fee	(v) Available Reward Fee	
					(v-a) Tangible Element Reward Fee	(v-b) Intangible Element Reward Fee
				maximum		
7	██████	██████	██████	██████ maximum	██████	██████
8	██████	██████	██████	██████ maximum	██████	██████
9	██████	██████	██████	██████ maximum	██████	██████
10	██████	██████	██████	██████ maximum	██████	██████

For the avoidance of doubt, the prices set out in Table 70(A) above represent the Contractor's prices to the Authority for providing the Services under Capacity Based Pricing arrangements and do not reflect or assume the transition to Schedule of Rates, Aspirational Pricing or SSS Arrangements. At each Stage of Transformation, the Contractor shall reduce the price for the provision of the Services to the Authority on a like-for-like basis to reflect the cost savings and/or efficiencies achieved as a consequence of the transition to the new arrangements in accordance with schedule 7 (Transformation Plan).

- (B) The categories of expenditure of the Contractor's costs which will be included in column (i) of Table 70(A) as set out in clause 70.1(A) above, that being, "costs excluding Spares and direct sub-contracts" include the

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following, but only in so far as the amount for any item is directly attributable to the provision of the Services:

(1) Civilian pay

- (a) Civilian pay (including payroll related costs i.e. national insurance and pension costs);
- (b) Overtime (to cover sickness, absence and; based on the agreed demand plan, established shift patterns, known travel time and established out-of-hours working);
- (c) Agency;

(2) Estate costs;

- (a) Estate costs;
- (b) Rent and rates;
- (c) Utilities;
- (d) Communications;
- (e) Other site services;
- (f) Authority provided services;

(3) Operating costs

- (a) IT;
- (b) Maintenance/machinery;
- (c) Consumables;
- (d) Freight and transportation;

(4) Administration costs;

- (a) Consultancy;

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- (b) Travel and subsistence;
 - (c) Training;
 - (d) Insurance;
 - (e) Other (excluding receipts) (costs such as clothing and laundry, environmental licenses, audit fees, administration expenses and welfare services);
 - (5) Depreciation
 - (a) Depreciation – land and buildings;
 - (b) Depreciation – plant, machinery and vehicles;
 - (6) Capitalised operating costs; and
 - (7) Corporate overheads.
- (C) The following provisions shall apply in respect of Requirement volume changes under Capacity Based Pricing:
- (1) **Requirement volume changes as part of the clause 9 (Annual Plan) process:** If as part of the Annual Plan process described in clause 9 (Annual Plan) the Authority either (i) amends any volume or other details for Financial Years 1 to 4 such that these differ from the volume or other details for the same Financial Year in the latest determined Annual Plan, or (ii) amends any volume or other details for Financial Year 5 such that they differ from the relevant volume or other details for the same Financial Year as set out in schedule 2 (Statement of Requirement – Requirement Volumes), by an amount that the Contractor estimates (acting reasonably), on the basis of the assumptions and methodology of the Financial Model, will change the figure for any future Financial Year in Table 70(A) column (i) of clause 70.1(A) by more than two per cent (2%), the Contractor shall advise the Authority's Representative of such estimated change as soon as reasonably practicable. The Contractor shall provide all relevant

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evidence to the Authority to demonstrate the accuracy of the estimated change to the Contractor's costs. Such evidence shall include but shall not be limited to a breakdown of costs in line with those set out in the Financial Model. The Parties shall agree changes to costs excluding Spares and direct sub-contracts as an Authority Change in accordance with schedule 24 (Change Procedure). If the Contractor fails to notify the Authority's Representative of any proposed change in costs excluding Spares and direct sub-contracts within ten (10) Business Days of determination of the relevant Annual Plan in accordance with clause 9 (Annual Plan), the Contractor shall not be entitled to change the figure in column (i) of Table 70(A) for that Financial Year.

- (2) **Increases in Requirement volumes during a Financial Year outside of the clause 9 (Annual Plan) process:** If the Authority proposes to make any changes to its Requirement from that specified in the Annual Plan for the relevant Financial Year, during a Financial Year, it shall propose such change in accordance with schedule 24 (Change Procedure) as an Authority Change. If the Contractor is unable to undertake or complete such increase in Requirements without incurring Exceptional Variable Costs ("EVCs"), it shall advise the Authority as soon as reasonably practicable and such change shall be dealt with as an Authority Change in accordance with schedule 24 (Change Procedure). The Contractor shall also provide to the Authority, in accordance with the provisions of schedule 24 (Change Procedure) a quote for its estimated EVCs which shall include but not be limited to a breakdown of costs in line with that set out in the Financial Model including an actual rate of return for the relevant Financial Year which shall be subject to determination in accordance with schedule 24 (Change Procedure). The Contractor shall not undertake any work where EVCs are chargeable, until the Authority has agreed such EVCs under schedule 24 (Change Procedure).
- (3) **Reduction in Requirement volumes during a Financial Year outside of the clause 9 (Annual Plan) process:** For the avoidance of doubt, in Financial Years 1 and 2 and each subsequent Financial Year following determination of the Annual Plan where Capacity Based Pricing is in

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effect, should the Authority reduce its Requirements, the Contractor shall continue to be entitled to receive all payments due, inclusive of the figures in Table 70(A) columns (i) and (iii) set out in clause 70.1(A) above in accordance with schedule 40 (Payment), subject to all other terms of the Contract including schedule 35 (Profit Sharing).

70.2 Transition to Schedule of Rates Pricing

- (A) The process for transition to Schedule of Rates pricing (the “SOR Transition Test”) shall be subject to the Transformation Plan and the provisions of clause 7 (Transformation). Transition to Schedule of Rates pricing shall not be approved by the Authority unless the Contractor can demonstrate to the Authority’s satisfaction that the forecast total cost (excluding payment of any Reward Fee and the Incentivised Fleet Management fee) to the Authority in relation to Schedule of Rates pricing for all future Financial Years (the “Forecast Total Cost”) shall not exceed the sum total of the figures set out in columns (i), (ii) and (iii) of Table 70(A) set out in clause 70.1(A) above for the relevant Financial Years following the transition to Schedule of Rates pricing (any difference between the Forecast Total Cost and such sum total being hereinafter referred to as the “SOR Transition Test Value”). For the avoidance of doubt, the prices compared for Capacity Based Pricing and Schedule of Rates pricing must be based on an identical underlying set of Requirement volumes. These volumes will be as defined in schedule 20 (Annual Plan), and for those years not covered by the Annual Plan shall be defined as in schedule 2 (Statement of Requirement – Requirement Volumes).
- (B) If the Schedule of Rates pricing arrangements described in clause 70.3 (Schedule of Rates Pricing) below are brought into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) no later than twelve (12) months following the Target Completion Date for Final Key Milestone MS1 (as set out in schedule 7 (Transformation Plan)), the Contractor shall be entitled to receive a Tangible Element Reward Fee payment in accordance with clause 72 (Tangible Element Reward Fee).

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- (C) The Contractor will not receive payment of any part of the Reward Fee which it may become entitled to until the Schedule of Rates pricing arrangements described in clause 70.3 below are brought into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation).
- (D) If the Schedule of Rates pricing arrangements described in clause 70.3 below are brought into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) no later than the first Business Day of Financial Year 2, then the Contractor will be entitled to receive one hundred per cent (100%) of the SOR Transition Test Value as derived from the Financial Model in respect of all work forecast to be carried out in Financial Year 2, subject to clause 70.2(F), to be payable in equal instalments in the final Payment Periods of Financial Years 2 and 3.
- (E) If the Schedule of Rates pricing arrangements described in clause 70.3 below are brought into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) no later than the first Business Day of Financial Year 3, the Contractor shall be entitled to receive fifty per cent (50%) of the SOR Transition Test Value as derived from the Financial Model in respect of the work forecast to be carried out in Financial Year 3, subject to clause 70.2(F), to be payable in equal instalments in the final Payment Periods of Financial Years 3 and 4.
- (F) Prior to making any payment to the Contractor under clause 70.2(D) or clause 70.2(E), the Authority shall review the SOR Transition Test as set out in clause 70.2(A). In the event that all the principles and assumptions which underpinned the Contractor's Forecast Total Cost to the Authority as part of the SOR Transition Test remain valid, the Authority shall make the relevant payment due to the Contractor under clause 70.2(D) or clause 70.2(E). To the extent that the principles and assumptions which underpinned the Contractor's Forecast Total Cost to the Authority prove at the date of the review of the SOR Transition Test to have been incorrect such that the SOR Transition Test Value would have been lower had the Forecast Total Cost been based on correct assumptions and principles, the Authority shall be entitled to a reduction in the amount payable under clause 70.2(D) or

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70.2(E) as appropriate. The amount of such reduction shall be determined in the first instance by the Authority (acting reasonably) and may be referred by the Contractor to the Dispute Resolution Procedure. Such revised payment shall be payable as set out in clause 70.2(D) and clause 70.2(E).

- (G) If the Schedule of Rates pricing arrangements described in clause 70.3 below have not come into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) by the first Business Day of Financial Year 2 then the Authority may (by notice to the Contractor, served at any time within the period of sixty (60) Business Days thereafter) suspend Exclusivity (and temporarily to disapply clause 84.1 (Exclusivity)) in respect of any one or more Categories or Sub-Categories of the Requirement as specified in such notice until such Schedule of Rates pricing arrangements have come into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation). Changes to the Contract resulting from such suspension of Exclusivity shall be managed as an Authority Change in accordance with schedule 24 (Change Procedure), provided that paragraph 3.2(D)(2) of schedule 24 (Change Procedure) shall not apply, unless the Authority is willing to retract the withdrawal of Exclusivity.
- (H) If the Schedule of Rates pricing arrangements described in clause 70.3 below have not come into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) by the first Business Day of month 7 of Financial Year 3 then the Authority may by serving notice (which may be served at any time within the period of sixty (60) Business Days thereafter) on the Contractor either (at its sole discretion):
 - (1) suspend Exclusivity (and temporarily disapply clause 84.1 (Exclusivity)) in respect of any one or more Categories or Sub-Categories of the Requirement as specified in such notice until such Schedule of Rates pricing arrangements have come into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation) and changes to the Contract resulting from such suspension of Exclusivity shall be managed as an Authority Change in accordance with schedule 24 (Change Procedure), provided that

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paragraph 3.2(D)(2) of schedule 24 (Change Procedure) shall not apply, unless the Authority is willing to retract the suspension of Exclusivity; or

- (2) terminate this Contract (either in respect of the whole Contract or a Partial Termination in respect of one or more Categories or Sub-Categories of the Requirement as specified in the Termination Notice) on the Termination Date.
- (I) If the Authority wishes to exercise its right of termination pursuant to clause 70.2(H), it must serve a Termination Notice on the Contractor's Representative stating:
 - (1) that the Authority is exercising such right of termination;
 - (2) whether such right is being exercised in respect of the whole Contract or in respect of one or more Categories or Sub-Categories (and if so specifying the relevant Categories or Sub-Categories); and
 - (3) that this Contract shall terminate (either in its entirety or in respect of the relevant Categories or Sub-Categories) on the Termination Date.
- (J) This Contract shall terminate (either in its entirety or in respect of the relevant Categories or Sub-Categories) on the Termination Date and the provisions of clause 48 (Payments on Termination) and schedule 6 (Payments on Termination) shall apply.

70.3 Schedule of Rates Pricing

- (A) Under Schedule of Rates pricing, each Category is priced individually with payment made in accordance with paragraph 2 (Schedule of Rates Based Pricing Payments and Reporting) of schedule 40 (Payment). This means in respect of each Category:
 - (1) **MRO 1-3:** The Contractor shall be paid for MRO1-3 labour hours consumed. Labour hours shall be priced using the rates set out in Table 70(B) below. The Contractor shall be paid separately for the costs set out in clause 70.5(B). The MRO1-3 labour hour prices set out in Table 70(B) below shall be adjusted annually in accordance with clause

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70.3(B). The total volume of hours determined in the relevant Annual Plan to which the relevant Financial Year relates will determine the hourly rate initially charged, which shall correspond to the relevant volume band for such volume of hours as set out in Table 70(B) below. In any Financial Year, the Contractor shall receive a total payment for MRO1-3 labour hours that equates to the total volume of MRO1-3 hours consumed and priced at the hourly labour rate for the relevant volume band in Table 70(B) below, which shall reflect the actual volume of MRO 1-3 hours consumed in the relevant Financial Year. Each hourly rate (one for each volume band) represents a fully absorbed price, inclusive of all costs set out in clause 70.1(B). For the avoidance of doubt, the costs set out in clause 70.5(B) shall be charged separately as consumed by the Authority and shall be subject to the limit of liability mechanism set out in clause 70.5(C). If the total volume of hours indicated in the relevant Annual Plan to which the relevant Financial Year relates, or consumed during the course of any Financial Year, exceeds the maximum volume of volume band 5 or falls below the minimum volume of volume band 1, then such change in volumes shall be managed as an Authority Change in accordance with schedule 24 (Change Procedure), provided that paragraph 3.2(D)(2) of schedule 24 (Change Procedure) shall not apply, and shall be subject to the financial commitment set out in Table 20(A) (MRO 1-4 Committed Spend) of schedule 20 (Annual Plan).

Table 70(B)

Labour Hour Price £	Volume Band 1: 200-300 '000 Hours	Volume Band 2: 301-400 '000 Hours	Volume Band 3: 401-500 '000 Hours	Volume Band 4: 501-600 '000 Hours	Volume Band 5: 601-700 '000 Hours
Financial Year 1					
Financial Year 2					
Financial					

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Year 3					
Financial					
Year 4					
Financial					
Year 5					
Financial					
Year 6					
Financial					
Year 7					
Financial					
Year 8					
Financial					
Year 9					
Financial					
Year 10					

- (2) **Receipt, Inspection, Issue and Storage:** A Firm price followed by a Fixed price shall be paid to the Contractor in accordance with clause 70.3(B) and as set out in Table 70(C) below. The price shall include all costs associated with the delivery of the Receipt Inspection Issue and Storage requirement at the locations set out in schedule 2 (Statement of Requirements), but excluding the physical breakout of the Stored Operational Fleet as defined in the Glossary to schedule 2 (Statement of Requirements).

Table 70(C)

	Part year (if applicable)	Financial Year 1	Financial Year 2	Financial Year 3	Financial Year 4	Financial Year 5
	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
	– XX/XX/XX	–	–	–	–	–
		XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX

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Firm price	£X	£X	£X	£X	£X	£X
	Financial Year 6 XX/XX/XX – XX/XX/XX	Financial Year 7 XX/XX/X X – XX/XX/X X	Financial Year 8 XX/XX/X X – XX/XX/X X	Financial Year 9 XX/XX/X X – XX/XX/X X		
Fixed price	£X	£X	£X	£X		

- (3) **MRO 4:** The Contractor shall be paid for MRO4 labour hours consumed, which shall be priced using the rates set out in Table 70(D) below. The Contractor shall price separately for those costs set out in clause 70.5(B). The MRO4 labour hour prices set out in Table 70(D) shall be adjusted annually in accordance with clause 70.3(B). The total volume of hours determined in the relevant Annual Plan to which the relevant Financial Year relates will determine the hourly rate initially charged, which shall correspond to the relevant volume band for such volume of hours as set out in Table 70(D) below. In any Financial Year, the Contractor shall receive a total payment for MRO4 labour hours that equates to the total volume of MRO4 hours consumed by the Authority and priced at the hourly labour rate for the relevant volume band in Table 70(D) below which shall reflect the actual volume of MRO4 hours consumed in the relevant Financial Year. Each hourly rate (one for each volume band) represents a fully absorbed price, inclusive of all costs set out in clause 70.1(B). For the avoidance of doubt, those costs set out in clause 70.5(B) shall be charged separately as consumed by the Authority and shall be subject to the limit of liability mechanism set out in clause 70.5(C). If the total volume of hours indicated in the relevant Annual Plan, or consumed during the course of any Financial Year, exceeds the maximum volume of volume band 5 or falls below the minimum volume of volume band 1, then such change in volumes shall

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be managed as an Authority Change in accordance with schedule 24 (Change Procedure), provided that paragraph 3.2(D)(2) of schedule 24 (Change Procedure) shall not apply, and shall be subject to the financial commitment set out in Table 20(A) (MRO 1-4 Committed Spend) of schedule 20 (Annual Plan).

Table 70(D)

Labour Hour Price £	Volume Band 1: 100-200 '000 Hours	Volume Band 2: 201-300 '000 Hours	Volume Band 3: 301-400 '000 Hours	Volume Band 4: 401-500 '000 Hours	Volume Band 5: 501-600 '000 Hours
Financial Year 1					
Financial Year 2					
Financial Year 3					
Financial Year 4					
Financial Year 5					
Financial Year 6					
Financial Year 7					
Financial Year 8					
Financial Year 9					
Financial Year 10					

(4) **Training Uplift Fleet (TUF):** This service is priced using a Maximum

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Price Target Cost (MPTC) mechanism. The target price is calculated by adding a target fee, the level of which is determined by the contract profit rate as defined in Regulation 10 of the Single Source Contracts Regulations 2014 (or any other target fee as agreed by both Parties), onto the agreed target cost. The target cost shall be agreed between the Authority and the Contractor in accordance with this clause 70.3(A)(4). Where the outturn cost (which is agreed in accordance with paragraphs 2(E)(1) and 2(E)(2) of schedule 40 (Payment)) is more or less than the target cost for the relevant Financial Year, the amount of the overrun or saving shall be shared in accordance with Table 70(E). In respect of sharing cost overruns only, the Contractor shall bear one hundred per cent (100%) of any incremental cost overrun over one hundred and twenty per cent (120%) of the target cost.

The Contractor shall provide, not later than nine (9) months prior to the start of the relevant Financial Year, an estimate for the target cost and target fee for the relevant Financial Year, based on the information provided in Part A of schedule 20 (Annual Plan). The Authority and the Contractor shall endeavour to agree a target price for the relevant Financial Year no later than the last Business Day falling six (6) months prior to the relevant Financial Year. If the Parties are unable to reach such agreement by such date, either Party shall be entitled to refer the matter (initially to the Joint Management Group) for determination under the Dispute Resolution Procedure. All costs detailed in clauses 70.1(B) and 70.5(B) in relation to providing the Training Uplift Fleet Requirement shall be included in the target cost.

Table 70 (E)

	Cost saving – outturn cost less than target cost	Cost overrun – outturn cost greater than target cost

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Authority share	70%	30% (Up to 120% of the target cost, after which the Authority share is 0%)
Contractor share	30%	70% (Up to 120% of the target cost, after which the Contractor share is 100%)

- (5) **Inventory and Repair Management:** A Firm price followed by a Fixed price shall be paid to the Contractor in accordance with clause 70.3(B) and as set out in Table 70(F) below. Such prices shall include all costs associated with the delivery of the Inventory and Repair Management Requirement as set out in schedule 2 (Statement of Requirements). The price does not include the cost of the inventory itself which is procured as part of this Requirement.

Table 70(F)

	Part year (if applicable)	Financial Year 1	Financial Year 2	Financial Year 3	Financial Year 4	Financial Year 5
	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
	– XX/XX/XX	–	–	–	–	–
		XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX	XX/XX/XX
Firm price	£X	£X	£X	£X	£X	£X

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	Financial Year 6 XX/XX/XX – XX/XX/XX	Financial Year 7 XX/XX/X X – XX/XX/X X	Financial Year 8 XX/XX/X X – XX/XX/X X	Financial Year 9 XX/XX/X X – XX/XX/X X		
Fixed price	£X	£X	£X	£X		

- (6) **TSF Power Pack Regeneration Facility Personnel:** A Firm price followed by a Fixed price shall be paid to the Contractor in accordance with clause 70.3(B) as set out in Table 70(G) below. Such prices shall not include the costs of actual deployment of any Contractor personnel which in the event of the deployment of the Contractor's employees shall be priced as an Authority Change through schedule 24 (Change Procedure).

Table 70(G)

	Part year (if applicable) XX/XX/XX – XX/XX/XX	Financial Year 1 XX/XX/XX – XX/XX/XX	Financial Year 2 XX/XX/XX – XX/XX/XX	Financial Year 3 XX/XX/XX – XX/XX/XX	Financial Year 4 XX/XX/XX – XX/XX/XX	Financial Year 5 XX/XX/XX – XX/XX/XX
Firm price	£X	£X	£X	£X	£X	£X

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	Financial Year 6	Financial Year 7	Financial Year 8	Financial Year 9		
	XX/XX/XX – XX/XX/XX	XX/XX/X X – XX/XX/X X	XX/XX/X X – XX/XX/X X	XX/XX/X X – XX/XX/X X		
Fixed price	£X	£X	£X	£X		

- (7) **Light Weapons SSS:** A Firm price followed by a Fixed price shall be paid to the Contractor in accordance with clause 70.3(B) and as set out in Table 70(H) below. Such price shall include all costs detailed in clauses 70.1(B) and 70.5(B).

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Table 70(H)

	Part year (if applicable) XX/XX/XX – XX/XX/XX	Financial Year 1 XX/XX/XX – XX/XX/XX	Financial Year 2 XX/XX/XX – XX/XX/XX	Financial Year 3 XX/XX/XX – XX/XX/XX	Financial Year 4 XX/XX/XX – XX/XX/XX	Financial Year 5 XX/XX/XX – XX/XX/XX
Firm price	£X	£X	£X	£X	£X	£X
	Financial Year 6 XX/XX/XX – XX/XX/XX	Financial Year 7 XX/XX/X X – XX/XX/X X	Financial Year 8 XX/XX/X X – XX/XX/X X	Financial Year 9 XX/XX/X X – XX/XX/X X		
Fixed price	£X	£X	£X	£X		

- (8) **Basic Fleet Management:** A Firm price followed by a Fixed price shall be paid to the Contractor in accordance with clause 70.3(B) and as set out in Table 70(I) below.

Table 70(I)

	Part year (if applicable) XX/XX/XX – XX/XX/XX	Financial Year 1 XX/XX/XX – XX/XX/XX	Financial Year 2 XX/XX/XX – XX/XX/XX	Financial Year 3 XX/XX/XX – XX/XX/XX	Financial Year 4 XX/XX/XX – XX/XX/XX	Financial Year 5 XX/XX/XX – XX/XX/XX
Firm price	£X	£X	£X	£X	£X	£X

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	Financial Year 6	Financial Year 7	Financial Year 8	Financial Year 9		
	XX/XX/XX – XX/XX/XX	XX/XX/X X – XX/XX/X X	XX/XX/X X – XX/XX/X X	XX/XX/X X – XX/XX/X X		
Fixed price	£X	£X	£X	£X		

(9) **Incentivised Fleet Management:** A fee pot available shall be available to be earned by the Contractor in accordance with clause 70.7.

- (B) All prices for the various Categories of work under Schedule of Rates will be Firm prices for the first full five Financial Years (in addition to any remaining part of the current Financial Year at the time of transition) following the transition to Schedule of Rates pricing. Thereafter they will be Fixed prices that are subject to change in accordance with the Indexation Mechanism set out in clause 70.6.

70.4

(A) **Aspirational Pricing**

The process for transition to Aspirational Pricing shall be subject to the Transformation Plan and the provisions of clause 7 (Transformation). Aspirational Pricing means, in respect of each Category, the same as for Schedule of Rates pricing as set out in clause 70.3 above, save for the following:

- (1) **MRO 1-3:** This will be on a menu price (Spares inclusive) for those jobs which are common and predictable e.g. 6 monthly/annual servicing, and some which are less common but repeatable e.g. clutch change. Any residual hours will be on the same labour hour basis as for Schedule of Rates as set out in clause 70.3(A)(1) with a unit price reduction across years.

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- (2) **MRO 4:** This will be on a menu pricing (Spares inclusive) arrangement by equipment for the initial inspection and strip down of vehicles, as well as the reassembly (emergent work on the same labour hour basis as for Schedule of Rates as set out in clause 70.3(A)(3)). There is the potential to move to full equipment menu pricing for specific equipment (e.g. Warrior, CVRT) where high volume of jobs are repeated in initial years.
- (3) **Training Uplift Fleet:** This will be on an output pricing basis for the ring-fenced TUF fleet, including MRO, spares and direct sub-contract costs. An availability rate per vehicle with associated deductions for non-availability.
- (4) **Light Weapons SSS:** This will be an agreed availability rate per weapon, requiring an update to the Requirement, pricing, and performance mechanism to reflect the change to an availability basis. This replaces the Schedule of Rates fixed price approach.

(B) **SSS Pricing**

- (1) **Armoured Vehicles SSS:** This will be on an output pricing basis for the AV fleet including MRO with an availability rate per vehicle with associated deductions for non-availability.
- (2) **B Vehicles SSS:** This will be on an output pricing basis for the four nominated B vehicle fleets including MRO with an availability rate per vehicle with associated deductions for non-availability.
- (3) **Light Weapons SSS:** This will be on the same basis as for Aspirational Pricing as set out in clause 70.4(A)(4) above.

70.5 **Spares and Direct Sub-contract Costs**

- (A) No profit margin or handling charge shall be payable in relation to Spares sourced externally from third parties or from LCS Store Systems 3 or direct Sub-contract costs.

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(B) The categories of expenditure of the Contractor's costs which will be paid to the Contractor under schedule 40 (Payment) as Spares and direct sub-contract costs include:

- (1) Direct Material (the material prices charged shall be the actual price for actual usage);
- (2) Direct sub-contracting of Services (for contracted Services to support known contracted output, to be charged with no additional mark-up to the price of the relevant Sub-contract),

but only in so far as the amount for any item is directly attributable to the provision of the Services by the Contractor.

(C) The estimated Spares and direct sub-contract costs set out in column (ii) of Table 70(A) represents the Authority's limit of liability in respect of such costs under Capacity Based Pricing arrangements. The Contractor shall inform the Authority in writing as soon as reasonably practicable if the Contractor's actual incurred costs in relation to Spares and direct sub-contract costs reaches or exceeds eighty percent (80%) of the limit of liability set out in column (ii) of Table 70(A) for the relevant Financial Year, providing detailed reasons for why such actual costs have been or will be incurred and the Contractor's proposed mitigation strategy if the Contractor requires an increase to the limit of liability. Subject to clause 70.5(E) below, if the Contractor requires an increase to the limit of liability set out in column (ii) of Table 70(A), such increase shall be dealt with as an Authority Change pursuant to the Change Mechanism set out in schedule 24 (Change Procedure) and shall have regard to the reasons provided and mitigation proposed by the Contractor when such proposal for an Authority Change is considered.

(D) Under Schedule of Rates and Aspirational Pricing, the same process for managing in-year changes to the limit of liability as described in clause 70.5(C) above shall apply, subject to clause 70.5(E) below. The value of the limit of liability for each Financial Year as set out in column (ii) of Table 70(A) may be amended each Financial Year through the Annual Plan process described in clause 9.2 (Annual Plan). No later than twenty (20) Business

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Days following determination of the Annual Plan, the Contractor shall either confirm that the limit of liability values in column (ii) of Table 70(A) for the relevant year remain valid, or shall raise a Contractor Change if it considers a change to the limit of liability for the relevant year or any subsequent year is required, providing detailed reasons for why such costs will be incurred and the Contractor's proposed mitigation strategy if the Contractor requires an increase to the limit of liability. Such Contractor Change shall have regard to the reasons provided and mitigation proposed by the Contractor when such proposal for a Contractor Change is considered. In addition, the limit of liability values may be amended on transition to Schedule of Rates and Aspirational Pricing to reflect any change in scope of the limit of liability triggered by the change in pricing arrangement, including but not limited to TUF and Light Weapons SSS.

- (E) It is agreed that in providing the Services in respect of the relevant volumes as set out in schedule 2 (Statement of Requirements - Requirement Volumes) the Spares and direct subcontract costs shall not exceed the costs set out in column (ii) of Table 70(A) above unless agreed or determined in accordance with clause 70.5(C) and/or 70.5(D). In the event that it is not agreed or determined that Spares and direct subcontract costs should exceed this amount, such incremental costs will be borne by the Contractor.

70.6 Indexation Mechanism

- (A) For the purposes of this clause 70.6:
- (1) "Review Date" shall mean 1st April 2020 and each subsequent 1st April of each Financial Year during the Contract Period;
 - (2) "Review Period" shall mean the twelve month period ending on the 31st December prior to the applicable Review Date;
 - (3) "Indexation Factor" shall mean the 'Services Producer Price Index - K8ZU – All Services' index figure published by the Office for National Statistics, or any other index substituted by the Office for National Statistics or its successors;

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(B) On each Review Date:

- (1) all figures in columns (i), (ii) and (iii) of Table 70(A) of clause 70.1(A) for Financial Years 6 to 10 inclusive (relevant only whilst the transformation to Schedule of Rates pricing has not been made);
- (2) any Schedule of Rates prices detailed as being subject to this clause 70.6 (Indexation Mechanism) following the transformation to Schedule of Rates pricing; and
- (3) any other figures in this Contract stated to be subject to Indexation;

shall each be varied in proportion to any change in the Indexation Factor over the Review Period.

(C) The adjustment of the costs and prices resulting from this clause 70.6 shall in no event result in a reduction to any charges or values. In the event that the change in an index is negative in respect of a Review Period, the charges and values, as applicable, shall remain unchanged at the related Review Date. Any subsequent increase in the costs and prices pursuant to this clause 70.6 shall only be applied when, in respect of a subsequent Review Period, the index has returned to the level at which it originally turned negative (and from that level).

70.7 Incentivised Fleet Management

- (A) A maximum Incentivised Fleet Management fee pot of [REDACTED] [REDACTED] per annum will be available in Financial Years 1 to 3.
- (B) For all following Financial Years of the Contract Period, the size of the annual Incentivised Fleet Management fee pot will be decided upon by the Authority as part of the Annual Plan process, and may be of any value, up to a maximum of [REDACTED] [REDACTED]

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- (C) In any Financial Year in which an Incentivised Fleet Management fee pot is available, the Annual Plan which is determined no later than the last Business Day falling in advance of the relevant Financial Year will include:
- (1) the total value of the Incentivised Fleet Management fee pot available for the relevant Financial Year;
 - (2) a detailed description of the different IFM Priorities against which the Incentivised Fleet Management fee will be earned, including a list of required deliverables where already agreed between the Authority and the Contractor (other deliverables to be agreed during the relevant Financial Year);
 - (3) the value of the total Incentivised Fleet Management fee which is available to be earned against each IFM Priority;
 - (4) for each IFM Priority, details of how the total Incentivised Fleet Management fee available is split between the three fees described in clause 70.7(D) below.
- (D) For each IFM Priority, the total Incentivised Fleet Management fee shall be split across the three different fee areas noted below, and the allocation of the split of the fee shall be at the absolute discretion of the Authority:
- (1) Proposition analysis fee (Fee A): this fee shall become payable against one or more milestone deliverables which may contain the following detail (including but not limited to):
 - (a) understanding of the IFM Priority;
 - (b) spectrum of possible options to address the IFM Priority;
 - (c) advantages and disadvantages of each proposition;
 - (d) indicative cost and benefit analysis against each proposition;
 - (e) key risks associated with each proposition;
 - (f) stakeholder impact assessment of each proposition;

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- (g) down-selection methodology used;
 - (h) shortlist of propositions with rationale; and
 - (i) preferred proposition with rationale.
- (2) Detailed business and implementation plan fee (Fee B): this fee shall become payable against one or more milestone deliverables as directed by the Authority which may contain the following details (including but not limited to):
- (a) detailed technical solution for each proposition the Authority has directed to be considered in detail;
 - (b) detailed cost and benefit analysis detailing the areas and magnitude of expected savings, risk reduction and cost avoidance;
 - (c) affordability assessment;
 - (d) revised stakeholder impact assessment;
 - (e) risk management / mitigation plan;
 - (f) detailed implementation plan; and
 - (g) any Authority Dependencies required.
- (3) Implemented Savings fee (Fee C): this fee shall become payable against one or more milestone deliverables which may be in the form below or any other form as detailed by the Authority in the relevant Annual Plan:
- (a) a set of agreed implementation milestones;
 - (b) a defined value of savings or cost avoidance that can be measured as having been achieved; and

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- (c) an agreed reduction to Authority budgets associated with business case estimates provided in the detailed business and implementation plan.
- (4) The Authority shall be under no obligation to progress past the Fee A or Fee B stage for any or all IFM Priorities in any Financial Year. In the event that the Authority does not progress to Fee B or Fee C, the relevant fees may be reallocated to another IFM Priority in that Financial Year, the allocation of such fees being at the Authority's sole discretion.
- (5) Once the Authority has accepted that deliverables provided by the Contractor are sufficiently valid so as to deem any part of Fee A, Fee B or Fee C earned and payable, it shall raise this fact at the next Contract Review Meeting which shall arrange for such payment to be made in the next practicable Payment Period. The Authority shall ensure that the detail of such payment shall be referred to the next meeting of the Joint Management Group for information purposes.
- (6) Any disputes arising in relation to the successful achievement of deliverables shall be addressed under schedule 13 (Dispute Resolution).

70.8 Charging across multiple Categories

- (A) Under Schedule of Rates pricing and Aspirational Pricing, all of the Contractor's activities which fall within the scope of a Category are to be paid for within the relevant pricing arrangements for that Category. For the avoidance of doubt, for a Category of Service under a Fixed or Firm price, all activities associated with delivery of the Requirement for that Category are paid for solely through the Fixed or Firm price.
- (B) Where Costs Over-recovery occurs, the Authority shall be entitled to a rebate of all such costs against the Monthly Base Amount and the Authority shall provide reasonable evidence to the Contractor of any Costs Over-recovery which it considers has occurred and the Parties shall endeavour to agree the amount of the rebate and in default of agreement, either party

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shall be entitled to refer the matter for determination under the Dispute Resolution Procedure.

70.9 **Hours**

For the purposes of Capacity Based Pricing and Schedule of Rates, "hours" in schedule 2 (Statement of Requirements – Requirement Volumes) and schedule 20 (Annual Plan) shall include only hours used directly in the delivery of the maintenance, repair and overhaul activities for the relevant Category. This shall be inclusive of direct time spent in the preparation, change over, inspection, strip-down, maintenance, rebuild and management information data entry associated with in-scope equipment. For the avoidance of doubt hours associated with indirect activities such as Corporate Overheads work, idle time, spares waiting time and any other waiting time shall not be included as direct or indirect labour hours but the cost associated with such Corporate Overheads shall be included within the price per labour hour.

71. **Key Performance Indicators**

Without prejudice to the rights of the Authority to terminate this Contract or any part of the Services, the Parties shall comply with the provisions of schedule 25 (Performance Mechanism).

72. **Tangible Element Reward Fee**

The Tangible Element Reward Fee amounting in total to [REDACTED] shall be paid to the Contractor on the achievement of Key Milestones, in accordance with the Transformation Plan.

73. **Intangible Element Reward Fee**

- 73.1 The Intangible Element Reward Fee amounting in total to a maximum of [REDACTED] shall be payable in respect of each Reward Fee Assessment Period by the Authority to the Contractor on a discretionary basis, by reference to a Reward Fee Management Plan as set out in schedule 16 (Reward Fee Management Plan).

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- 73.2 Following the expiry of each Reward Fee Assessment Period the Authority will consider whether in its sole discretion to award the Contractor a proportion of the Intangible Element Reward Fee in accordance with the process set out in paragraph 16 of Schedule 8 (Governance).
- 73.3 Prior to commencement of each Reward Fee Assessment Period the Authority shall provide to the Contractor an indication of the key performance evaluation standards and behavioural standards which the Authority may take into account in assessing whether to award any element of the proportion of the Intangible Element Reward Fee applicable to that Reward Fee Assessment Period.
- 73.4 The Contractor shall deliver to the Authority on or before the end of any Reward Fee Assessment Period a report in writing of no more than 1000 words setting out its assessment of the extent to which it has delivered the key performance evaluation standards and behavioural standards. The Authority will consider the Contractor's report when making its decision as to whether to award any element of the Intangible Element Reward Fee for that Reward Fee Assessment Period.
- 73.5 The Authority will have no obligation to pay all or any of the applicable portions of the Intangible Element Reward Fee for any Reward Fee Assessment Period.
- 73.6 Where the Authority decides not to pay any part of the Intangible Element Reward Fee in any Reward Fee Assessment Period in accordance with clause 73.2 above, it may in its sole discretion add all or any or such unused sum to any future Reward Fee Assessment Period in this Contract.
- 73.7 The Authority may in its absolute discretion recover all or any part of any payments made under clause 73 upon early termination of this Contract in accordance with clause 40 (Termination for Contractor Default).
- 73.8 For the avoidance of doubt the Contractor shall have no recourse to clause 28 (Dispute Resolution) in connection with the payment or non-payment of the Intangible Element Reward Fee including exercise of the Authority's discretion in clause 73.2 above, or any other form of formal or informal dispute resolution.
- 73.9 Any payment or non-payment of the Reward Fee in accordance with clauses 72 (Tangible Element Reward Fee) or 73 (Intangible Element Reward Fee) is without

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prejudice to any rights or remedies of the Authority accrued or accruing under this Contract or otherwise.

74. **Payment**

74.1 During the period when Capacity Based Pricing arrangements under clause 70.1 (Capacity Based Pricing) apply, the Authority shall pay for the Services in accordance with paragraph 1 (Capacity Based Pricing Payments and Reporting) of schedule 40 (Payment). With effect from the date that the Schedule of Rates pricing arrangements described in clause 70.3 (Schedule of Rates Pricing) are brought into effect in accordance with the Transformation Plan and the process described in clause 7 (Transformation), the Authority shall pay for the Services in accordance with paragraph 2 (Schedule of Rates Based Pricing Payments and Reporting) of schedule 40 (Payment). The Authority shall pay for the Services under Aspirational Pricing and under SSS Arrangements in accordance with paragraph 4 (Aspirational Pricing and SSS Arrangements) of schedule 40 (Payment).

74.2 **Recovery of Sums Due**

Whenever any sum of money shall be recoverable from or payable by the Contractor under this Contract the same may be deducted from any sum then due, or which at any time thereafter may become due, to the Contractor under this Contract, or under any other contract with the Authority, or with any Government Department.

74.3 The Contractor shall make payments to the Authority using the Authority's ordering, receipting and payment system (DECS P2P).

75. **Profit Sharing**

The provisions of schedule 35 (Profit Sharing) shall apply in respect of this Contract.

76. **VAT on Payments**

76.1 The amounts due under this Contract exclude any VAT and any similar EU (or non-EU) taxes chargeable on the supply of the Services by the Contractor to the Authority.

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- 76.2 If the Contractor is required by VAT law to be registered for VAT in the UK (or has registered voluntarily) in respect of his business activities at the time of any supply, and the circumstances of any supply are such that the Contractor is liable to pay the tax due to HMRC, the Authority shall pay to the Contractor in addition to the Monthly Payment (or any other sum due to the Contractor) a sum equal to the UK output VAT chargeable on the tax value of the supplies of the Services, and all other payments under this Contract according to the law at the relevant tax point. If there is any doubt about the applicability of the tax in such cases, the Authority may require the Contractor to obtain and pass to the Authority a formal ruling from HMRC.
- 76.3 Where the Services are deemed to be supplied to the Authority outside the UK, the Contractor may be required by the laws of the country where the supply takes place to register there for EU (or non-EU) value added, output, turnover or similar tax ("Indirect Tax"). In that event, the Authority shall pay to the Contractor in addition to the Monthly Payment (and any other sum due to the Contractor under this Contract) a sum equal to the Indirect Tax chargeable on the tax value of the relevant supplies of services under this Contract which is payable by the Contractor to the tax authorities of the country in question.
- 76.4 For the avoidance of doubt, the Authority shall not be required to pay to the Contractor any sum in respect of the Contractor's UK input VAT (and/or similar EU and non-EU input taxes) in relation to the Services supplied under this Contract.
- 76.5 The Contractor shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties, surcharge or costs incurred, which are levied, demanded or assessed on the Authority at any time in respect of the Contractor's failure to account for or to pay any VAT or Indirect Tax to any applicable tax authority relating to payments made to the Contractor under this Contract. Any amounts due under this clause 76.5 shall be paid in cleared funds by the Contractor to the Authority not less than five (5) Business Days before the date upon which the tax or other liability is payable by the Authority.
- 76.6 For the avoidance of doubt, the Contractor is responsible for the determination of VAT liability. The Contractor is to consult his local VAT office (and not the Authority's Representative) in cases of doubt. The Contractor shall notify the Authority's

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Representative of the Authority's VAT liability under this Contract, and any changes to it, when the liability is other than at the standard rate of VAT.

77. **Contractor and Parent Company Guarantees and Contractor Security**

77.1 The Contractor shall procure that the Guarantor provides the Authority with, and maintains in full force and effect, a Parent Company Guarantee in the form set out in schedule 22 (Form of Parent Company Guarantee) guaranteeing the obligations of the Contractor in connection with this Contract.

77.2 If at any time the Guarantor ceases to be the Parent Company of the Contractor following a Change of Control of the Contractor or a Change of Control of the Parent Company, the Contractor shall, within thirty (30) Business Days of the request by the Authority procure that a replacement Parent Company Guarantee substantially in the form set out in schedule 22 (Form of Parent Company Guarantee) is executed by the Contractor's new Parent Company together with, where the new Parent Company is incorporated outside of the United Kingdom, a legal opinion in the form specified in schedule 22 (Form of Parent Company Guarantee) in form and substance satisfactory to the Authority from a legal adviser qualified to practise in the jurisdiction in which such Parent Company is established and has its own office.

78. **Quality**

78.1 The Contractor shall conform with the process set out in the Quality Plan set out in schedule 4 (Service Delivery Plan), the quality standards set out in schedule 2 (Statement of Requirements) and the agreed Quality Plan set out in schedule 32 (Quality Plan).

78.2 The Contractor shall complete and incorporate into the Contractor's Quality Plan those actions set out in Appendix 1 to schedule 32 (Quality Plan), to the satisfaction of the Authority, acting reasonably, no later than 30 June 2015.

79. **Intellectual Property**

The provisions of schedule 36 (IPR) shall apply in respect of this Contract.

80. **Change**

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- 80.1 The Parties shall comply with their respective obligations in relation to Change as set out in schedule 24 (Change Procedure).
- 80.2 In respect of any changes in the Services or the Contractor's obligations under this Contract, the Contractor shall not be entitled to be paid any costs or to any relief from its obligations under this Contract other than as provided for in this Contract.

81. Commercial Work

- 81.1 The Contractor shall not carry out work for a third party (or contract or commit to carry out such work), where the Authority is not the ultimate customer ("Commercial Work"), unless not less than 30 Business Days (or such other shorter period as the Parties may agree acting reasonably taking into account the urgency of the request and the impact of the timing of the response on the Contractor's ability to secure the relevant prospective Commercial Work) prior notice has been given to the Authority, including details of the following:
- (A) full details including the name and address of the proposed Third Party (including registered address and company registration number of the proposed Third Party if it is a company); and
 - (B) details of the proposed Third Party contract to include:
 - (1) details of the proposed Commercial Work; and
 - (2) details of the contractual arrangements with the proposed Third Party; and
 - (3) the impact on security in the Authority Sites; and
 - (4) details of the likely impact on Authority activities and the Contractor's performance of work under this Contract; and
 - (5) the likely hours of operation; and

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- (6) any other details the Contractor reasonably considers relevant and necessary to enable the Authority to decide whether or not to approve the proposal.

Such notice is hereinafter referred to as the "Proposal".

81.2 The Authority's Representative shall provide a written response to the Proposal to the Contractor within 20 Business Days (or such other shorter period as the Parties may agree acting reasonably taking into account the urgency of the request and the impact of the timing of the response on the Contractor's ability to secure the relevant prospective Commercial Work) from the date of receipt of the Proposal stating whether the Authority, acting reasonably in the circumstances, is:

- (A) approving the Proposal; or
- (B) rejecting the Proposal in accordance with clause 81.4 below; or
- (C) unable to either approve or reject the Proposal and is submitting a written request to the Contractor for further relevant information from the Contractor's Representative.

81.3 The Authority shall, if the Contractor so requests, meet with the Contractor and reconsider its opinion and in such event, the Authority shall (acting reasonably in the circumstances) either revise or confirm its decision.

81.4 The Authority shall only be entitled to reject the Proposal on the following grounds:

- (A) such Commercial Work may have a material adverse impact on the Contractor's ability or capacity to meet the Requirement under this Contract;
or
- (B) on grounds of national security; or
- (C) on the grounds that it may damage the reputation of the UK Government.

The Authority shall provide reasons for the Authority's rejection save that if a Senior Civil Servant personally notifies the Contractor that the Proposal has been rejected on grounds of national security then the Authority shall be under no obligation to give

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further details of its reasons and its rejection shall be deemed to be reasonable for the purposes of this clause.

81.5 The Contractor shall in relation to any contract approved by or on behalf of the Authority pursuant to clause 81.2:

(A) require each counterparty to the relevant contract ("Approved Third Party") to notify the Contractor promptly if:

(1) something occurs whereby such Approved Third Party becomes, or might reasonably be regarded as, an Unsuitable Third Party; or

(2) such Approved Third Party's Commercial Work involves any Prohibited Act; and

(B) promptly notify the Authority if the Contractor becomes aware of any matter identified in clause 81.5(A), whereupon the Parties shall meet promptly to seek to agree what step(s) to take to remedy such issue(s), including whether the Contractor (or, as the case may be, Sub-contractor) should give notice under the terms of the relevant Third Party Contract to terminate such contract in accordance with its terms.

81.6 The provision of the Services shall not be used to subsidise any Commercial Work carried out by the Contractor. Where any Commercial Work is carried out the Contractor shall be required to pay an Overhead Recovery Fee equivalent to a fair and reasonable share of the Contractor's overhead attributable to such contract to the Authority in accordance with clause 81.7 below.

81.7 Once a third party contract has been entered into by the Contractor, the Overhead Recovery Fee shall be agreed between the Parties (acting reasonably) within 20 Business Days and shall be paid by the Contractor to the Authority in accordance with clause 74 (Payment) and schedule 40 (Payment). At the end of each Financial Year, the Contractor shall submit an Overhead Recovery Fee report (the "Overhead Recovery Fee Report") to the Authority, accompanied by an auditor's report, certifying the basis of calculation of the Overhead Recovery Fee, setting out what Commercial Work has been carried out by the Contractor and the Contractor's

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proposal for a fair and reasonable Overhead Recovery Fee. This proposal will then be reviewed by the Authority and agreed or rejected.

- 81.8 In the event that the Overhead Recovery Fee cannot be agreed, either Party may refer the matter to the Dispute Resolution Procedure set out in schedule 13 (Dispute Resolution).

82. **Financial Model**

- 82.1 The Contractor shall produce, maintain and update the Financial Model in accordance with this clause 82 (Financial Model) and accepts sole responsibility for the Financial Model set out in schedule 21 (Financial Model).

- 82.2 The Contractor shall produce a dynamic cost of change model as required by paragraph 4.4(B)(4) of schedule 7 (Transformation Plan) and which complies with clause 82.7(C) (Information to be shown on or derivable from the Financial Model) ("Dynamic Cost of Change Pricing Model") and provide such Dynamic Cost of Change Pricing Model to the Authority no later than 30 September 2015, following which this clause 82 (Financial Model) shall also apply to such Dynamic Cost of Change Pricing Model.

- 82.2A The Dynamic Cost of Change Pricing Model shall enable the impact of a change in the Requirement volumes or scope to be modelled prior to being reflected in the Financial Model. The Dynamic Cost of Change Pricing Model shall use data drawn from the Financial Model. The Contractor shall provide and agree with the Authority the model specification based upon Schedule of Rates Pricing for the Dynamic Cost of Change Pricing Model no later than 31 May 2015.

- 82.3 Immediately following execution of this Contract the Contractor shall deliver two (2) copies of the Financial Model to the Authority (each on disc and in hard copy). Such copies shall constitute the definitive, contractually binding version of the Financial Model for all purposes unless and until revised copies are delivered to the Authority in accordance with clause 82.5.

- 82.4 No amendment to the Financial Model shall be made without the written approval of the Authority. Any amendment or proposed amendment to the Financial Model shall reflect, be consistent with and be made only in accordance with the provisions of this

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Contract. In the event that the parties fail to agree any proposed amendments to the Financial Model, the matter shall be referred for resolution in accordance with clause 28 (Dispute Resolution).

- 82.5 Following approval of any amendment to the Financial Model by the Authority, the Contractor shall promptly deliver two (2) copies of the Financial Model embodying such amendments approved by the Authority, clearly marked with the issue number and date of issue (each on disc and in hard copy) to the Authority along with a record of all changes from the preceding version. The Contractor shall when issuing a revised version of the Financial Model also issue a control document identifying which version of each document comprising the Financial Model forms part of the revised version of the Financial Model.
- 82.6 When a revised version of the Financial Model has been delivered to the Authority in accordance with clause 82.5, it shall supersede any previous versions of the Financial Model and shall constitute the definitive, contractually binding version of the Financial Model for all purposes unless and until further revised copies are delivered to the Authority in accordance with clause 82.5.
- 82.7 **Information to be shown on or derivable from the Financial Model**
- (A) The Financial Model shall include details of all assumptions, basis and rationale thereof, calculations and methodology used together with any other documentation necessary to fully operate the Financial Model.
 - (B) Under Capacity Based Pricing, the Financial Model shall be in computer spreadsheet form and shall show or permit to be derived the Contractor's:
 - (1) costs throughout the Contract Period broken down at the level of detail described in clause 70.1(B) and spares and direct sub-contract costs, including detail of any cost allocation made between this Contract and other work;
 - (2) revenue streams throughout the Contract Period broken down in line with the detail described in Table 70(A); and
 - (3) profit levels throughout the Contract Period.

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- (C) Under Schedule of Rates pricing, the Financial Model shall be in computer spreadsheet form and shall show or permit to be derived the Contractor's:
- (1) costs throughout the remaining duration of the Contact Period broken down at the level of detail described in clause 70.1(B) and grouped in line with the Categories described in clause 70.3 and spares and direct sub-contract costs, including detail of any cost allocation made between this Contract and other work;
 - (2) revenue streams throughout the remaining duration of the Contract Period broken down in line with the Categories described in clause 70.3; and
 - (3) profit levels throughout the Contract Period.
- (D) Under Aspirational Pricing, the Financial Model shall be in computer spreadsheet form and shall show or permit to be derived the information detailed in clause 82.7(C) for those Categories that remain under Schedule of Rates pricing, and in addition:
- (1) in relation to MRO 1-3 and MRO 4, the Contractor's revenue streams for each menu task, throughout the remaining duration of the Contact Period, together with the associated costs, broken down at the level of detail described in clause 70.1(B) and by spares and direct subcontract costs, including detail of any cost allocation made within this Contract between Aspirational Pricing and Schedule of Rates pricing and between this Contract and other work;
 - (2) in relation to the Training Uplift Fleet, the Contractor's revenue stream for each pricing unit adopted by the Authority as part of the TUF availability pricing arrangements, throughout the remaining duration of the Contact Period, together with the associated costs broken down at the level of detail described in clause 70.1(B) and by spares and direct subcontract costs, including detail of any cost allocation made within this Contract between Aspirational Pricing and Schedule of Rates pricing and between this Contract and other work; and

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- (3) in relation to LWSSS, the Contractor's revenue stream for each pricing unit adopted by the Authority as part of the LWSSS availability pricing arrangements, throughout the remaining duration of the Contact Period, together with the associated costs broken down at the level of detail described in clause 70.1(B) and by spares and direct subcontract costs, including detail of any cost allocation made within this Contract between Aspirational Pricing and Schedule of Rates pricing and between this Contract and other work.
- (E) Under SSS Arrangements, the Financial Model shall be in computer spreadsheet form and shall show or permit to be derived the information detailed in clause 82.7(C) and clause 82.7(D) for those Categories that remain under Schedule of Rates pricing and Aspirational Pricing, and in addition the Contractor's:
 - (1) revenue stream for each pricing units adopted by the Authority as part of the availability pricing arrangements, throughout the remaining duration of the Contact Period, together with the associated costs broken down at the level of detail described in clause 70.1(B) and by spares and direct subcontract usage, including detail of any cost allocation made within this Contract between the SSS Arrangements and Aspirational Pricing and Schedule of Rates pricing and between this Contract and other work.

82.8 Submission of Revised Financial Model

- (A) The Contractor shall submit a revised draft Financial Model to the Authority's Representative:
 - (1) on adjustment of the Monthly Payment pursuant to clause 16 (Change in Law); or
 - (2) if there is a fundamental change to the Index and the Parties agree, to change the Index to another index or make adjustments to the Index; or

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- (3) the transition to Schedule of Rates, transition to Aspirational Pricing, transition to SSS and agreement of any Change under the Change Mechanism;
- (4) on any other change to the Financial Model agreed between the Parties; and
- (5) on an annual basis, in conjunction with determination of the final Annual Plan for each Financial Year, incorporating the financial impact of any volume and/or price changes agreed and reflecting actual costs and revenues to date as far as is reasonably practicable.

82.9 Whenever the Financial Model is to be adjusted by reference to one of the events listed in clause 82.8(A) this shall be carried out by the Contractor in consultation with the Authority's Representative to reflect the cumulative impact of any prior event listed in clause 82.8(A) on the version of the Financial Model applicable immediately prior to the relevant adjustment and to reflect the impact of the event in respect of which the adjustment is being undertaken. In calculating the adjustments to be made to the Financial Model arising from the event in question the Contractor shall be entitled to take into account:

- (A) reasonable economic assumptions prevailing at the time; and
- (B) changes in the prospective technical performance of the Services arising as a result of the event in question,

provided that the Authority shall not be required (and the Contractor shall not be entitled) to take into account the financial impact of those risks which the Contractor bears under the terms of this Contract, including (to the extent so borne by the Contractor) changes in VAT rates, taxation rates, RPI and the impact of Performance Failure Deductions.

82.10 If it is necessary to amend the logic or formulae incorporated in the Financial Model to permit adjustments to be made, this shall be done to the extent necessary and in accordance with clauses 12.1(A) and 12.1(B) (Auditing).

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82.11 **Agreement of Financial Model**

The Contractor shall submit the revised draft Financial Model to the Authority's representative for approval. Such draft Financial Model shall, when it is approved by the Authority (such approval not to be unreasonably withheld), become the Financial Model for the purposes of this Contract until its further amendment in accordance with this Contract.

83. **Design Authority**

83.1 The Authority shall manage the relationship with Original Equipment Manufacturers ("OEMs") in their capacity as Design Authority for the relevant equipment and use its reasonable efforts to facilitate co-operation between OEMs as Design Authorities and the Contractor.

83.2 The Contractor shall not modify any item of GFX without the prior consent of the Authority's Representative. If the Contractor has any doubt about the suitability of any item, or has proposals for design changes, it must advise the Authority's Representative accordingly at the earliest opportunity.

83.3 Where an OEM consents to the novation of a design services contract in existence at the Commencement Date to the Contractor, the Contractor shall accept a novation of such contract on the prices, terms and conditions of such contract. To the extent it becomes necessary to negotiate the terms of any such novation or any amendments to the original design services contract or prices for tasks not covered by the design services contract, the Authority shall, at the Contractor's request, provide reasonable assistance to the Contractor in relation to such negotiations. Where an OEM does not consent to the novation of its design services contract to the Contractor, the Authority will continue to act as the counterparty to the design services contract.

83.4 **BAES Contracts**

(A) In accordance with schedule 7 (Transformation Plan) and immediately following the date of this Contract, the Parties shall work together with BAE Systems to enable the entering into of a separate sub-contract (on reasonable and appropriate contractual and commercial terms) between BAE Systems and the Contractor for the delivery of Initial Technical Services

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("First BAES Sub-contract"). Subject to the foregoing, within three (3) months of the Commencement Date, the Contractor shall enter into the First BAES Subcontract with BAE Systems.

- (B) In accordance with schedule 7 (Transformation Plan) and from the forty second (42nd) month following the Commencement Date, the Parties shall work together with BAE Systems to enable the entering into of a separate sub-contract (on reasonable and appropriate contractual and commercial terms) between BAE Systems and the Contractor for the delivery of Final Technical Services ("Final BAES Sub-contract"). Subject to the foregoing, within four (4) years of the Commencement Date, the Contractor shall enter into the Final BAES Subcontract with BAE Systems.
- (C) If the Contractor wishes to contract for non-core additional tasks to address (without limitation) individual component obsolescence, reliability or maintainability and repair schemes for Platforms under the BAES Contracts to which the sub-contracts entered into pursuant to clause 83.4(A) or (B) relate and, having entered into good faith negotiations with BAE Systems Global Combat Systems Limited ("GCS") to agree fair and reasonable prices based on prevailing Authority agreed GCS rates for GCS for the provision of such non-core additional tasks, the Contractor is unable to reach agreement with GCS, the Contractor may request the Authority to conduct an independent review to determine such fair and reasonable prices. The Contractor shall accept the prices either:
- (1) as so determined by the Authority and accepted by GCS; or
 - (2) as determined by a third party arbitrator if GCS does not accept the Authority's determination of such prices.

83.5 OEMs Contracts

In accordance with schedule 7 (Transformation Plan) and immediately following the date of this Contract, the Parties shall work together with the OEMs to enable the entering into of separate sub-contracts (on reasonable and appropriate contractual and commercial terms) between the relevant OEMs and the Contractor for the

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delivery by other OEMs of technical services which are broadly aligned to the Initial Technical Services and the Final Technical Services.

84. **Exclusivity**

84.1 Save as provided below, the Authority shall procure all the Services, excluding Non-exclusive services described in clause 84.2 (the "Non-exclusive Services"), it requires to meet the requirements of the Authority in relation to the Categories and Sub-Categories within the scope of the Requirement only from the Contractor during the Contract Period.

84.2 The Non-exclusive Services are:

(A) Any MRO at Level 1;

(B) Any MRO at Level 2 or 3:

(1) carried out in relation to DSEME, Defence College of Electrical & Mechanical Engineering (Bordon and Arborfield) – Level 2 MRO to the extent such work is currently contracted to Babcock by ARTD / 22 Gp RAF;

(2) carried out in relation to RSME, Royal School of Military Engineering (Chatham and Minley) – Level 2 and 3 MRO to the extent such work is currently contracted to HOLDFAST,

and, for the avoidance of doubt, upon expiry of such contracts, the scope of works covered by those contracts shall remain Non-Exclusive Services;

(3) where such services are carried out by personnel who are members of the UK Armed Forces or Authority civil servants; and

(4) carried out by local suppliers in relation to activities at BATUS or BATUK.

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- (C) Any MRO at Level 4 relating to the sub-systems listed in Level 4 MRO Forecast of Activity (Annual Load by Sub-System Type) of the Requirement Volumes set out in schedule 2 (Statement of Requirements); and
 - (D) Any Services set out in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) in relation to Bulldog Contract, AS90 Contract, Panther Contract and Terrier Contract.
- 84.3 Without prejudice to the rights of the Authority under clause 101.1 (Potential SSS Vehicles), the Authority shall be entitled (by notice to the Contractor) to remove Exclusivity (and permanently to disapply clause 84.1) in respect of any Category or Sub-Category:
- (A) in accordance with paragraph 4.1(B) of Part A of schedule 25 (Performance Mechanism);
 - (B) if the Contractor has committed a breach of any of its obligations under the Contract in respect of the relevant Category or Sub-Category which materially and adversely affects the performance of the Services and which the Contractor has failed to remedy;
 - (C) where the Contractor has failed to achieve any Final Key Milestone (as defined in schedule 7 (Transformation Plan)) in accordance with the Contractor's Transformation Plan set out in schedule 7 (Transformation Plan) and the period of delay is such that the relevant milestone payment has reduced to zero in accordance with clause 72 (Tangible Element Reward Fee);
 - (D) if the Contractor has received a notice from the Authority pursuant to clause 41 (Persistent Breach) in respect of the relevant Category; or
 - (E) if the Contractor has committed a breach of any of its obligations under clause 68 (Conflicts of Interest) or clause 90.6 (Contractor Associated Bidders).
- 84.4 In the event that the Authority serves a notice pursuant to clause 84.3 to remove Exclusivity in respect of a Category or Sub-Category and the Authority elects to contract with a third party (or to provide from its own resources or another

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department of the UK Government) for the provision of any of the Services in respect of such Category or Sub-Category, the Annual Plan shall be adjusted pursuant to an Authority Change in accordance with schedule 24 (Change Procedure), provided that paragraph 3.2(D)(2) of schedule 24 (Change Procedure) shall not apply, unless the Authority is willing to retract the removal of Exclusivity, to reduce the Authority's commitments as referred to in clause 9.3(A) (Annual Plan) to reflect the revenues directly attributable to the Services where Exclusivity has been removed. For the avoidance of doubt, where Exclusivity is removed:

- (A) in determining the revenues directly attributable to the Services that have been removed, it shall be assumed that all of the annual contract revenues shall be directly attributable to the provision of the Services, and no portion shall be assumed attributable to the provision of the Contractor's central or overhead functions; and
 - (B) in relation to a Fixed or Firm Price Service, any such Fixed or Firm price shall be adjusted (in addition to any adjustments made to the Annual Plan pursuant to this clause 84.4) in accordance with Schedule 24 (Change Procedure) to reduce the Fixed or Firm price on a pro rata basis to reflect the portion of the activity for the Category or Sub-Category contracted to a third party (or to provide from its own resources or another department of the UK Government) as a proportion of the total activity undertaken under the Category or Sub-Category before the transfer of the provision of the Services to the third party.
- 84.5 During any period of suspension of Exclusivity in accordance with clauses 70.2(G) and 70.2(H)(1) (Transition to Schedule of Rates Pricing), the Authority shall be entitled to run a competition to contract with a Third Party for the Services over which Exclusivity has been suspended, and in the event the Contractor rectifies the failure which has led to the suspension of Exclusivity, this shall not affect any steps taken by the Authority during that period of suspension, including conducting any ongoing competition which the Authority shall be entitled to continue with and proceeding to place a contract for the Services in respect of which Exclusivity has been suspended.
- 84.6 The Contractor shall be entitled to request the Authority to reinstate any Exclusivity which has been removed pursuant to clause 84.3 and shall provide appropriate

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support and documentation to evidence the remediation of the matter which gave rise to such removal of Exclusivity. The Authority shall act reasonably in deciding whether to grant such request but shall have no obligation to do so.

85. Authority Dependencies and GFX

85.1 Consequences of Dependency Failure

If and to the extent that as a direct result of the occurrence of a Dependency Failure for the relevant period in accordance with schedule 26 (Authority Dependencies and GFX) the Contractor is unable to comply with its obligations under this Contract then the Contractor shall be entitled to apply for relief from Performance Failure Deductions, subject to schedule 26 (Authority Dependencies and GFX) and relief from its other obligations in accordance with this clause 85.1 (Consequences of Dependency Failure). The Contractor shall not be entitled to make a claim under clause 86 (Compensation Events) in respect of a Dependency Failure.

85.2 Procedure for Dependency Failure Claims

(A) To obtain relief the Contractor must:

- (1) as soon as reasonably practicable, and in any event within ten (10) Business Days after the Contractor becomes aware that a Dependency Failure has affected or is likely to affect the ability of the Contractor to perform its obligations under this Contract, the Contractor shall give the Authority a Dependency Failure Notice which shall contain:
 - (a) full details of the nature of the Dependency Failure;
 - (b) the date of occurrence of the Dependency Failure;
 - (c) the likely duration of the Dependency Failure;
 - (d) identification of the cause or likely cause of the Dependency Failure;

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- (e) full details of its claim for relief from Performance Failure Deductions in accordance with schedule 26 (Authority Dependencies and GFX) and for relief from its other obligations under this Contract; and
 - (f) its proposals either for remedying or mitigating the effects of the Dependency Failure which shall include:
 - (i) a full description of any additional works or services;
 - (ii) a timetable for such works and services;
 - (iii) information on who will carry out such works and services; and
 - (iv) full details of the cost of such works or services;
- (2) demonstrate to the reasonable satisfaction of the Authority that:
- (a) the Contractor and its Sub-contractors could not have avoided such occurrence or consequences by steps which they might reasonably be expected to have taken, without incurring material expenditure;
 - (b) the Dependency Failure directly caused the need for relief from its obligations under this Contract;
 - (c) the relief claimed could not reasonably be expected to be mitigated or recovered by the Contractor and/or its Sub-contractors acting in accordance with Good Industry Practice, without incurring material expenditure;
 - (d) the Contractor and its Sub-contractors are using reasonable endeavours to perform the Contractor's obligations under this Contract; and
- (3) notify the Authority's Representative if at any time the Contractor receives or becomes aware of any further information relating to the Dependency Failure, giving details of that information to the extent that

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such information is new or renders information previously submitted materially inaccurate or misleading.

85.3 Effect of a Dependency Failure

If the Contractor has complied with its obligations under clause 85.2 (Procedure for Dependency Failure Claims), then the Authority shall give the Contractor such relief from its obligations under this Contract as is reasonable for such a Dependency Failure.

85.4 The provisions of schedule 26 (Authority Dependencies and GFX) shall apply in respect of this Contract.

86. Compensation Events

86.1 If, as a direct result of the occurrence of a Compensation Event:

- (A) the Contractor is unable to comply with its obligations under this Contract; or
- (B) the Contractor incurs costs or loses revenue,

then the Contractor is entitled to apply for relief from its obligations and/or to claim compensation under this Contract.

86.2 Procedure for Compensation Event Claims

(A) Subject to clause 86.4 (Late Provision of Notice or Information), to obtain relief and/or claim compensation the Contractor must:

- (1) as soon as practicable, and in any event within twenty (20) Business Days after it became aware that the Compensation Event has caused or is likely to cause a breach of an obligation under this Contract and/or the Contractor to incur costs and/or lose revenue, notify the Authority's Representative of its claim for payment of compensation and/or relief from its obligations under this Contract; and
- (2) as soon as practicable, and in any event within ten (10) Business Days of service on the Authority's Representative of the notice referred to in clause 86.2(A)(1), notify the Authority's Representative of full details of

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the Compensation Event and the relief from its obligations and/or loss of revenue claimed; and

(3) demonstrate to the reasonable satisfaction of the Authority's Representative that:

(a) the Compensation Event was the direct cause of the loss of revenue and/or breach of the Contractor's obligations under this Contract; and

(b) the costs incurred, loss of revenue and/or relief from the obligations under this Contract claimed, could not reasonably be expected to be mitigated or recovered by the Contractor acting in accordance with Good Industry Practice.

86.3 Effect of a Compensation Event

(A) If the Contractor has complied with its obligations under clause 86.2 (Procedure for Compensation Event Claims), then:

(1) in the case of an additional cost being incurred or revenue being lost by the Contractor the Authority shall compensate the Contractor for the additional costs reasonably incurred or revenue actually lost (to the extent it could not reasonably have been mitigated); and

(2) the Authority shall give the Contractor such relief from its obligations under this Contract as is reasonable for such a Compensation Event.

(B) Any payment of compensation referred to in clause 86.3(A)(1) shall be calculated using the Financial Model.

86.4 Late Provision of Notice or Information

If the information required by clause 86.2 (Procedure for Compensation Event Claims) is provided after the dates referred to in that clause, then the Contractor shall not be entitled to any compensation or relief from its obligations under this Contract during the period for which the relevant information is delayed.

86.5 Failure to Agree

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If the Parties cannot agree the extent of any compensation, relief from the Contractor's obligations under this Contract, or the Authority disagrees that a Compensation Event has occurred (or as to its consequences), or that the Contractor is entitled to relief under this clause 86, the Parties shall resolve the matter in accordance with clause 28 (Dispute Resolution).

87. **Force Majeure Events**

87.1 On the occurrence of a Force Majeure Event, the Affected Party shall notify the other Party as soon as practicable. The notification shall include details of the Force Majeure Event, including evidence of its effect on the obligations of the Affected Party and any action proposed to mitigate its effect.

87.2 As soon as practicable following such notification, the Parties shall consult with each other in good faith and use all reasonable endeavours to agree appropriate terms to mitigate the effects of the Force Majeure Event and facilitate the continued performance of this Contract.

87.3 **Effect of a Force Majeure Event**

(A) The Parties shall at all times following the occurrence of a Force Majeure Event use all reasonable endeavours to prevent and mitigate the effects of any delay and the Contractor shall at all times during which a Force Majeure Event is subsisting take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

(B) No Party shall be entitled to bring a claim for a breach of obligations under this Contract by the other Party or incur any liability to the other Party for any losses or damages incurred by that other Party or to the extent that a Force Majeure Event occurs and the Affected Party is prevented from carrying out obligations by that Force Majeure Event. Without prejudice to clause 87.3(C) the Authority shall not be entitled to terminate this Contract for Contractor Default to the extent that such Contractor Default arises from a Force Majeure Event.

(C) Either Party may terminate this Contract pursuant to the provisions in clause 42 (Termination for Force Majeure Event).

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87.4 Extension of time

- (A) Where a Force Majeure Event occurs, the Contractor shall be entitled to request an extension of time to the Contract Period and relief from obligations affected by the Force Majeure Event.
- (B) Where a request is made under clause 87.4(A) above:
 - (1) It shall not be granted where the Force Majeure Event only affects one site unless the Authority, in its sole discretion, confirms that the Requirement cannot be met without the use of the affected site in which case clause 42.5 (Partial termination on Force Majeure) shall apply;
 - (2) It shall be granted to the extent that the Contractor can demonstrate to the reasonable satisfaction of the Authority that:
 - (a) the Force Majeure Event in question has occurred;
 - (b) the Force Majeure Event has caused the Contractor's failure to meet its relevant obligations;
 - (c) the Force Majeure Event has not been caused or contributed to by the Contractor or any of its sub-contractors or any of their respective employees and agents; and
 - (d) the Contractor has taken all possible steps to mitigate the effects of such Force Majeure Event.
- (C) Upon the Authority being satisfied with the above, it shall specify to the extent reasonable in the circumstances the obligations for which relief shall be given, and the period, if any, for relief.

87.5 Cessation of Force Majeure Event

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The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Contract. Following such notification this Contract shall continue to be performed on the terms existing immediately prior to the occurrence of the Force Majeure Event.

88. Records and Reporting

The Contractor shall comply with Good Industry Practice and the provisions of schedule 30 (Open Book Accounting, Records and Reporting) and the detailed reporting requirements in schedule 25 (Performance Mechanism) and the Service Delivery Plan in relation to the production and maintenance of reports.

89. Security

In respect of security, the provisions of schedule 27 (Security) shall apply. The Contractor shall additionally comply with the provisions of the Security Aspects Letter set out in Annex A (Security Aspects Letter) to schedule 27 (Security).

90. Sub-contracting

- 90.1 The Contractor shall perform its obligations under and observe all the terms of any Sub-contract which it has entered into with a Sub-contractor.
- 90.2 Nothing in this Contract shall prohibit or prevent any Sub-contractor employed by the Contractor from being employed by the Authority at any establishments of the Authority.
- 90.3 Prior to entering into any Sub-contract relating to IPR, the Contractor shall notify the proposed Sub-contractor that the Contractor is not, by virtue of prior agreement with the Authority, entitled to place a contract with the Sub-contractor which does not comply with the conditions of clause 91.3 (Sub-contractor IPR).
- 90.4 The Contractor shall retain, for two (2) years from the earlier of the Termination Date or the Expiry Date as the case may be, a copy of all Sub-contracts (or the relevant parts thereof) sufficient to demonstrate the Authority's rights with respect to clause 91.3 (Sub-contractor IPR) including rights in respect of Sub-contractor IPR and shall

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provide certified copies of such records to the Authority's Representative upon request.

90.5 Approval of Sub-contractors and Terms of Sub-contracts

- (A) By entering into this Contract, the Authority approves the Sub-contractors appointed by the Contractor as at the Commencement Date.
- (B) If the Contractor wishes to replace a Key Sub-contractor or add an additional Key Sub-contractor, the Contractor shall propose a Contractor Change pursuant to clause 80 (Change) and schedule 24 (Change Procedure) by submitting for the Authority's Representative's approval:
 - (1) the name of the proposed Key Sub-contractor; and
 - (2) a statement of the work to be carried out; and
 - (3) a copy of the proposed Sub-contract which shall include the matters required pursuant to clause 91 (Matters to be Included in Sub-contracts); and
 - (4) any other details known to the Contractor which the Authority's Representative shall reasonably require.
- (C) The Authority's Representative shall (acting reasonably) confirm or reject the identity of the proposed Key Sub-contractor and/or the terms of the proposed Sub-contract within thirty (30) Business Days of the Contractor's Notice of Change provided that it shall be reasonable for the Authority's Representative to reject any proposed Sub-contractor who is not a Suitable Third Party and/or who will not be appointed under a Sub-contract, including pursuant to clause 91 (Matters to be Included in Sub-contracts).
- (D) The Contractor shall not, in respect of the Project, employ a proposed new sub-contractor and/or use a proposed sub-contract and shall procure that a Key Sub-contractor does not, in respect of the Project, employ a sub-

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contractor and/or use a proposed sub-contract rejected by the Authority pursuant to this clause 90.5.

(E) On:

- (1) the Authority's Representative's approval pursuant to this clause 90.5;
and
- (2) the entering into of the relevant sub-contract documentation by the Parties to it,
- (3) the proposed new sub-contractor and sub-contract shall become a Sub-contractor and Sub-contract respectively for the purposes of this Contract.

90.6 Contractor Associated Bidders

(A) Subject to clause 90.6(B), the Contractor shall ensure that no Contractor Associated Bidder bids for or enters into:

- (1) any contract to be awarded by the Contractor's Procurement Department relevant to the Services to be provided pursuant to this Contract; or
- (2) any sub-contract to be entered into pursuant to this Contract of a value at or in excess of £500,000;

(each a "Relevant Contract") without the Authority's prior written consent pursuant to clause 90.6(C).

(B) If, at any time, the Authority has credible evidence that the Contractor has set the value of Relevant Contracts below the threshold set out in clause 90.6(A)(2) above in order to circumvent the application of this clause 90.6 (Contractor Associated Bidders) then the Authority may require the Contractor to re-procure the Relevant Contracts as a single contract and in such circumstances the Contractor shall release and indemnify the Authority, its employees, agents and contractors on demand from and against all liability for Direct Losses and Indirect Losses arising from such re-

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procurement and any claims or demands brought against the Authority or an Authority Related Party by sub-contractors in relation to such re-procurement.

(C) Where:

(1) a Contractor Associated Bidder expresses an interest in bidding for a Relevant Contract;

(2) the Authority considers that it represents value for money and is otherwise in the Authority's interests that the Contractor Associated Bidder should bid for that Relevant Contract;

(3) before the start of the procurement tender process for that Relevant Contract the Contractor identifies all actual or potential conflicts of interest and provides the Authority with clear proposals in writing for creating and maintaining preventative measures (the "Preventative Measures") between:

(a) the Contractor; and

(b) each of:

(i) the Contractor Associated Bidder, and

(ii) any other Contractor Associated Companies,

such that any information relating to the Services or the bid is not and does not become available or known to any other Contractor Associated Companies; and

(c) any employees of any entity referred to in sub-clauses 90.6(C)(3)(a) and 90.6(C)(3)(b) above,

to prevent misuse of information by any such person or restriction or distortion of competition in the procurement of the Services; and

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- (4) the Authority considers that the Preventative Measures proposed by the Contractor are sufficient and enforceable and that any conflict of interest can be addressed or is not material,

the Authority may, subject to any conditions that the Authority may elect to impose, notify the Contractor that such Contractor Associated Bidder is permitted to bid for that Relevant Contract and, subject to the Contractor complying with the Compliance Measures, the Preventative Measures and such other conditions as the Authority may have notified to the Contractor in its notice under this clause 90.6, such Contractor Associated Bidder will not be prevented under clause 90.6(A) from bidding for such Relevant Contract.

- 90.7 Where, further to clause 90.6(C) the Authority permits a Contractor Associated Bidder to bid for a Relevant Contract, the Contractor shall ensure that the Contractor, the Contractor Associated Bidder and any other Contractor Associated Companies are bound by and always comply strictly with the applicable provisions of the Compliance Measures, the Preventative Measures and such other conditions as the Authority may have notified to the Contractor in its notice under clause 90.6(C). In such circumstances, the Authority may determine that on one or more occasions, and at any time, Authority Audit Agents will be appointed to carry out an independent review of compliance with the Preventative Measures and such other conditions. The Contractor shall and shall procure that any Contractor Associated Bidder and any other Contractor Associated Companies shall, co-operate fully with the Authority Audit Agents, and provide to the Authority Audit Agents all access, information, explanations, support and assistance reasonably requested for the purposes of carrying out the review and reporting to the Authority.

- 90.8 If at any time during the procurement (but before the award) of a Relevant Contract the Authority considers that there is a conflict of interest in relation to a Contractor Associated Bidder or a material risk of breach of, or challenge by a third party regarding compliance with, the Regulations which is not being addressed to the Authority's satisfaction, it may require the Contractor to exclude the relevant Contractor Associated Bidder from the procurement of that Relevant Contract. The Contractor shall ensure that it does not, further to such procurement process, enter into a Relevant Contract with a Contractor Associated Bidder that the Authority has required to be excluded from the procurement process for that Relevant Contract.

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- 90.9 The Contractor shall ensure that a Relevant Contract is not placed with or offered to a Contractor Associated Bidder (other than as a result of a competitive process) without the Authority's prior written approval which may be withheld or given subject to such conditions as the Authority considers appropriate.
- 90.10 The Contractor shall not materially amend any Relevant Contract awarded to a Contractor Associated Bidder without the prior written approval of the Authority. The Authority may approve or reject any such proposed material amendments or impose such conditions on its approval as it considers appropriate.

91. **Matters to be included in Sub-contracts**

- 91.1 The Contractor shall procure that any Key Sub-contract shall include:

- (A) a right for the Contractor to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-contract to the Authority and/or any Replacement Contractor without restriction (including any need to obtain consent or approval) or payment by the Authority and on reasonable terms in either case; and
- (B) a provision that the Key Sub-contract may not be assigned or novated without the Authority's prior written consent.

91.2 **Secrecy and Security**

- (A) All Sub-contracts shall include provisions for placing the Sub-contractor under obligations in relation to secrecy and security corresponding to those placed on the Contractor by clause 89 (Security).
- (B) The Contractor shall, and shall procure that its Sub-contractors shall give such notices, directions, requirements and decisions to the Sub-contractors as may be necessary to bring the provisions relating to secrecy and security which are included in Sub-contracts pursuant to this clause 91 into operation in such cases and to such extent as the Authority's Representative may direct.
- (C) The Contractor's Representative shall give the Authority's Representative such information and particulars as the Authority's Representative may from

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time to time require for the purposes of satisfying the Authority that the obligations imposed by or under the provisions of this clause 91 have been and are being observed and as to what the Contractor has done or is doing or proposes to do to secure the observance of those obligations and to prevent any breach thereof.

- (D) Nothing in this clause 91 shall be construed as intended to prevent any person from giving any information or doing anything on any occasion when it is, by virtue of any Legislation, the duty of that person to give that information or do that thing.

91.3 Sub-contractor IPR

- (A) All Sub-contracts shall include:
- (1) a licence to the Authority under the Sub-contractor IPR on the same terms as the licence the Authority receives in relation to the Contractor Background IPR pursuant to paragraph 3.2(A) of schedule 36 (IPR);
 - (2) an assignment of rights in any Project Specific IPR and/or Specially Written Software that arises, is obtained, developed and/or generated by the Sub-contractor on behalf of the Contractor on the same terms as the assignment from the Contractor to the Authority of Project Specific IPR and Specially Written Software pursuant to paragraph 10 (Assignments and licences of IPR in connection with Specially Written Software) of schedule 36 (IPR);
 - (3) provisions such that the Sub-contract shall not be rescinded, or varied in such a way as to alter or extinguish any rights granted to the Authority without the prior written consent of the Authority's Representative;
 - (4) provisions that the Authority's rights referred to in this clause 91, which are otherwise enforceable under the Contracts (Rights of Third Parties) Act 1999, are not rendered unenforceable;
 - (5) provisions that either party to the Sub-contract may release to the Authority any of those parts of the Sub-contract as are necessary to be sufficient to demonstrate compliance with the provisions of this clause

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91 and that any such release shall not amount to a breach of any provision of confidentiality contained within the Sub-contract; and

- (6) provisions that the Authority and the Contractor may register any licence of registered Sub-contractor IPR against that Sub-contractor IPR.

91.4 **Pensions**

All Sub-contracts which may result in the employment of any Former Authority Employee being transferred to a Sub-contractor pursuant to the Transfer Regulations shall include those provisions required under clause 32.2 (Pensions) in respect of such Sub-contracts.

92. **Competitive Procurement of Sub-contracts**

- 92.1 If the Contractor proposes a procurement approach other than competitive tendering for a Sub-contract with a value of not less than £500,000, the Contractor shall:

- (A) discuss this approach with the Authority and in response to this the Authority shall provide its requirements to the Contractor;
- (B) the Contractor shall then provide the Authority with written justification for its proposed alternative approach, explaining how this will meet the Authority's requirements and provide the Authority with best value for money,

and the Contractor shall not commence such procurement without the Authority's prior written approval of the proposed procurement approach. For the avoidance of doubt, this shall not apply to the sub-contracts with sub-contractors entered into by the Contractor at the Commencement Date and approved by the Authority under clause 90.5(A) (Approval of Sub-contractors and Terms of Sub-contracts).

- 92.2 The Authority may take such steps and perform such analysis as it considers necessary to assess the Contractor's proposal. The Contractor shall provide such other information and assistance as the Authority reasonably requests in relation to any such assessment.

- 92.3 The Authority may:

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- (A) approve or reject any alternative procurement approach proposed by the Contractor in accordance with this clause 92;
- (B) if it considers it appropriate, require the Contractor to use competitive tendering to procure the relevant services;
- (C) if it considers it appropriate, require the Contractor to procure the relevant services in accordance with any other Authority procurement strategy (including if appropriate electronic auctions) or any other procurement strategy agreed by the Parties from time to time; or
- (D) determine to procure the relevant services itself, in which case the Contractor shall provide such information and assistance and within such timescales as the Authority may reasonably request in connection with such procurement.

93. **Information Technology**

The provisions of schedule 31 (Information Technology) shall apply in respect of this Contract.

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PART B

94. **Delivery, Acceptance and Rejection Procedures**

The following provisions shall apply in respect of the following Categories:

- MRO 1-3

- MRO 4

- TUF

- LW SSS

94.1 **Delivery**

- (A) All deliveries are to be made in accordance with DEFCON 621A - Transport (If the Authority Is Responsible For Transport) unless the Contractor is notified otherwise by the Authority's Commercial Representative that the provisions of DEFCON 621B - Transport (If The Contractor Is Responsible For Transport) will apply.
- (B) Articles shall be delivered to the Authority in accordance with the Requirement.
- (C) The Contractor shall be responsible for notifying to the Authority's Representative when Articles are completed and ready for collection in line with the Requirements, including the weight and any other relevant information in relation to such Articles.
- (D) In the event that any Articles are not collected within fifteen (15) Business Days of notification to the Authority's Representative, the Contractor shall provide details to the Authority's Representative, in writing within five (5) Business Days. The Contractor and the Authority's Representative will then mutually agree a course of action for dealing with the Articles.
- (E) Any revision to the agreed Delivery Requirements will be subject to agreement between the Contractor and the Authority. Such agreement shall be recorded in writing.

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- (F) Until delivery, the risk of loss or damage to the Articles shall be with the Contractor.
- (G) The Contractor shall ensure that the Articles are packaged in accordance with the terms of this Contract.

94.2 Acceptance

- (A) Following delivery of an Article pursuant to clause 94.1 (Delivery) the Authority shall confirm to the Contractor within forty-five (45) Business Days whether that Article is accepted in accordance with this clause 94.2 or rejected in accordance with clause 94.3 (Rejection).
- (B) The Authority shall be deemed to have accepted an Article if:
 - (1) the time period for rejecting the Article as set out in clause 94.3 (Rejection) has elapsed; or
 - (2) when the Article has been delivered, the Authority uses the Article for any purpose other than acceptance testing.
- (C) Unless otherwise specified in this Contract, the Authority shall not have accepted an Article:
 - (1) merely because the Authority asks for, or agrees to, its repair by or under an arrangement with the Contractor; or
 - (2) unless otherwise specified in this Contract, merely because the Article has been delivered to a third party or the Authority.
- (D) Acceptance shall be governed by this clause to the exclusion of any common law or Statutory provision relating to acceptance of goods.

94.3 Rejection

- (A) The Authority may within forty-five (45) Business Days following delivery reject (whether or not after inspection):

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(1) subject to clause 94.3(B), any Article which does not conform with the Requirement as set out in schedule 2 (Statement of Requirements);

(2) the whole of any consignment of the Articles if:

(a) 20%, or such higher proportion or percentage of the Articles as the Authority may specify, do not conform with the Requirement as set out in schedule 2 (Statement of Requirements); or

(b) samples, whether of Articles or of the material in the Articles, taken randomly from that consignment do not conform with the Requirement as set out in schedule 2 (Statement of Requirements),

and if the Authority shall exercise such right, it shall notify the Contractor in writing or by email of such rejection and the reasons for such rejection.

(B) Between the agreed delivery date and acceptance, the Contractor is not required to undertake any routine maintenance or servicing which falls due during that period. The Authority shall not be entitled to reject an Article pursuant to clause 94.3(A) if non-conformity with the Requirement as set out in schedule 2 (Statement of Requirements) is solely due to such maintenance or servicing not being undertaken.

(C) For the purposes of this clause, an item of GFX in connection with which the Contractor is required under this Contract to carry out any Service, shall, following completion of the Service, be subject to rejection under clauses 94.2(A) and 94.3(A) as if it was an Article, but without prejudice to the Authority's proprietary and other rights in that item of GFX. The provisions of clauses 94.3(D), 94.3(F), 94.3(F) and 94.3(G) shall similarly apply to such items.

(D) Subject to clause 94.3(F), and if so required by the Authority, the Contractor shall at its own expense and within ten (10) Business Days of being notified of the rejection, or within any other period specified in this Contract, remove any Article or consignment which the Authority has rejected.

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- (E) If the Contractor fails to remove the rejected Article or consignment in accordance with clause 94.3(C), the Authority may return it to the Contractor at the Contractor's expense.
- (F) The Contractor shall at its own expense and within such period as may be agreed with the Authority (which shall be as soon as reasonably practicable in the circumstances) supply Articles that conform with the requirements of the Contract.
- (G) The Contractor may object in writing or by email to a notification of rejection by the Authority within ten (10) Business Days of being notified of the rejection. If the objection is not resolved within a reasonable time, it shall be treated as a dispute and resolved pursuant to clause 28 (Dispute Resolution) and schedule 13 (Dispute Resolution). Unless otherwise agreed, the Contractor shall not remove the Articles which are the subject of the rejection notice unless and until the objection or dispute has been resolved in favour of the Authority.

95. Procedures for Items Beyond Economic Repair

The following provisions shall apply in respect of the following Categories:

- MRO 1-3
- MRO 4

95.1 For the purposes of this Contract, and unless expressly agreed otherwise, the term "Repair" means the activity designed to restore all equipment to their full operational and legal standards in accordance with the relevant equipment specification, incorporating authorised design and safety modifications and a maximum cost of not more than 80% of its JAMES BASIC price). Where no JAMES BASIC price exists, the Authority's Representative shall advise the Contractor of the forecast replacement cost, thereby enabling the Contractor to advise the Authority's Representative of the expected cost of repair/replacement. Where economic repair cannot be reasonably achieved, the Contractor shall notify the Authority's Representative in accordance with clause 95.4 below.

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- 95.2 In the event that the Contractor considers the prices within the JAMES system to be incorrect following their previous experience, they shall inform the Authority's Representative, in order to agree and correct the JAMES cost information. Correct JAMES cost information will enable repair decisions to be based upon the latest financial information.
- 95.3 Planning and repair processes and procedures will only change if necessary. Both parties agree to help the other in so far as is reasonably practicable, through provision of financial information and estimated capacity requirements, with their respective planning processes.
- 95.4 For the purposes of this Contract, and unless expressly agreed otherwise, the term "Beyond Economic Repair (BER)" means any repair where the total cost shall be greater than 80% of the forecast replacement cost. When the Contractor considers an Article to be BER it shall as soon as reasonably practicable advise the Authority's Representative of this. In the event that any Article is considered to be BER, the Contractor shall provide an impact statement setting out the cost and programme implications to the Authority Representative.
- 95.5 No work shall be carried out on any Article which, after receipt, inspect, strip and survey, is considered to be BER. Any work that is carried out beyond the receipt, inspect, strip and survey shall be done at the Contractor's own risk.
- 95.6 The Authority's Representative will notify the Contractor of its decision in respect of each application as soon as reasonably practicable, and will provide appropriate instructions to the Contractor detailing disposal instructions.
- 95.7 Where the Authority Representative determines that an Article is BER, the Contractor may be instructed to dismantle the Article if serviceable or repairable parts will thereby be recovered and such action is considered economical. Serviceable and repairable parts recovered may be used in the remanufacture of other Articles under the Contract subject to the prior approval of the Authority's Commercial Branch to a fair and reasonable price agreed for the Contractor's purchase of such parts.
- 95.8 The Authority's Representative, at their sole discretion, may elect to proceed to repair Articles deemed BER. For the Contract Period, costs for repairing an Article deemed

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BER will be priced pursuant to an Authority Change in accordance with schedule 24 (Change Procedure).

96. Warranty

The following provisions shall apply in respect of the following Categories:

- MRO 1-3
- MRO 4

96.1 Contractor's Warranty

- (A) If, within the earlier of three (3) years from the date of repair or twelve (12) months from the date upon which a repaired Article is deployed into service, any of the work carried out under this Contract is found to be defective in design, material, or workmanship, other than as a result of an act or omission of the Authority, including without limit abuse, misuse and neglect, the cost of rectification including surface transport to and from an Authority depot in the UK and the cost of any spare parts supplied from HMG sources, shall be borne by the Contractor. This warranty is subject to a time limit of three (3) years from date of repair. For the avoidance of doubt, the warranty shall only be applicable if such defect is attributable to the original repair and is without prejudice to any other warranty by any third party in relation to the relevant vehicle or component. In such circumstances, the obligation of the Contractor shall be limited to repairing the relevant equipment and remedying such defect at its own cost.
- (B) In the event that the Contractor incurs costs in ascertaining the cause of the faults which are subsequently agreed not to be attributable to it, the Authority will pay fair and reasonable prices for the work done.

96.2 The Contractor shall promptly repair any such defective work, provided that this warranty shall not apply:

- (A) to the extent that any defect was caused by breach by the Authority of any of its obligations under this Contract; or

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(B) to any latent defect in the equipment which is the subject of the task.

96.3 Should any such defect in workmanship or labour forming part of the Requirement (to the extent not caused by breach by the Authority of any of its obligations under this Contract) cause other damage to Authority equipment, the Contractor shall take all necessary actions to remedy such damage at its cost (including the cost of providing parts and any transport for parts damaged as a result of the defect in workmanship or labour).

97. **Certificates of Conformity**

The following provisions shall apply in respect of the following Categories:

- MRO 1-3
- MRO 4

97.1 The provisions of schedule 34 (Certificate of Conformity) shall apply in respect of this Contract.

97.2 Where required in schedule 2 (Statement of Requirement) the Contractor shall provide a Certificate of Conformity ("CofC") in the form at schedule 34 (Certificate of Conformity) and any applicable Quality Plan. When a CofC is required, one copy shall be sent to the Authority's Representative upon delivery, and one copy shall be provided to the consignee upon delivery.

97.3 Where required in schedule 2 (Statement of Requirement) the Authority reserves the right not to accept pursuant to clause 94.2 (Acceptance) any Articles that are delivered without an accompanying completed CofC form.

97.4 Where the Contractor is the supplier to the Authority, and where items are procured from sources other than the Authority and the Authority's Representative has specified that a CofC is required, the Contractor will comply.

98. **Obsolescence**

The following provisions shall apply in respect of the following Categories:

- MRO 1-3

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- MRO 4
- Inventory and Repair Management
- Light Weapons SSS
- Training Uplift Fleet

98.1 The Contractor shall:

- (A) inform the Authority immediately upon becoming aware of any obsolescence issues that may adversely affect the performance of this Contract;
- (B) analyse any actual and potential obsolescence; and
- (C) report accordingly to the Authority with possible solutions.

99. **Spares**

The following provisions shall apply in respect of all Categories save for Army HQ Fleet Management.

- 99.1 The Contractor is able to obtain Spares from either LCS Store Systems 3 or from the market. Where the Contractor obtains Spares from LCS Store Systems 3, this will be in its capacity as an Authorised Demander under the LCS(T) Contract.
- 99.2 The Contractor cannot use any Spares from LCS Store Systems 3 for Commercial Work.
- 99.3 The Contractor is required to invoice the Authority at cost for all Spares in accordance with clause 74 (Payment) and schedule 40 (Payment).
- 99.4 The Contractor agrees that in relation to the procurement of Spares for the purposes of performing the Services, existing Government framework agreements will be utilised whenever possible. This clause 99.4 shall not apply in respect of Spares relating to Commercial Work.
- 99.5 The Contractor further agrees that whenever it procures Spares for the purposes of performing the Services set out in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of schedule 2

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(Statement of Requirements), it will act as agent in procuring goods or services from a third party on behalf of the Authority, whether or not pursuant to a Government framework agreement.

- 99.6 The Contractor shall ensure that all benefits gained through or in connection with the use of Government frameworks and/or other contracts or arrangements pursuant to this clause 99 shall be passed on for the benefit of the Authority.
- 99.7 Where the Contractor intends to use a Government framework agreement, in accordance with clause 99.4, the Contractor shall:
- (A) act in accordance with such procedures, rules and guidance as the Authority and/or any person on their behalf may from time to time notify the Contractor including without limitation any requirements for:
 - (1) the terms of any invitations to tender;
 - (2) the terms of any contracts; and
 - (3) the process and criteria for the evaluation and/or award of any contracts;
 - (B) manage all contracts it enters into pursuant to this clause 99 as agent on behalf of the Authority and the Contractor's obligations and responsibilities in this regard shall be to:
 - (1) not terminate or otherwise amend the terms of the contract or enter into any new or replacement contract in addition to or in substitution for the contract without obtaining the prior written consent of the Authority;
 - (2) advise the Authority of the steps to be taken to avoid or mitigate any event which may adversely affect the performance of the contract and where required by the Authority the Contractor shall take such steps; and

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- (C) provide to the Authority such other information as the Authority may from time to time reasonably require in relation to the performance by the parties pursuant to the contract.

99.8 In addition to carrying out its obligations under this clause 99, to the extent applicable to the procurement of Spares for the purposes of performing the Services and only to the extent that the Contractor acts as the agent of the Authority under this clause 99 (Spares), the Contractor shall:

- (A) comply with all Laws, rules and guidance that apply to the Authority including, without limitation, the PCR and DSPCR;
- (B) act towards the Authority dutifully and in good faith, not allow its interests to conflict with the duties that it owes to the Authority under this Contract and generally to carry out its agency in the way which it thinks best to promote the interests of the Authority;
- (C) not act in a way which will incur any liabilities on behalf of the Authority;
- (D) comply with all reasonable and lawful instructions from the Authority from time to time concerning its duties under this Contract; and
- (E) describe itself in all dealings with suppliers under Government framework agreements as the agent of the Authority.

99.9 For the avoidance of doubt, the Contractor shall not be entitled to use any Government framework agreement entered into pursuant to this clause 99 for its own benefit or for any purpose other than as set out in this clause 99.

99.10 Agency Authority in Relation to Executer Contracts

- (A) Subject to the restrictions set out in clause 99.12 (Restrictions on Permission to Act), where an action to be carried out by the Contractor does not fall within the Permission to Act set out in clause 99.11 (Scope of Permission to Act), the Contractor shall consult with and obtain prior written approval of the Authority before acting, and subsequently shall act in accordance with the terms of the Authority's approval. Where the approval of the Authority is required, the Authority shall take into account the impact of

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granting or not granting such approval on the Contractor's obligations under the Contractor and to deliver the Services.

- (B) The Contractor shall have due regard to any current or future strategy for the procurement of Spares as notified to the Contractor by the Authority from time to time.
- (C) If the Contractor is uncertain whether an action falls within the Permission to Act, it shall consult with the Authority to obtain confirmation of whether the proposed activity falls within the Permission to Act or whether it requires the Authority's written approval.
- (D) The Contractor shall ensure that all new Executer Contracts include a provision that recognises the role of the Contractor as the Authority's agent.
- (E) If a claim is threatened or a dispute resolution process (other than legal proceedings being issued) is triggered under one of the Executer Contracts, the Contractor shall notify the Authority of:
 - (1) the details of the relevant Executer Contract;
 - (2) the claim that has been threatened or the dispute resolution process that has been triggered;
 - (3) any proposals for the resolution of the threatened claim or dispute, notwithstanding that the Authority shall; have conduct of any legal proceedings issued in accordance with clause 99.10(H); and
 - (4) such other information as the Authority may reasonably require.
- (F) Notwithstanding that the Authority shall have conduct of any legal proceedings issued in accordance with clause 99.10(H), the Contractor shall keep the Authority updated regarding the progress of the threatened claim or dispute and shall comply with any reasonable directions of the Authority regarding the threatened claim or dispute, provided that the Authority shall bear, discharge and reimburse the Contractor, save for instances where the cause of the legal proceedings is a result of a negligent act or omission of

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the Contractor, for any costs, liabilities, loss or damage incurred by the Contractor in complying with such directions.

- (G) Notwithstanding that the Authority shall have conduct of any Legal Proceedings issued in accordance with clause 99.10(H), any proposed settlement of a threatened claim or dispute under an Executer Contract must be approved in writing in by the Authority prior to being made.
- (H) If legal proceedings ("Legal Proceedings") are issued in relation to an Executer Contract, the Authority shall have conduct of those Legal Proceedings, provided that the Authority shall bear, discharge and reimburse the Contractor, save for instances where the cause of the Legal Proceedings is a result of a negligent act or omission of the Contractor, for any costs, liabilities, loss or damage incurred by the Contractor in the Authority conducting the Legal Proceedings. The Contractor shall provide such assistance and co-operation as the Authority may reasonably require, including providing access to records, information and other documents and to employees of the Contractor for the purpose of resolving the Legal Proceedings.
- (I) The Contractor acknowledges that the Authority may take conduct of proceedings issued in relation to an Executer Contract by appointing Treasury Solicitors or other external counsel in its sole discretion.
- (J) The approval by the Authority of any matter relating to any Executer Contract under this Contract:
 - (1) shall be without prejudice to the Authority's other rights under the Executer Contract; and
 - (2) shall not, unless expressly agreed in writing between the Parties, relieve or excuse Contractor from any obligation or liability under this Contract.
- (K) If the Contractor seeks to exercise the agency authority outside the Permission to Act without the prior written consent of the Authority, the Contractor shall be liable to the Authority for any losses which the Authority

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incurs in relation to the Contractor acting outside of its Permission to Act without the prior written consent of the Authority.

99.11 Scope of Permission to Act

(A) Subject to the restrictions set out in clause 99.12 (Restrictions on Permission to Act) the Contractor shall be entitled to carry out the following actions in relation to Executer Contracts on behalf of the Authority without seeking the prior approval of the Authority:

- (1) engage informally with industry;
- (2) conduct pre-tender activity;
- (3) procure and accept goods and services against the relevant specifications;
- (4) authorise payments and/or make payments, with the latter being subject to completion of the Contractor's implementation of a replacement solution to the Authority's purchase to payment system in order to pay suppliers pursuant to this clause 99 (Spares) and as the Authority's agent within Inventory & Repair Management function when procuring Spares for the purposes of performing the Services set out in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of schedule 2 (Statement of Requirements) within six (6) months of the Commencement Date;
- (5) inspect goods and services;
- (6) inspect contractors and sub-contractors premises;
- (7) attend meetings and design reviews;
- (8) receive and confirm receipt of all notifications, reports, management information and other documentation required;

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- (9) review, comment on and approve reports, management information and other documentation provided under Executer Contracts on behalf of the Authority; and
- (10) issue notices and instructions on the Authority's behalf.

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99.12 Restrictions on Permission to Act

- (A) The following actions do not fall within the Permission to Act and require the prior written approval of the Authority:
- (1) exceeding Inventory Commitment Control Regime (ICCR) thresholds;
 - (2) execution of a new Executer Contract for the procurement of Spares or amendment of an existing Executer Contract;
 - (3) exercise any contractual action outside of an individual's commercial delegation;
 - (4) exercise of a waiver or other discretion where the exercise of such waiver or other discretion has procedural, cost or time implications;
 - (5) termination of an Executer Contract for any reason or the issue of a notice of termination;
 - (6) provision of an indemnity;
 - (7) issue of, or agreement to settle, any claims, disputes or legal proceedings under an Executer Contract on the Authority's behalf other than in accordance with this clause;
 - (8) pledge of the Authority's credit; and
 - (9) any decision as to whether the procurement of an Executer Contract is exempt from the application of either PCR or DSPCR.

99A. Initial Billing Processes

Prior to the implementation of a replacement solution to the Authority's payment to purchase system in accordance with the table relating to higher performance organisation milestones following paragraph 7.6(C)(11) of schedule 7 (Transformation Plan), the Authority shall be responsible for putting staff in place to administer and use the Authority's purchase to payment system in order to carry out billing and make payments to suppliers ("Billing & P2P Processes") on behalf of the Contractor and the Authority shall also be responsible for and reimburse the

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Contractor for all reasonable and properly incurred costs notified by the Contractor to the Authority and agreed with the Authority (acting reasonably) in relation to the Billing & P2P Processes.

100. Safety Case

The following provisions shall apply in respect of all Categories save for Inventory and Repair Management and Army HQ Fleet Management.

100.1 The Authority shall be responsible for maintaining and updating all relevant Safety Cases for the equipment.

100.2 The Contractor shall provide reasonable cooperation and assistance where required by the Authority in relation to the provision and preparation of Safety Cases.

100.3 The Contractor shall comply with any applicable Safety Case in relation to the provision of any Services in respect of the relevant equipment.

101. Potential SSS Vehicles

101.1 In relation to a SSS contract for Protected Mobility (PM) Vehicles or any vehicles upgraded pursuant to the Warrior Capability Sustainment Programme (WCSP), the Challenger 2 Life Extension Programme (CR2LEP) or the Armoured Battlefield Support Vehicle Programme (ABSV) (the "Potential SSS Vehicles"), the Authority may decide to invite tenders. In that event, the Authority shall be entitled to remove from the Requirement any Requirements relating to the provision of Services in respect of Potential SSS Vehicles with effect from the commencement of services under the potential SSS contract. Such removal of the relevant Requirements shall be dealt with as an Authority Change in accordance with clause 80 (Change) and schedule 24 (Change Procedure).

101.2 The Contractor shall, upon receipt of notice from the Authority, exercise its rights to require a novation of a contract or Key Sub-contract for the provision of services to the Contractor in relation to Potential SSS Vehicles to a third party nominated by the Authority to assume responsibility for the provision of such services under a SSS contract for Potential SSS Vehicles.

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101.3 The Contractor shall ensure that any Key Sub-contracts or contracts placed by the Contractor during the Contract Period in relation to Potential SSS Vehicles shall include appropriate provisions which entitle the Contractor to require the relevant contractor or Key Sub-Contractor to execute a deed of novation in respect of the novation referred to in clause 101.2 above.

101.4 The Contractor shall be required to support any tender process carried out by the Authority in relation to Potential SSS Vehicles and shall provide all reasonable assistance to the Authority in respect of the same.

102. **War Risks Indemnity**

The provisions of schedule 38 (War Risks Indemnity) shall apply in respect of this Contract.

103. **Contractors On Deployed Operations**

103.1 The provisions of schedule 39 (Contractors on Deployed Operations) shall apply in respect of this Contract.

103.2 The Contractor shall be required to deploy Contractor Personnel on operations as may reasonably be required by the Authority. Any such requirement for deployment shall be dealt with as an Authority Change to the Requirement in accordance with the Change Mechanism set out in schedule 24 (Change Procedure) and the terms and conditions set out in schedule 39 (Contractors on Deployed Operations) shall apply to any such deployment.

104. **Sponsored Reserves**

The provisions of schedule 33 (Sponsored Reserves) shall apply in respect of this Contract.

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IN WITNESS WHEREOF the Parties have executed and delivered this Contract on the date first written above.

Signed for and on behalf of **DSG LAND EQUIPMENT SUPPORT LIMITED**

Signature:

Name:

Position:

Date:

Signed for and on behalf of the **SECRETARY OF STATE FOR DEFENCE**

Authorised Signatory

Authorised Signatory

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SCHEDULE 1: DEFINITIONS

In this Contract, unless the context otherwise requires, the following words shall have the meanings set out below:

“Active Member” means an individual who is in pensionable service under (or, apart from any absence from work, would be in pensionable service under) the Pension Schemes;

“Actual Contract Return” means the amount of profit the Contractor generates in any Financial Period, as agreed in accordance with paragraph 3 (Authority’s Review of Actual Contract Return) of schedule 35 (Profit Sharing);

“Actual Revenues” means as defined in paragraph 2 (Contractor’s provision of details of Actual Contract Return) of schedule 35 (Profit Sharing);

“Admission Agreement” means in relation to the Contractor or a Sub-contractor an agreement made (or to be made) between (1) The Minister for the Cabinet Office (2) the Contractor or the Sub-contractor, as the case may be, and (3) the Authority relating to the participation of the Contractor or the Sub-contractor, as applicable, in the Schemes for the benefit of those of the Former Authority Employees who are for the time being employed by the Contractor or the Sub-contractor, as applicable.

“Affected Party” has the meaning given to it in the definition of Force Majeure Event;

“Affiliate” means in relation to any person any Holding Company or Subsidiary of that person or any Subsidiary of such Holding Company;

“Annual Plan” is the plan set out in schedule 20 (Annual Plan) as updated and approved or determined in accordance with clause 9 (Annual Plan);

“Appropriate Limit” has the meaning given to it in clause 38.7 (Freedom of Information);

“Approved Third Party” has the meaning given to it in clause 81.5 (Commercial Work);

“Article” means all goods (excluding Services) which the Contractor is required to supply under this Contract or in relation to which the Contractor is required to carry out the Services under this Contract;

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“Aspirational Pricing” means, in relation to each Category, the pricing arrangements described in clause 70.4 (Aspirational Pricing) in relation to that Category;

“AS90 Contract” means the contract (reference FASS7A/0034) between Authority and GCS relating to the supply of AS 90 spares, repairs, consumables and technical services to Authority;

“Audit” means any audit undertaken in accordance with clause 12 (Auditing) and schedule 9 (Audit);

“Audit Rights” means the Authority’s rights of audit in accordance with clause 12 (Auditing) and schedule 9 (Audit);

“Authorised Demander” means those persons and bodies authorised (by name, job title, military rank, function and/or other description) by the Authority to demand Services from the DP in accordance with the List of Authorised Demanders under the LCS(T) Contract;

“Authority Audit Agents” means any person or body who is entitled to exercise the Audit Rights in accordance with paragraph 2.2 of schedule 9 (Audit);

“Authority Change” has the meaning given to it in paragraph 2.2 of schedule 24 (Change Procedure);

“Authority Contract Return Excess Payment” means the amount payable by the Contractor to the Authority when calculated in accordance with paragraph 4 (Contract Return Excess) of schedule 35 (Profit Sharing);

“Authority Information System (IS)” means the IS owned and/or operated by the Authority, including the Authority Retained Systems, as referred to in schedule 31 (Information Technology);

“Authority Lease or Licence Property” means an Authority Lease Property and Authority Licence Property where referred to together or in the alternative;

“Authority Property” has the meaning given to it in clause 19.2(A)(2) (Contractor’s Indemnity) and includes Authority Sites;

“Authority Related Party” means any or all of:

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- (A) the Authority and the Authority Representatives;
- (B) any employees or agents of the Authority other than the Contractor, any Contractor Personnel or any Contractor Related Parties; and
- (C) any person who at the invitation or with the permission of the Authority is on or at any Contractor Sites;

“Authority Representative” means such person or persons or such substitute or substitutes as may be appointed by the Authority in writing from time to time in accordance with clause 54 (Authority Representative) of this Contract, save in relation to any amendment to the Contract which can only be agreed or authorised by an appropriate Authority Commercial Officer;

“Authority Retained Systems” means that Authority IS set out at Appendix 1 (Authority Retained Systems) to schedule 31 (Information Technology) (as amended by the Authority from time to time) which the Authority makes available to the Contractor in accordance with the terms of schedule 26 (Authority Dependencies and GFX) and schedule 31 (Information Technology), which are core to the Authority’s operations, but to which the Contractor requires certain rights to use in order to provide the Services to the Authority;

“Authority Site” means all land and facilities owned, controlled, occupied or used by the Authority or any Crown Body including Authority Licence Property;

“Authority’s Bill Paying Branch” has the meaning given to it in clause 56.5 (Notices);

“Availability” means, in relation to vehicles, the provision of the number and types of vehicles requested which are:

- (A) at the required delivery point;
- (B) by the date requested; and
- (C) in JAMES fully fit condition.

“BAE Systems Global Combat Systems Limited” (“GCS”) means the party referred to in clause 83.4 (BAES Contracts);

“BAE Systems” means GCS and/or the relevant Affiliate of BAE Systems plc;

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“BAES Contract” means the agreement(s) entered into between the Authority, GCS and/or other Affiliates of BAE Systems plc for design, safety, technical services and/or contracting for availability services relating to certain equipment provided to the Authority by GCS and/or other Affiliates of BAE Systems plc and in respect of which the Contractor is to provide the Services (or any extension, renewal or replacement of the BAES Contracts or any new contract for substantially the same scope of work as any or all of such contracts);

“Base Case” means the Financial Model agreed by the Parties and set out in schedule 21 (Financial Model);

“Basic Fleet Management” has the meaning given to it in Section 9 of the Requirement set out in schedule 2 (Statement of Requirements);

“Beyond Economic Repair (BER)” has the meaning given to it in clause 95.4 (Procedures for Items Beyond Economic Repair);

“Billing & P2P Processes” has the meaning given to it in clause 99A (Initial Billing Processes);

“Breach of Security” means any breach of clause 89 (Security) or schedule 27 (Security) or the security requirements set out in schedule 2 (Statement of Requirements) which prejudices security or contravenes security regulations;

“British Standards” means any and all standards used by the British Standards Institute in the form of a published document containing technical specifications or other precise criteria designed to be used consistently as a rule, guideline or definition;

“Bulldog Contract” means the contract (reference CBTP/LAT/00014) between the Authority and BAE Systems Global Combat Systems Limited relating to the supply of Bulldog spares, repairs, consumables and technical services to Authority;

“Business Day” means a day (other than a Saturday or Sunday) on which banks are open for ordinary face to face banking business in London;

“Business Transfer Agreement” means the business transfer agreement entered into on 16 December 2014 between the Authority and the Contractor;

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“Capacity Based Pricing” means the pricing arrangements for the Services of the Contract as described in clause 70.1 (Capacity Based Pricing);

“Categories” means the categories set out in Sections 2 to 9 of schedule 2 (Statement of Requirements), and Category shall be construed accordingly;

“Change” means any change to the Services (including to the Requirement set out in schedule 2 (Statement of Requirements) or to the obligations, activities, functions and/or responsibilities of the Contractor as set out in schedule 4 (Service Delivery Plan) that requires costs to be incurred by the Contractor; or

“Change in Law” means the coming into effect after the Commencement Date of:

- (A) Legislation, other than any Legislation which on the Commencement Date has been published:
 - (1) in a draft Bill as part of a Government Departmental Consultation Paper;
 - (2) in a Bill;
 - (3) in a draft statutory instrument; or
 - (4) published as a proposal in the Official Journal of the European Union;
- (B) any change in the British Standards and/or codes of practice (save to the extent such change is prepared by or published by the Contractor); or
- (C) any applicable judgment of a relevant court of law, which changes a binding precedent;

“Change Mechanism” means the procedure for proposing and implementing any Change set out in schedule 24 (Change Procedure);

“Change Notice” has the meaning given to it in paragraph 3.1(A) of schedule 24 (Change Procedure);

“Change of Control” when applied to any person, shall be treated as occurring if any other person, or any other persons who together at the Commencement Date, Control such

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person subsequently ceases or together cease to Control it or if after the Commencement Date any person, or persons together, which did not have Control of that person at the Commencement Date but at any time thereafter acquire(s) Control of that person;

“Change Proposal” has the meaning given to it in paragraph 3.1(C)(1) of schedule 24 (Change Procedure);

“Claim” means any action, claim, demand or proceedings or any potential action, claim, demand or proceedings;

“CL Change” has the meaning given to it in paragraph 2.4 of schedule 24 (Change Procedure);

“CL Change Notice” has the meaning given to it in paragraph 5.1 of schedule 24 (Change Procedure);

“CL Change Proposal” has the meaning given to it in paragraph 5.2 of schedule 24 (Change Procedure);

“Close Affiliate” means in relation to a body corporate, any Wholly-Owned Subsidiary of that body corporate or any Holding Company of that body corporate, together with further such Holding Companies or Wholly-Owned Subsidiaries of those Holding Companies and Wholly-Owned Subsidiaries;

“Codes and Standards” means all or any of the policies and standards listed in schedule 3 (Compliance Codes and Standards), as updated, amended or replaced from time to time;

“CofC” has the meaning given to it in clause 97.2 (Certificates of Conformity);

“Commencement Date” means 01 April 2015;

“Commercial Work” has the meaning given to it in clause 81.1 (Commercial Work);

“Commercially Confidential Personnel Information” has the meaning given to it in clause 29.10 (Employment Arrangements);

“Commercially Sensitive Information” means the information listed in schedule 15 (Commercially Sensitive Information) which the Contractor has designated as information of a commercially sensitive nature relating to the Contractor, its IPR or its business;

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“Compensation Event” means:

- (A) a breach by the Authority of any of its obligations under this Contract which affects the Services; and/or
- (B) material damage to any of the Contractor Sites caused by the Authority’s Representative and/or an Authority Related Party in exercising its rights under this Contract and/or an Authority Audit Agent in exercising its rights under paragraph 2 of schedule 9 (Audit); and/or
- (C) the discovery of Environmental Liabilities as defined in schedule 11 (Environmental Health and Safety) if the Table in paragraph 2.4 of schedule 11 shows the effect of such Environmental Liabilities to be a Compensation Event and such Environmental Liabilities have not resulted from the actions, breaches, omissions or defaults of the Contractor or a Contractor Related Party,

provided that a Dependency Failure shall not constitute a Compensation Event.

“Compliance Measures” means the measures taken under clause 68.6 (Procurement of Contracts and Conflicts of Interest);

“Confidential Information” means all information (however recorded, preserved or disclosed) which is or may reasonably be supposed to be commercially confidential including (without limitation):

- (A) the terms of this Contract;
- (B) the terms of any Key Sub-contract or any Sub-contract;
- (C) any information that would be regarded as confidential by a reasonable business person relating to:
 - (1) the business, affairs, customers, clients, suppliers, plans, intentions, or market opportunities of the disclosing party or of the disclosing party’s group or its suppliers;

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- (2) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing party or of the disclosing party's group or its suppliers; and
- (3) any information or analysis derived from such Confidential Information;

"Confirmed Change Proposal" has the meaning given to it in paragraph 6.3 of schedule 24 (Change Procedure);

"Contract" means this Contract (including its schedules);

"Contract Month" means each calendar month (in whole or in part) during a Financial Year;

"Contract Period" has the meaning given to it in clause 6.1 (Term);

"Contract Return Excess" means as defined in paragraph 4 (Contract Return Excess) of schedule 35 (Profit Sharing);

"Contracting Authority" means any contracting authority as defined in Regulation 2 of the Public Contracts Regulations 2015;

"Contractor Associated Bidder" means a Contractor Associated Company or any associated undertaking (as defined in s1161 Companies Act 2006) in which a Contractor Associated Company has any direct or indirect legal or beneficial interest of at least 20 per cent;

"Contractor Associated Companies" means an Affiliate of the Contractor;

"Contractor Change" has the meaning given to it in paragraph 2.3 of schedule 24 (Change Procedure);

"Contractor Change Request" has the meaning given to it in paragraph 4.1 of schedule 24 (Change Procedure);

"Contractor Default" means any one or more of the following:

- (A) a breach by the Contractor of any of its obligations under this Contract which materially and adversely affects the performance of the Services;
- (B) an Insolvency Event occurs;

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- (C) a breach of clause 27 (Change of Control and National Interest);
- (D) a Breach of Security occurs which the Authority considers jeopardises the security of any matter connected with this Contract and/or any of the operations of the Authority;
- (E) following a change of Control of the Contractor or a change of Control of a Parent Company, the new Parent Company does not execute a Parent Company Guarantee in the prescribed time where required to do so under clause 77 (Contractor and Parent Company Guarantees and Contractor Security);
- (F) a conflict of interest exists or arises to which clause 68 (Conflicts of Interest) applies and the Contractor fails to resolve such conflict in a manner acceptable to the Authority within the timescale set by the Authority;
- (G) the Contractor fails to take out and maintain in full force and effect any of the Required Insurances;
- (H) the Contractor records Red Service Levels in relation to Categories as set out in paragraph 4.3 of schedule 25 (Performance Mechanism);
- (I) the Contractor fails to comply with its obligations under clause 50 (Assignment);
- (J) the Contractor commits a material breach of its obligation under clause 69 (Tax Compliance) to notify the Authority of any Occasion of Tax Non-Compliance;
- (K) a breach of the Contractor's obligations under clauses 20.3 (Contractor's IPR Indemnity Claims), 37 (Data Protection) or 79 (Intellectual Property);
- (L) a breach of the Contractor's obligations under clause 36 (Confidentiality);
- (M) the Contractor fails to comply with the provisions of clauses 10 (Open Book Accounting), 11 (Transparency), 12 (Auditing), or schedule 8 (Governance), schedule 9 (Audit), schedule 29 (Transparency) or schedule 30 (Open Book Accounting, Records and Reporting);

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- (N) a breach of the Contractor's obligations under clause 90 (Sub-contracting);
- (O) the Contractor or a Sub-contractor breaches any term of the Admission Agreement to which it is a party or the Pension Direction in which the Contractor or, as applicable, Sub-contractor is named and (in either case) if the breach is capable of remedy the Contractor or, as applicable, the Sub-contractor, does not remedy the breach within 10 Business Days from being notified of the breach by the Schemes, The Minister for the Cabinet Office (in respect of the Admission Agreement), the Secretary of State for Health (in respect of the Pension Direction) or the Authority;
- (P) a failure to implement Schedule of Rates pursuant to clause 70.2(H) (Transition to Schedule of Rates Pricing);

[REDACTED]

"Contractor ERP System" means BAAN or any other enterprise resource planning system used by the Contractor in accordance with this Contract;

"Contractor Information System (IS)" [REDACTED]
[REDACTED]
[REDACTED]

"Contractor Personnel" means the officers, directors, employees, advisors and agents of the Contractor and any Key Sub-contractors or Sub-contractors providing goods or services or otherwise performing obligations in connection with this Contract;

"Contractor Related Party" means any or all of:

- (A) the Contractor and any Key Sub-contractors or Sub-contractors;

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- (B) Contractor Personnel;
- (C) the Purchaser and any Close Affiliate of the Purchaser; and/or
- (D) any person who is engaged by, or at the invitation or with the knowledge, of the Contractor, or any Key Sub-contractors or Sub-contractors on or at any location connected with the Services or this Contract or in any way involved in or present at the provision of any goods or services in connection with this Contract;

“Contractor Representative” means the person or persons appointed as a Contractor Representative from time to time further to clause 53 (Contractor Representative), and any delegates notified to the Authority from time to time further to clause 53 (Contractor Representative) during the period of such delegation;

“Contractor’s IPR Indemnity Claim” has the meaning given to it in clause 20.3(A);

“Contractor Sites” means all land and facilities owned, controlled, occupied or used by the Contractor for the purposes of delivering the Services under this Contract;

“Control” means, in relation to a body corporate, the ability of a person (or any persons acting together) to ensure that the activities and business of that body corporate are conducted in accordance with the wishes of that person (or those persons), and a person (or persons) shall be deemed to have Control of a body corporate (amongst other things) if, directly or indirectly, that person possesses or is entitled (or those persons possess or are entitled) to acquire: (i) the majority of the issued share capital in that body corporate; or (ii) the majority of the voting rights in that body corporate; or (iii) the right to receive the majority of the income of that body corporate on any distribution by it of all of its income or the majority of its assets on a winding-up; or (iv) the right to appoint a majority of the directors to the board of that body corporate, and “Controlling” and “Controller” shall be construed accordingly;

“Corporate Overheads” means costs directly attributable to the provision of the Services not included elsewhere, excluding any allocation or mark-up of non-direct Parent Company or non-direct Contractor Associated Bidder or non-direct Sub-contractor costs. For the avoidance of doubt, Corporate Overheads shall not include inter alia Parent Company,

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Contractor Associated Bidder and Sub-contractor management time, head office costs and secondees costs unless they are direct costs of providing the Services;

“Costs Over-recovery” means where the costs for provision of the Services under one Category have been recovered either in whole or in part under payments made for a different Category;

“Crown” includes one or more of Her Majesty’s Secretaries of State, another Minister of the Crown, the Lords Commissioners of Her Majesty’s Treasury, the Treasury Solicitor and anybody corporate wholly or partly owned by any of the foregoing or any other person acting as trustee for or on behalf of the Crown;

“Crown Body” means any department, office, agency or body of the Crown;

“Data” means all data, information, text, drawings, diagrams, images or sounds (including title documents, invoices, service and maintenance records, technical manuals and specifications and user guides) which are embodied in any oral, electronic, tangible or intangible medium;

“Data Controller” has the meaning given in the Data Protection Act 1998;

“Data Block” means the information detailed in Appendix 2 (SPC Data Block) of schedule 30 (Open Book Accounting, Records and Reporting);

“Data Processor” has the meaning given in the Data Protection Act 1998;

“Data Protection Legislation” means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of Personal Data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner;

“Data Subject” has the meaning given in the Data Protection Act 1998;

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“Dependency” means a service, information, or piece of equipment (including all GFX) which the Contractor will be dependent on the Authority to supply in order to fulfil the delivery of the Requirement set out in schedule 2 (Statement of Requirements);

“Dependency Failure” means a failure to provide or delay in providing any Dependency listed in Annex A (List of Authority Dependencies) or Annex B (List of GFX) of schedule 26 (Authority Dependencies and GFX);

“Dependency Failure Notice” is a notice provided by the Contractor to the Authority setting out the information required under clause 85.2(A)(1) (Authority Dependencies and GFX);

“Design Authority” means an organisation accountable for the detailed design of systems and materiel and authorisation as detailed in an Authority systems engineering management plan;

“Direct Losses” means all damages, losses, liabilities, costs, claims, expenses (including the cost of legal or professional services, legal costs being on an agent/client, client paying basis), proceedings, demands and charges whether arising under statute, contract or at common law or in connection with judgments, proceedings, internal costs or demands but (other than in respect of any indemnity given by the Contractor under this Contract in relation to third party claims) excluding any Indirect Losses;

“Direct Material” means Spares consumed directly in the provision of the Services, with the exception of any item of costs excluding Spares and direct sub-contracts set out in clause 70.1(B) or any items classified as Government Furnished Equipment in Annex B (List of GFX) to schedule 26 (Authority Dependencies and GFX);

“Discriminatory Change in Law” means a Change in Law, the terms of which apply expressly to:

- (A) the Contract and not to similar projects procured under the Contract;
- (B) the Contractor and not to other persons; and/or
- (C) Government contractors and not to other persons,

which was not foreseeable at the Commencement Date;

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“Dispute” means any dispute, difference or question of interpretation arising out of or in connection with this Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Change Mechanism, any question regarding the existence, scope, validity, or termination of the Contract, the agreement to arbitrate contained herein, the legal relationships established by this Contract, or the consequences of its nullity, and including any tortious or statutory claims, or any matter where this Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;

“Dispute Resolution Procedure” is the procedure set out in schedule 13 (Dispute Resolution);

“DMCs” has the meaning given to it in clause 9.3(E) (Annual Plan);

“DOTAS” means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to National Insurance Contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992;

“DP” means the Delivery Partner under the Logistic Commodities and Service Transformation Delivery Partner Contract (Contract No. LCS(T)/0001) the “LCS(T) Contract”;

“DSG Trading Fund” means the trading fund established by the Defence Support Group Trading Fund Order 2008;

“DSPCR” means the Defence and Security Public Procurement Regulations 2011 (as amended);

“Dynamic Cost of Change Pricing Model” has the meaning given to it in clause 82.2 (Financial Model);

“Earnings Definition Change” means a change to the definition under PCSPS, the New Scheme or the NHS Pension Scheme of earnings on which contributions are based from that which at the Commencement Date applies or from when they come into operation will apply under PCSPS, the New Scheme or the NHS Pension Scheme (as applicable);

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"Employment Date" has the meaning given to it in clause 32.1(B) (Pensions);

"Environment" has the meaning given to it in schedule 11 (Environmental Health and Safety);

"Environmental Deed" means the deed in respect of environmental liabilities entered into between the Purchaser, the Company and the Authority and in agreed form;

"Environmental Information Regulations" means the Environmental Information Regulations 2004;

"EVC Batch" means each batch of EVCs agreed by the Parties to be delivered on the same Required Delivery Date ("RDD") (as defined in schedule 25 (Performance Mechanism)) or multiple RDDs as appropriate;

"Exceptional Variable Costs (EVCs)" means incremental costs reasonably, properly and unavoidably incurred as a result of meeting the increase in Requirement volumes and directly attributable to the Contract over and above those set out in Table 70(A) of clause 70.1(A) (Pricing);

"Excluded Costs" means costs which are attributable to exceptional increases in pensionable earnings of a kind referred to in clause 7.1.9 of the Admission Agreement or analogous provisions from time to time referable to the NHS Pension Scheme (for example, any one off or ongoing payments due in respect of exceptional increase in pensionable earnings or qualifying service).

"Exclusivity" means the benefit to the Contractor of the Authority's obligations under clause 84 (Exclusivity);

"Executer Contracts" means those contracts used for the procurement of Spares for the purposes of performing the Services set out in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of Schedule 2 (Statement of Requirements), more fully described in clauses 99.10 (Agency Authority in Relation to Executer Contracts) to 99.12 (Restrictions on Permission to Act);

"Exit Obligations" means:

- (A) all of the services and activities to be performed by the Contractor or the

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Sub-contractors pursuant to the Exit Plan set out in schedule 4 (Service Delivery Plan);

- (B) all the services set out in paragraph 4 of schedule 5 (Exit Management); and
- (C) any other services reasonably required in order to transition the Services to a Replacement Contractor;

“Exit Period” means the period commencing on the Exit Period Commencement Date and ending on the Termination Date;

“Exit Period Commencement Date” has the meaning given to it in paragraph 3.1 of schedule 5 (Exit Management);

“Exit Plan” means the Contractor’s Exit Plan set out in schedule 4 (Service Delivery Plan);

“Expiry Date” means subject to clause 6 (Term), 31 March 2025;

“FCA” means the Financial Conduct Authority of the United Kingdom or any successor regulatory authority or authorities carrying out all or any part of the functions of the FCA;

“Fee A” means the proportion of the total Incentivised Fleet Management fee which is available for an IFM Priority for satisfactory completion of the proposition analysis as described in Part B of schedule 20 (Annual Plan);

“Fee B” means the proportion of the total Incentivised Fleet Management fee which is available for an IFM Priority for satisfactory completion of the detailed business and implementation plan as described in Part B of schedule 20 (Annual Plan);

“Fee C” means the proportion of the total Incentivised Fleet Management fee which is available for an IFM Priority for satisfactory completion of implemented savings as described in Part B of schedule 20 (Annual Plan);

“Fees Regulations” means the Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004;

“Final Former Authority Employee Data” means the information disclosed by the Authority which sets out the pay and all other entitlements (and the cost of meeting those

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entitlements) of Former Authority Employees in accordance with clause 12.11 (Employment Liability Information) of the Business Transfer Agreement;

"Final Technical Services" [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED];

"Financial Model" means the model as defined in clause 82 (Financial Model) and as set out in schedule 21 (Financial Model) as interpreted by reference to the Financial Model Data Book, each as contained on the computer diskette (enclosed in the document wallet and initialled by both Parties) in Schedule 21 (Financial Model), in each case, as amended from time to time in accordance with this Contract;

"Financial Records" has the meaning given to it in paragraph 3.1 of schedule 30 (Open Book Accounting, Records and Reporting);

"Financial Year" means each period of 12 months ending on 31 March, the first Financial Year means the Financial Year starting on 01 April 2015 and ending on 31 March 2016 and any reference to any subsequent Financial Year shall be construed accordingly;

"Firm" means a price or cost which is not subject to indexation in accordance with clause 70.6 (Indexation Mechanism);

"Fixed" means a price or cost which is subject to indexation in accordance with clause 70.6 (Indexation Mechanism);

"Fixed or Firm Price Service" means a Service which is subject to a Fixed or Firm price;

"Fleet Management" has the meaning given to it in Section 9 of the Requirement set out in schedule 2 (Statement of Requirements);

"FOIA" means the Freedom of Information Act 2000 and any subordinate legislation (as defined in section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such Act;

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"Force Majeure Event" means the occurrence after the Commencement Date of:

- (A) acts of nature;
- (B) war;
- (C) hostilities;
- (D) fire at any of the Contractor's premises or those of its suppliers;
- (E) the discovery of Environmental Liabilities as defined in schedule 11 (Environmental Health and Safety) if the Table in paragraph 2.4 of schedule 11 (Environmental Health and Safety) shows the effect of such Environmental Liabilities to be a Force Majeure Event and such Environmental Liabilities have not resulted from the actions, breaches, omissions or defaults of the Contractor or a Contractor Related Party;

which directly causes either Party (the "Affected Party") to be unable to comply with all or a material part of its obligations under this Contract;

"Forecast Total Cost" has the meaning given to it in clause 70.2(A) (Transition to Schedule of Rates Pricing);

"Former Authority Employee" means at any time any person whose employment with the Authority is transferred to the Contractor or a Sub-contractor pursuant to the Transfer Regulations and the Business Transfer Agreement and who is for the time being employed by the Contractor or a Sub-contractor;

"Former Authority Employee Costs" means those costs of employing the Former Authority Employees (but excluding costs arising from acts or omissions of the Contractor, and/or any payment which the Contractor is not obliged to make by contract or statute and/or any compensation, payment, costs or awards (whether protective or otherwise) in connection with claims of unfair dismissal, discrimination and claims in respect of a protective award under the Trade Union and Labour Relations (Consolidation) Act 1992 (whether protective or otherwise), but which includes, for the avoidance of doubt, any pensions costs or liabilities associated with the membership of the Former Authority Employees in the PCSPS or the NHS Pension Scheme immediately prior to the Commencement Date) as borne by the Contractor with effect from the Commencement Date;

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“General Anti-Abuse Rule” means

- (A) the legislation in Part 5 of the Finance Act 2013; and
- (B) any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;

“General Change in Law” means any Change in Law which is not a Discriminatory or Specific Change in Law;

“General Correspondence Letter” means the letter set out in Annex A to schedule 17 (ITAR and other Import and Export Licences);

“GFX” means the government furnished equipment, government furnished facilities and/or government furnished information set out in Annex B (List of GFX) of schedule 26 (Authority Dependencies and GFX) which the Authority will retain title to throughout the Contract Period, but which shall be made available to the Contractor for the purposes of carrying out provision of the Services under this Contract only, in accordance with schedule 26 (Authority Dependencies and GFX);

“Good Industry Practice” means the exercise of that degree of skill, diligence, prudence and foresight and operating practice which would reasonably and ordinarily be expected from time to time from a skilled, competent and experienced contractor seeking in good faith to comply with all its contractual obligations and all applicable Laws (whether or not binding on the Authority), and engaged in the same type of undertaking and under the same or similar circumstances as those envisaged by this Contract;

“Government” means the government of the United Kingdom;

“Guarantor” means the Purchaser or, if it has an Ultimate Holding Company, that Ultimate Holding Company;

“Halifax Abuse Principle” means the principle explained in the CJEU Case C-255/02 Halifax and others;

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“Hand-over Costs” means, to the extent not paid under clause 74 or schedule 40 (Payment), all proper costs and liabilities reasonably incurred by the Contractor as a consequence of the termination of this Contract:

- (A) in respect of any Redundancy Costs provided always that:
- (1) the Contractor engages in full and proper consultation with any employee at risk of dismissal by reason of redundancy or with any trade union or employee representative representing such employee;
 - (2) the Contractor adopts fair and objective criteria (which it applies fairly) for the selection of any employee for dismissal by reason of redundancy;
 - (3) any redundancies are by reason solely of a termination of this Contract to which clause 39 (Voluntary Termination by the Authority) applies and occur within 6 months of the date upon which this Contract terminates; and
 - (4) any redundancy is not subsequently found by a court of competent jurisdiction to be unfair for the purposes of section 94 of the Employment Rights Act 1996; and
- (B) in respect of the reasonable transitional costs incurred by the Contractor in complying with the provisions of clause 45 (Effect of Termination and Exit Plan) and schedule 5 (Exit Management) or co-operating with the transfer of the Services to one or more Replacement Contractors,

provided in each case that the Contractor shall (and shall use all reasonable endeavours to procure that any Sub-contractor shall) take all reasonable steps to minimise the amount of such costs or liabilities, including but not limited to the utilisation where appropriate of Redundancy Alternatives in relation to Redundancy Costs.

“Holding Company” means a holding company (as defined in Section 1159 of the Companies Act 2006) in circumstances where its subsidiary is a Wholly Owned Subsidiary;

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"IFM Priority" means the Authority defined initiatives against which the Contractor responds in completing the Incentivised Fleet management service, as defined within the relevant Annual Plan;

"Incentivised Fleet Management" has the meaning given to it in Sections 9A and 9B (Statement of Requirement and Specifications for Delivery: Army HQ Fleet Management) of the Requirement set out in schedule 2 (Statement of Requirements);

"Indemnified Party" means the Party against whom a claim is made by a Third Party which may give rise to a claim under an indemnity given by the other Party;

"Indemnifying Party" means the Party that has given an indemnity to the Indemnified Party;

"Index" means the Index referred to in the definition of Indexation Factor;

"Indexation Factor" means the Office for National Statistics Index used in the calculation of annual indexation under the mechanism set out in clause 70.6 (Indexation Mechanism);

"Indexed" means the adjustment of price or other figures in accordance with the mechanism described in clause 70.5(D) (indexation Mechanism) and "Indexation" shall be construed accordingly;

"Indirect Losses" means loss of profits, loss of use, loss of production, loss of business, loss of business opportunity, loss of revenue, loss of contract, loss of goodwill or any claim for consequential loss or for indirect loss of any nature;

"Indirect Tax" has the meaning given to it in clause 76.3 (VAT on Payments);

"Initial Former Authority Employee Data" means the information disclosed by the Authority (with reference 20140816 DSG HR-TUPE Data Refresh – Aug 2014 – Final.pdf (secured)) on 18 August 2014 which set out the pay and all other entitlements (and the cost of meeting those entitlements) of each individual whom the Authority expected at that date to transfer to the Contractor pursuant to the Transfer Regulations as set out in the Data Room in folder A sub-folder 11.1.4.7, but adjusted by the 1% pay increase awarded in respect of the year ending 31 July 2015;

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"Initial Technical Services" [REDACTED]
[REDACTED]
[REDACTED]

"Information" has the meaning given under section 84 of the Freedom of Information Act 2000 but only insofar as the information in question relates to this Contract or its subject matter;

"Insolvency Event" means the occurrence of any of the following events (or any event analogous to any of the following events in a jurisdiction other than England and Wales) in relation to the Contractor and/or its Parent Company (the "entity");

- (A) passing a resolution for its winding up or a court of competent jurisdiction making an order for the entity to be wound up or dissolved or the entity being otherwise dissolved;
- (B) the appointment of a liquidator, administrator, administrative receiver or, the making of an administration order in relation to the entity or an encumbrancer taking possession of or selling all or a material part of the entity's undertaking, assets, rights or revenue the subject of the charge;
- (C) any proposal is made for a voluntary arrangement, a composition of debts or a scheme of arrangement to be approved whether under the Insolvency Act 1986 or the Companies Act 1985 or otherwise with all or a substantial majority of its creditors;
- (D) being unable or admitting its inability to pay its debts as they fall due or being capable of being deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (but with the phrase "it is proved to the satisfaction of the court that" removed from subsection 123(2) of the Insolvency Act 1986);
- (E) enforcement of any security over all or a material part of the assets of the entity;
- (F) any expropriation, attachment, sequestration, distress or execution affecting all or any material party of any asset or assets of the entity which is not discharged within ten (10) Business Days;

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- (G) any event which, in the Authority's reasonable opinion, is likely to give rise to any of the above events in limbs (A) to (F); or
- (H) except where applicable, in respect of any resolution by the relevant entity or a court order that such entity be wound up for the purpose of a bona fide solvent reconstruction or amalgamation;

"Insurers" mean the persons providing the Required Insurances under schedule 10 (Required Insurances);

"Intangible Element Reward Fee" has the meaning described in clause 73 (Intangible Element Reward Fee);

"Inventory Commitment Control Regime (ICCR)" means the Authority's financial approval mechanism to be complied with by the Contractor when it is procuring Spares for the purposes of performing the Services set out in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of Schedule 2 (Statement of Requirements);

"Inventory and Repair Management" has the meaning given to it in Section 7 of the Requirement set out in schedule 2 (Statement of Requirements);

"IPR" means patents, utility models, rights to inventions, copyright and related rights, moral rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including Know-How and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

"IS" means computer programs, computer and communications networks, databases, the tangible media on which they are recorded and their supporting documentation, including input and output format, program listings, narrative descriptions, Source Code, object code, operating instructions and user manuals;

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“Joint Management Group” has the meaning given to it in paragraph 6 (Role of the Joint Management Group) of schedule 8 (Governance);

“Joint Strategic Group” has the meaning given to it in paragraph 4 (Role of the Joint Strategic Group) of schedule 8 (Governance);

“Key Personnel” means any person listed in schedule 14 (Key Personnel);

“Key Sub-contract” means any sub-contract entered into between the Contractor and any Key Sub-contractor listed in schedule 28 (Key Sub-contractors);

“Key Sub-contractor” means:

- (A) the sub-contractors identified in schedule 28 (Key Sub-contractors); and
- (B) those sub-contractors with whom the Contractor has entered into a Sub-contract and such Sub-contract has a value of more than [REDACTED] [REDACTED] and the services under such Sub-contract are directly related to the output of the Services to be delivered under this Contract;

“Law” means any enactment, statute, directive, regulation or rule or any other law, proclamation, decree, bye-law (including, for the avoidance of doubt, any military bye-law), decision, notice, order, rule (including, without limitation, any rule and any binding decision of any court), statutory instrument or other delegated or subordinate legislation and any directions, codes of practice or guidance issued pursuant to any legislation and/or, in any such case, the equivalent thereof (howsoever described) applicable from time to time in any jurisdiction in which or through which the Services are to be performed; including any Act of Parliament or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, exercise of the Royal Prerogative and enforceable community right within the meaning of Section 2 of the European Communities Act 1972, in each case in the United Kingdom; and any other international treaty or convention to which the United Kingdom is a signatory;

“LCS Store Systems 3” means the Authority’s inventory and supply management information system;

“LCS(T) Contract” has the meaning given to it in the definition of DP;

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“Lease” has the meaning given to it in the Business Transfer Agreement;

“Legal Proceedings” has the meaning given to it in clause 99.10(H) (Agency Authority in Relation to Executer Contracts);

“Legislation” means any Act of Parliament or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, any exercise of the Royal Prerogative, and any enforceable community rights within the meaning of Section 2 of the European Communities Act 1972, in each case the United Kingdom and any international treaty or convention to which the United Kingdom is a signatory;

“Licence to Occupy” means a licence to occupy an Authority Lease or Licence Property in the relevant form agreed between the Authority and the Contractor granted or to be granted to the Contractor pursuant to clause 17 (Property Arrangements) and schedule 37 (Property – Licence to Occupy) and any document which is supplemental to it;

“Light Weapons SSS” has the meaning given to it in Section 8 of the Output Requirement set out in schedule 2 (Statement of Requirements);

“List of Authorised Demanders” means a list maintained by the Authority of Authorised Demanders and the Spares they are authorised to order pursuant to the LCS(T) Contract;

“Management Information (“MI”)” means all the operating, financial, performance and any other information or Data created or used by the Contractor in the management and/or delivery of the Services, including all such information or Data in respect of all Key Sub-Contractors and other Sub-contractors;

“Management Reporting Pack” means the information detailed in Appendix 1 of schedule 30 (Open Book Accounting, Records and Reporting);

“Managing Contractor” has the meaning given to it in clause 51 (Appointment of Managing Contractor);

“Maximum Price Target Cost” means the pricing arrangement described in the “Pricing – Target Cost Incentive Fee” guidance on the MOD Acquisition Operating Framework which can be found at <https://www.gov.uk/acquisition-operating-framework>;

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“Menu Pricing” means a Firm or Fixed price for a specified task or series of tasks in accordance with an agreed tariff of prices;

“Milestone” means any of the Interim and Key Milestones as defined in schedule 7 (Transformation Plan);

“MIAC Required Action” has the meaning given to it in clause 35.6(A)(1) (Authority’s Indemnity on Measures in a Crisis) of this Contract;

“Monthly Base Amount” has the meaning given to it in schedule 40 (Payment);

“Monthly Payment” means the total sum available to the Contractor in a Payment Period for the provision of the Services (excluding the Reward Fee and the Incentivised Fleet Management fee) as defined in schedule 40 (Payment);

“Monthly Reconciliation Payment” has the meaning given to it in schedule 40 (Payment);

“MRO” means the Maintenance, Repair and Overhaul Services being provided by the Contractor to the Authority;

“Named Employees” means any of the Contractor Personnel;

“New Fair Deal” means the revised Fair Deal policy set out in HM Treasury’s guidance “Fair Deal for staff pensions: staff transfers from central government” issued in October 2013;

“New Scheme” means the public service pension scheme for civil servants established under the Public Service Pensions Act 2013 and planned to be introduced with effect on and from 1 April 2015 (and includes, unless the context otherwise requires, any successor scheme);

“NHS Pension Scheme” means the NHS Pension Scheme or the New NHS Pension Scheme established under The Superannuation Act 1972 (and includes, unless the context otherwise requires, any successor scheme);

“Non-exclusive Services” has the meaning given to it in clause 84.1 (Exclusivity);

“Occasion of Tax Non-Compliance” means:

- (A) any tax return of the Contractor submitted to a Relevant Tax Authority on or

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after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:

- (1) a Relevant Tax Authority successfully challenging the Contractor under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
 - (2) the failure of an avoidance scheme which the Contractor was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or
- (B) any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud or evasion;

“OEMs” has the meaning given to it in clause 83 (Design Authority);

“Option Agreement” means the Option Agreements entered into by the Authority, the Contractor and the Guarantor of even date herewith;

“Overhead Recovery Fee” means a fair and reasonable sum payable by the Contractor to the Authority to compensate for the use of Authority facilities and any reduced overheads incurred by the Contractor in carrying out Commercial Work;

“Overhead Recovery Fee Report” has the meaning given to it in clause 81.7 (Commercial Work);

“Panther Contract” means the contract (reference LASS1A/0341) between the Authority and GCS relating to the supply of Panther spares, repairs, consumables and technical services to Authority;

“Parent Company” means the Ultimate Holding Company of the Contractor;

“Parent Company Guarantee” means the deed of guarantee in favour of the Authority entered into by the Guarantor on the Commencement Date which is in the form set out in schedule 22 (Form of Parent Company Guarantee), or any replacement parent company

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guarantee acceptable to the Authority provided in accordance with clause 77 (Contractor and Parent Company Guarantees and Contractor Security);

“Partial Termination” has the meaning given to it in clause 44.1 (Partial Termination);

“Parties” means the parties to this Contract (who at the Commencement Date are the Authority and the Contractor) and their permitted assigns, and references to a “Party” means one of the parties to this Contract;

“Payment Deduction” has the meaning given to it in Part C (Key Performance Indicators) of schedule 25 (Performance Mechanism);

“Payment Period” means a calendar month;

“PCR” means the Public Procurement Regulations 2015;

“PCSPS” means the Principal Civil Service Pension Scheme established under The Superannuation Act 1972;

“Pension Direction” means a direction by the Secretary of State for Health under section 7(2) and (3) of the Superannuation (Miscellaneous Provisions) Act 1967 as amended by sections 10(5) and 29(1) of, and paragraph 66 of Schedule 6 to, the Superannuation Act 1972, which takes the form: “[name of employer] (Superannuation)(New Fair Deal) Direction XXXX” (or such other form as may be applicable at the relevant time), for the benefit of those of the Former Authority Employees who are for the time being employed by the Contractor or a Sub-contractor, as applicable and any reference to the Pension Direction includes, unless the context otherwise requires, a reference to the regulations from time to time governing the NHS Pension Scheme;

“Pension Schemes” means the New Scheme and/or the PCSPS and/or the NHS Pension Scheme whichever is or are relevant in the context (and includes, unless the context otherwise requires, the respective managers from time to time of such scheme or schemes);

“Performance Failure Deduction” has the meaning given to it in schedule 25 (Performance Mechanism);

“Permission to Act” means the actions and scope of activity that the Contractor is entitled to carry out in accordance with clause 99.11 (Scope of Permission to Act) and any other

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actions or scope of activity that the Authority agrees from time to time but, unless agreed by the Authority, shall not include the actions set out in clause 99.12 (Restrictions on Permission to Act);

“Personal Data” has the meaning given in the Data Protection Act 1998;

“Poor Performance” is defined as set out in paragraph 4.2 of Part A (Performance Mechanism) of schedule 25 (Performance Regime);

“Prescribed Rate” means two per cent above the base rate from time to time of Barclays Bank plc;

“Priority Classification” means the relevant period of notice required by the SSS Tasking Cell in advance of ant delivery date as referred to in schedule 7 (Transformation Plan);

“Processed” has the meaning given to it in the Data Protection Act 1998;

“Procurement Department” means the department or unit which at the Commencement Date is known as the Land Supply Business Unit and prior to the Commencement Date has fulfilled a function of the Defence Support Group substantially equivalent to the provision of the Services described in Section 7A and 7B (Statement of Requirement and Specifications for Delivery: Inventory & Repair Management) of schedule 2 (Statement of Requirements);

“Prohibited Act” means:

- (A) offering, giving or agreeing to give to any servant of the Crown any gift or consideration of any kind as an inducement or reward:
- (B) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Contract or any other contract with the Crown; or
 - (1) for showing or not showing favour or disfavour to any person in relation to this Contract or any other contract with the Crown;
 - (2) entering into this Contract or any other contract with the Crown in connection with which commission has been paid or has been agreed to be paid by the Contractor or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such

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commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Authority; or

- (C) committing any offence:
 - (1) under the Bribery Act 2010; or
 - (2) under Legislation creating offences in respect of fraudulent acts; or
 - (3) at common law in respect of fraudulent acts in relation to this Contract or any other contract with the Crown; or
- (D) defrauding or attempting to defraud or conspiring to defraud the Crown; or
- (E) a Breach of Security.

“Project Records” has the meaning given to it in paragraph 2.1 of schedule 30 (Open Book Accounting, Records and Reporting);

“Project Specific IPR” has the meaning given to it in schedule 36 (IPR);

“Proposal” has the meaning given to it in clause 81.1 (Commercial Work);

“Protected Mobility Vehicles” means, for the purposes of this Contract, the following equipment (and variants thereof):

- (A) Buffalo;
- (B) Warthog;
- (C) Coyote 6X6;
- (D) Jackal ATMP 4X4;
- (E) Mastiff;
- (F) Husky;
- (G) Wolfhound;
- (H) Ridgeback; and

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(I) Springer;

“Purchaser” means Babcock Land Limited;

“QMAC” means a Questionnaire on the Method and Allocation of Costs to be produced by the Contractor pursuant to paragraph 6.4 of schedule 24 (Change Procedure);

“Quality Plan” means the quality plan set out in schedule 32 (Quality Plan);

“Readiness Conditions” means the conditions specified in the Transformation Plan which must be satisfied in order for the relevant stage of Transformation to commence and/or Interim Milestones and/or Key Milestones to be completed;

“Receipt, Inspection, Issue and Storage” has the meaning given to it in Section 3A and 3B (Statement of Requirement and Specifications for Delivery: Receipt, Inspection, Issue and Storage) of the Requirement set out in schedule 2 (Statement of Requirements);

“Recognised Investment Exchange” has the meaning given to that expression by section 285 of the Financial Services and Markets Act 2000;

“Recognised Overseas Investment Exchange” means an overseas Recognised Investment Exchange which satisfies the requirements set out in section 292(3) of the Financial Services and Markets Act 2000;

“Red Service Level” means as set out in paragraph 2.3 of schedule 25 (Performance Mechanism);

“Redundancy Alternatives” shall mean any reasonable alternative to the dismissal of any individual or individuals by reason of redundancy, including but not limited to the utilisation of the following:

- (A) natural wastage (which for the avoidance of doubt shall include but not be limited to, the non-replacement of employees whose employment is terminated other than by reason of redundancy); or
- (B) redeployment;

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“Redundancy Costs” means, in respect of redundancies which fall within the definition of redundancy for the purposes of section 139 of the Employment Rights Act 1996 and arise solely from a termination by the Contractor or by the Authority of this Contract:

- (A) statutory redundancy payments made pursuant to section 135 of the Employment Rights Act 1996; and
- (B) any contractual redundancy payment (which for the avoidance of doubt shall include any entitlement of any employee of the Contractor to an enhanced redundancy payment by virtue of previous employment by the Authority; and in the case only of Authority Employees the cost of any enhancement to the pension entitlement under the Pension Schemes arising at any time as a consequence of redundancy) which the Contractor is obliged to provide to its employees, provided that the contractual term giving rise to such obligation exists prior to the date upon which notice of termination of this Contract is given;

“Regulated Market” means a market which satisfies the requirements set out in Article 1(13) of the Investment Services Directive (Directive 93/22) as amended, re-enacted or modified from time to time and is included in the FCA's list of regulated markets from time to time;

“Regulations” means the PCR and DSPCR, as defined in clause 68.1 (Conflicts of Interest);

“Regulatory Bodies” means those Government departments and regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate or influence the matters dealt with in this Contract or any other affairs of the Authority;

“Relevant Authority” means any court with the relevant jurisdiction and any local, national or supra-national agency, inspectorate, minister, ministry, official or public or statutory person of the Government of the United Kingdom or of the European Union;

“Relevant Benefits” means any benefit payable on retirement, on death, on reaching a particular age, on the onset of serious ill-health or incapacity or in similar circumstances (including the provision of medical, dental or similar benefits);

“Relevant Consents” means all permits, licences, permissions, consents, approvals, certificates and authorisations (whether statutory or otherwise) which are required for the

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performance of any of the Contractor's (or any Sub-contractors, as the case may be) obligations under this Contract, whether required in order to comply with Legislation or as a result of the rights of any third party;

"Relevant Date" has the meaning given to it in clause 29.7 (Employment Arrangements);

"Relevant Policy" has the meaning given to it in clause 14.4(C) (Compliance with Law);

"Relevant Requirements" has the meaning given to it in clause 14.4(A) (Compliance with Law);

"Relevant Tax Authority" means HM Revenue & Customs, or, if applicable, a tax authority in the jurisdiction in which the Contractor is established;

"Relevant Terms" has the meaning given to it in clause 14.5 (Compliance with Law);

"Relevant Transfer Date" means the date on which a transfer to the Contractor or a Sub-contractor is effected pursuant to this Contract and the Transfer Regulations;

"Repair" has the meaning given to it in clause 95.1 (Procedures for Items Beyond Economic Repair);

"Replacement Contractor" means any third party contractor providing Replacement Services appointed by, or which may be appointed by, the Authority from time to time and/or, where Replacement Services are to be provided by the Authority;

"Replacement Services" means any services which are the same as or substantially similar to any of the Services and which the Authority receives, or is to receive, in substitution for any of the Services following the termination (in whole or in part) and/or expiry of this Contract;

"Representative" means the Authority Representative and/or the Contractor Representative as the context may require;

"Request for Information" has the meaning set out in the FOIA or any apparent request for information under the FOIA or the Environmental Information Regulations;

"Required Action" has the meaning given to it in clause 34.3(B) (Procedure for Authority Step-In);

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“Required IS Consent” means any licences, authorisations, permissions, permits and consent of a third party who supplied the relevant item to the Authority or the Contractor, as appropriate, as required to enable one party to legally allow the other party to use or access relevant IS in accordance with this Contract;

“Required Insurances” means the contracts of insurance identified in schedule 10 (Required Insurances) which the Contractor is required to procure and maintain in accordance with this Contract, and those required by Law worldwide;

“Requirement” means the requirements for the Services set out in schedule 2 (Statement of Requirements);

“Review Date” has the meaning given to it in clause 70.6(A)(1) (Indexation Mechanism);

“Review Period” has the meaning given to it in clause 70.6(A)(2) (Indexation Mechanism);

“Review Point” has the meaning given to it in clause 7.2 (Transformation);

“Revised Cap” [REDACTED]
[REDACTED]

“Reward Fee” means the sum of the Tangible Element Reward Fee and the Intangible Element Reward Fee;

“Reward Fee Assessment Period” means in relation to the Intangible Element Reward Fee only, each consecutive period of six months during the Contract Period commencing with the Commencement Date or such other period or periods as the Authority may in its absolute discretion declare;

“Reward Fee Management Plan” means the reference document for which the Authority will use as a basis for determining the Intangible Element Reward Fee and will be populated by a representative of the Authority and sent to the Contractor prior to each Reward Fee Assessment Period;

“Safety Case” means the Authority Safety Case setting out a structured argument, supported by a body of evidence that provides a compelling, comprehensible and valid case that a system is safe for a given application in a given operating environment;

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“Schedule of Rates” means the pricing arrangements for the Services as described in clause 70.3 (Schedule of Rates Pricing);

“Schemes” means the PCSPS, the Partnership Pension Account and its (i) Ill-health Benefits Scheme and (ii) Death Benefits Scheme, the Civil Service Additional Voluntary Contribution Scheme, the New Scheme (with effect from the date of its commencement) and the NHS Pension Scheme each as amended or replaced from time to time, or such one of them as is or are relevant in context. Any reference to the Schemes includes, unless the context otherwise requires, a reference to the respective managers from time to time of the Schemes;

“Senior Civil Servant” means an Authority member of staff at the senior civil service one star level or above;

“Services” has the meaning given to it in Recital (A);

“Service Delivery Plan” means schedule 4 (Service Delivery Plan) comprising the Contractor’s plans for how the Services are to be delivered to meet the Requirement set out in schedule 2 (Statement of Requirements);

“Share” means the ordinary share capital and/or any other share of any different class in the Contractor;

“Shareholder” means any person from time to time holding share capital in the Contractor;

“Share Purchase Agreement” means the share purchase agreement between the Authority, the Purchaser and the Guarantor entered into on 16 December 2015;

“Shared Services Agreement” means the shared services agreement entered into on or around the date of this Contract between the Authority and the Contractor;

“Solicitation Date” has the meaning given to it in clause 29.7(A) (Employment Arrangements);

“SOR Transition Test” has the meaning given to it in clause 70.2(A) (Transition to Schedule of Rates Pricing);

“SOR Transition Test Value” has the meaning given to it in clause 70.2(A) (Transition to Schedule of Rates Pricing);

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“Source Code” means computer programs and/or data in eye-readable form and in such form that they can be compiled or interpreted into equivalent binary code together with all technical information and documentation necessary for the use, reproduction, modification and enhancement of such software by a reasonably competent programmer;

“Spares” comprises all repairables, equipment and consumables;

“SPC Contract Review Meeting” means the operational meetings as described in paragraph 12 (SPC Contract Review Meeting) of schedule 8 (Governance);

“Specially Written Software” has the meaning given to it in schedule 36 (IPR);

“Specific Change in Law” means any Change in Law which specifically refers to the provision of services the same as or similar to the Services or to the holding of shares in companies whose main business is providing services the same as or similar to the Services which was not foreseeable at the Commencement Date;

“SSS Arrangements” means the provision to the Authority of MRO Services, Design Services and all other services necessary to ensure that vehicles within a Sub-Category are maintained in a condition that they are available to the Authority in the appropriate condition, when and where required by the Authority and “SSS” shall be construed accordingly;

“Stage of Transformation” means each of the following:

- (A) implementation of Schedule of Rates pricing in accordance with Final Key Milestone MS1 in the Transformation Plan;
- (B) implementation of Aspirational Pricing in accordance with Final Key Milestone MS26 in the Transformation Plan; and
- (C) implementation of SSS pricing in accordance with Final Key Milestone MS31 in the Transformation Plan;

“Standard Employer Contribution Rate” means (in relation to PCSPS and the New Scheme) ASLC as defined in clause 1.1 of the Admission Agreement and (in relation to the NHS Pension Scheme) the employer’s standard rate of (up to 31 March 2015) 14% and (thereafter) 14.3% (see regulation D2(2) of the National Health Service Pension Scheme Regulations 1995, as amended, and regulation 2.C.5(2) of the National Health Service

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Pension Scheme Regulations 2008 (as amended) and the Report of the Scheme Actuary dated 9 June 2014);

“Sub-categories” means:

- (A) in relation to MRO Level 1-3, each of:
 - (1) 24 hour Recovery; and
 - (2) all other MRO Level 1-3 more specifically defined in the Requirement set out in schedule 2 (Statement of Requirements); and
- (B) in relation to MRO Level 4, each of:
 - (1) Warrior;
 - (2) BV206;
 - (3) CVR(T);
 - (4) CR2;
 - (5) DTT;
 - (6) Arty Sys MRO 4;
 - (7) Bulldog;
 - (8) CRARRV;
 - (9) T2;
 - (10) Other systems; and
 - (11) Other MRO 4 (UGVs, BATCIS, Manoeuvre Support Team),

more specifically defined in the Requirement set out in schedule 2 (Statement of Requirements);

“Sub-contract” means any agreement, other than this Contract, entered into between the Contractor and a Sub-contractor;

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“Sub-contractor” means a sub-contractor to the Contractor, a sub-contractor of a sub-contractor to the Contractor, and any other sub-contractor of whatever tier involved in the supply of goods, facilities or services necessary for or related to the provision of the Services (or any part of them);

“Sub-contractor IPR” means any IPR owned by or (other than pursuant to this Contract) licensed to any Sub-contractor which is used in performing the Services including, without limitation, any Know-How, data, databases, software and/or processes;

“Subsidiary” has the meaning given in s1159 Companies Act 2006 (and for the purposes of the membership requirement in s1159(1)(b) and s1159(1)(c) a company shall be treated as a member of another company even if its shares in that other company are registered (i) in the name of its nominee, or (ii) in the name of a person (or the nominee of that person) who is holding the shares as security);

“Suitable Third Party” means any person who is not an Unsuitable Third Party;

“Tangible Element Reward Fee” has the meaning described in clause 72 (Tangible Element Reward Fee);

“TCIF” means Target Cost Incentive Fee pricing as described in DEFCON Guide No 5;

“Termination Compensation” means the sum payable by the Authority to the Contractor pursuant to clause 48 (Payments on Termination), calculated in accordance with paragraph 3 of schedule 6 (Payments on Termination);

“Termination Date” means the termination date stated in a Termination Notice, provided that such date shall not exceed a period of two (2) years from the date of such Termination Notice;

“Termination Notice” means a notice served by the Authority terminating or partially terminating this Contract;

“Termination Payment” means the sum payable by the Contractor to the Authority pursuant to clause 48 (Payments on Termination), calculated in accordance with schedule 6 (Payments on Termination);

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“Terrier Contract” means the contract (reference number MOB/00006) between the Authority and BAE Systems relating to the supply of Terrier vehicles, spares, repairs, consumables and technical services to the Authority;

“Third Party” means any person who is not a Party or an officer, employee or agent of a Party;

“Threshold Contract Return” [REDACTED]

“Training Uplift Fleet” means the Service set out in Section 5A and 5B (Statement of Requirement and Specifications for Delivery: Training Uplift Fleet Availability) of schedule 2 (Statement of Requirements);

“Transfer Regulations” means the Transfer of Undertakings (Protection of Employment) Regulations 2006;

“Transferring Consents” means those consents required to be transferred or assigned to the Authority or a Replacement Contractor further to paragraph 8 (Transferring Consents) of schedule 5 (Exit Management);

“Transferring Contracts” means those contracts (including leases and licences) required to be assigned or novated to the Authority or a Replacement Contractor further to paragraph 7 (Transferring Contracts) of schedule 5 (Exit Management);

“Transformation” means the progressive development of the provision of the Services to align with the evolution and implementation of the Army’s Equipment Support Enterprise Model and for certain Services to be capable of being provided and priced on the basis of Aspirational Pricing and finally through transformation to the SSS Arrangements;

“Transformation Plan” means the plan set out in schedule 7 (Transformation Plan);

“Transformation Report” has the meaning given to it in clause 7.2 (Transformation);

“Transparency Information” has the meaning given to it in schedule 29 (Transparency);

“TSF Power Pack Regeneration” means the Service set out in Section 6A and 6B (Statement of Requirement and Specifications for Delivery: Power Pack Regeneration Facility Personnel) of schedule 2 (Statement of Requirements);

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“Ultimate Holding Company” means a Holding Company in respect of which there is no further Holding Company;

“UMS” means usage monitoring system;

“Unsuitable Third Party” means a person:

- (A) whose activities do, in the reasonable opinion of the Authority, pose or could pose a threat to national security, providing that the Authority’s opinion shall be deemed to be reasonable if personally confirmed to the Contractor by a Senior Civil Servant; or
- (B) whose activities are, in the reasonable opinion of the Authority, incompatible with any operations or activities carried out by the Authority for the purposes contemplated by this Contract or any other of the Authority’s legal duties or other functions; or
- (C) who is, in the reasonable opinion of the Authority, inappropriate because the Authority has received specific information from the Crown, the Serious Fraud Office or the Crown Prosecution Service about the suitability of the proposed new third party to act in relation to the Project; or
- (D) who is not a List X Organisation;

“Virus” means a computer virus, “trojan horse”, worm, logic bomb, back door or similar item whose purpose or possible function is to disable a computer or network or adversely affect its performance and any other thing or device which may impair or otherwise adversely affect the operation of any computer or network, prevent or hinder access to any program or data, impair the operation of any program or the reliability of any data (whether by re-arranging within the computer or any storage medium or device, altering or erasing, the program or data in whole or part or otherwise);

“Voluntary Transparency Notice” has the meaning given to it in the PCR and DSPCR;

“Wholly Owned Subsidiary” has the meaning given to it in Section 1159 of the Companies Act 2006;

“Withheld Payment” has the meaning given to it in schedule 25 (Performance Mechanism).

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SCHEDULE 2: STATEMENT OF REQUIREMENTS

1. The Contractor shall comply with Part A of this schedule 2 with effect from the Commencement Date.
2. Part B shall be introduced progressively in accordance with the Transformation Plan and the Contractor shall comply with the relevant provisions of Part B (and cease to comply with the corresponding provisions of Part A) with effect from the date referred to in clause 7.5 (Transformation).
3. The Requirement Volumes set out in Annex 1 to this Schedule 2 reflect the baseline volumes as at the date of the Contract, as may be updated in accordance with this Contract (including pursuant to clauses 9 (Annual Plan) and 70 (Pricing) and schedule 20 (Annual Plan)).

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GLOSSARY			
Ref	Term	Definition	Source
1	Annual Plan	The Authority's annual strategy to enable the fulfilment of Policy. This includes forecast levels of activity.	
2	Army Command Plan	The Army Command Plan is a sub-strategy of Defence Strategic Direction (DSD) and provides direction for the period out to 2025, through a clear line of sight to DSD and the Defence Plan.	Army HQ Handbook 2013, Chapter 6
3	Army Equipment Support Publications	The Army Equipment Support Publication (AESP) defining specifications for maintenance, repair, installation of Army equipment (excluding aircraft) and vehicle and workshop equipment for other services.	
4	Army Physical Fitness	The minimum required standard of physical fitness for serving members of the Armed Forces.	
5	Assembly and Integration Service	Reconstructing equipment in accordance with Authority defined technical standards and configurations, including the incorporation of specified additional items.	
6	Authority Duty Holder	With respect to Inventory and Repair Management, is the individual within the Authority identified as having responsibility for the capability of particular equipment.	
7	Battlefield Equipment Support Doctrine	An Army publication containing information on how military equipment will be supported from front line operations, back to base repair.	
8	Beyond Economic Repair	State of repairable item where the estimated repair cost significantly exceeds a certain percentage (typically 80%) of its replacement value.	
9	Calibration and Maintenance Service	Conducting all inspections, repairs and maintenance on equipment as required, including checking equipment for any deviation from the defined technical standards and correcting for errors.	
10	Certificate of Conformity (CoC)	A declaration by the Contractor to the Authority that, excluding any concessions, product(s) conform to contractual requirements. It includes information relating to materiel traceability and design provenance of that product.	Acquisition Operating Framework
11	Command Equipment Plan	The equipment component of the Command Plan, which lays down the distribution of equipments required to enable defined Army HQ outputs, together with the associated cost of support.	Enterprise Model Taxonomy
12	Common Items	Consumable and repairable items which can be used in MRO activity for multiple equipments.	

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13	Complete Equipment Schedule (CES)	A list of items, put together by the Army, which are issued with an equipment. This varies by equipment.	
14	Controlled Humidity Environment (CHE)	Where the air within a given environment has had its moisture content reduced by dehumidification, to a predetermined level. This moisture content is referred to as the Relative Humidity (RH) and is given as a percentage. CHE storage is a proven method of keeping equipment in a steady state, with little or no maintenance, by controlling the level of moisture in the air. Units are to ensure the instructions in the current AESP are adhered to when placing equipment into CHE.	Appendix R_ FORMIS URs and KUR_R_ Ver 2_R JAMES Whole Fleet Management Terminology
15	Demand Processing Service	The receipt of requests from the Authority for item provision and the subsequent activity to enable demand satisfaction.	
16	Design Authority	Design Authority is the agency appointed by the Authority Project Team to be responsible for controlling the design of equipment. The Design Authority is often the original designer for the equipment. The Design Authority is responsible for re-issuing the Certificate of Design for the equipment and usually maintains the equipment drawing set, associated analytical work and test results. The Design Authority has staff with appropriate skills that are well versed in the design details of the equipment and have access to maintain the Configuration Status Record (CSR).	
17	Domestic Management Code	A code allocated by Equipment Managers to groups of items of supply for inventory management purposes. Each DMC will consist of multiple NSNs.	
18	Equipment	Equipment relates to vehicle and other equipments, spares (both consumables and repairables) and all other ancillary items.	
19	Equipment Breakdown Structure	For certain equipments, sub-systems, major assemblies and Line Replaceable/Repairable Unit (LRU) have been identified as EBS for which data is to be held 'On JAMES'. These include power packs,	JAMES Whole Fleet Management Terminology

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		major assemblies and armaments for armoured vehicles and important ancillary equipments such as cranes and winches. These are necessarily serial numbered items and any changes of EBS are to be recorded on JAMES.	
20	Equipment Technical and Engineering Authority	The organisation (the Authority) which is responsible for the provision of authoritative technical and engineering advice and support to the equipment fleets.	
21	E0 Power Pack	A variant of Power Pack, regenerated during deployment through the PPRF.	
22	Firm Price Quotation	Quoted price and conditions which remain unchanged until a specified expiration date.	
23	Fleet	The grouping of different equipment types into a single fleet to deliver a lower-level output within a top-level fleet (e.g. the Lead Armoured Battle Group in the Op Fleet, or the Land Training Fleet in the Training Fleet)	
24	Government Furnished Assets	GFA is an umbrella term covering equipment and other Authority assets that are provided to industry in support of contracts. GFA consists of: Government Furnished Equipment (GFE) Government Furnished Resource (GFR) Government Furnished Information (GFI) Government Furnished Facilities (GFF)	Acquisition Operating Framework
25	In Barrack Equipment Support (IBES)	DSG employees that are embedded within Units to work alongside military personnel, to ensure that equipment is well maintained and readily available.	JAMES SOI #2
26	International Traffic in Arms Regulations (ITAR)	US government regulations controlling the import/export of defence related articles/services on the United States Munitions List.	Acquisition Operating Framework
27	Inventory Management Plan	These plans demonstrate that inventory is properly justified, managed and controlled through life, to ensure both value for money and equipment readiness and sustainability.	JSP 886
28	In Year Management	The process of managing the Authority's spend against budget in the current financial year.	
29	Item Data Records	Information containing details of the maintenance, repair, storage and modification status of an item.	
30	Joint Asset Management Engineering Solutions (JAMES)	The Authority's management information system, used for Engineering and Asset Management in the Land environment, optimised Unit Holdings and a deployable capability.	Acquisition Operating Framework
31	James Fully Fit	The equipment has no identified or recorded faults that affect its safe and legal operation or its full operational capability. It may have minor faults or cosmetic defects. Fully-Fit equipment can be used to conduct any task within the limitations of the equipment's safety case.	JAMES SOP 07A Whole Fleet Management Terminology Jan 2013

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32	Joint Management Board	A quarterly meeting established to monitor the SPC at a strategic level, chaired by DGLS&E.	
33	Joint Supply Chain	The network of resources, activities and distribution options that enable the flow of materiel, services and information between the Strategic Base and deployed Force Elements in order to generate, sustain and redeploy operational capability.	
34	Land Equipment Engineering Standards (LEES)	The Land Equipment Engineering Standards can be found in AESP 0200-A-090-013.	JSP 886
35	LCS RFCs	Logistics, Commodities and Services requests for change.	
36	Levels of Maintenance	The level of maintenance is determined by the extent of the engineering content. It is measured in terms of the standard of repair, the time necessary to repair to the standard required and the complexity of the repair as measure by the engineering resources required.	JSP 886
37	Level 1 MRO	Servicing and day to day preparation, including functional testing, replenishment or adjustment.	JSP 886
38	Level 2 MRO	Maintenance by replacement, adjustment or minor repair, including fault diagnosis and authorised modifications, within specified times, using generally provisioned resources.	JSP 886
39	Level 3 MRO	Maintenance in greater depth than Level 2, including repair, partial reconditioning and modification requiring special skills and / or special equipment.	JSP 886
40	Level 4 MRO	Maintenance that includes full reconditioning, major conversions or major repairs.	JSP 886
41	Materiel Condition Code	A code to indicate the grading given to an item of materiel based on the consideration of its degree of physical serviceability.	
42	Mat Con A1	Stocks which are fit for issue without qualification (routine or pre-issue checks or tests excepted).	
43	Mat Con A2	Stocks which are fit but have certain limitation on issue, including part-worn.	
44	Maintenance	1. All actions taken to retain equipment in or to restore it to a specified condition, including inspection, testing, servicing, classification as to serviceability, repair, rebuilding and reclamation. 2. All supply and repair action taken to keep a force in condition to carry out its mission. 3. The routine recurring work required to keep a facility (plant, building, structure, ground facility, utility system, or other real property) in such condition that it may be continuously utilized, at its original or designed capacity	JSP 886

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		and efficiency, for its intended purpose.	
45	Mandatory Equipment Inspection (MEI)	MEI is the inspection of equipment carried out in accordance with the policies laid down in Army Equipment Support Publications (AESPs).	
46	Military Class 1 Tradesman	Possessing an advanced Level 3 engineering/maintenance apprenticeship (equivalent to A Level).	
47	Military Class 2 Tradesman	Possessing a Level 2 engineering/maintenance apprenticeship (equivalent to GCSE A* to C grade).	
48	Mobile Support Team	Mobile maintenance teams that travel a customer location to carry out repairs in-situ to ensure that equipment is well maintained and readily available.	
49	Modification	A planned change to an equipment's configuration, form, fit or function, in order to enhance some aspect of its performance, reliability, survivability or maintainability	Appendix C5 To NCA SOW LECOM/1005 01/10/2012
50	National Item Identification Number (NIIN)	A 9 digit number that makes up the 13 digit NSN.	
51	Nato Stock Number (NSN)	A 13 digit number assigned to an Item of Supply. It consists of the 4 digit NATO Supply Classification (NSC) and the 9 digit NIIN i.e. Nation Code (NC) + IIN.	
52	Non Conformance Reports (NCR)	Used to highlight equipment/design deficiencies from the agreed equipment specification or product deliverable.	
53	Obsolescence	Obsolescence can be defined as the impending loss of production of an item, or support services being no longer available from the Original Equipment Manufacturer (OEM) or supplier.	
54	Obsolete	Obsolete can be defined as being no longer produced or supported by the OEM or supplier.	
55	Original Equipment Manufacturer (OEM)	The company that originally manufactured the product.	
56	Output Standard	The defined condition to which equipment must be delivered back to the Authority. Sources may include design drawings, configuration baselines, AESPs, manuals etc.	
57	Policy	The Authority framework of compliance and guidance which outlines official strategy.	
58	Potentially Cleansable Records	Data records containing inaccuracies or duplication, which can be rectified.	
59	Power Pack Regeneration Facility (PPRF)	A deployable repair facility to ensure the timely replacement of power packs in theatre that is manned by SQE Sponsored Reserve Personnel.	
60	Purchase, Repair and Disposal Plans	An annual forecast of activity to manage through-life elements of all inventory.	
61	Quality Performance Indicators (QPI)	Defined and included within the KPIs.	

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62	Receipt Date	The actual date that the end user receives the requested equipment.	
63	Record of Engineering Competence	A framework of documents certifying that included personnel are qualified and proficient to the required level of engineering standards.	
64	Repair	The technical operation to restore operational functions to an equipment or repairable damaged parts by adjustment, manufacture or the replacement of defective components.	JSP 886
65	Required Delivery Date (RDD)	The date required by the end user for the equipment to be delivered.	
66	Required Handback Date (RHD)	The date required by the end user for the equipment to be issued.	
67	Restriction Code	Used where there are not the required facilities to undertake necessary in-store maintenance of equipment. In such an instance, the item will be held in quarantine against a particular Restriction Code.	
68	Safety Authority	The organisation responsible for the provision of authoritative safety direction for equipment fleets.	
69	Safety Panel	Equivalent to a Project Safety Committee, which brings together those with Safety Management responsibilities and other stakeholders with relevant specific knowledge or subject matter expertise.	
70	Sales & Operations Planning (S&OP)	This process includes inventory demand planning, setting of business rules, investment decisions and the agreement of expenditure. This process is conducted under control of the Joint Management Board.	
71	Scheduled Repair	A planned maintenance session	
72	Single Item Owner (SIO)	It is Defence policy that each item of supply is owned on behalf of Defence by a single owner. The primary principle upon which convergence towards a Single Defence Inventory is predicated is that each item is to have a unique Nato Stock Number (NSN), a single (PT) owner and be hosted on only one inventory system.	JSP 886
73	SISU MHE	A heavy duty forklift used for transporting tank engines	
74	Special Tools & Test Equipment (STTE)	Specific equipment required to support the operation and maintenance of MOD equipment. This includes maintenance equipment, tools, metrology and calibration equipment, test equipment and automatic test equipment.	
75	Sponsored Reserve	A contract, agreement or arrangement between the	

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	Contract	military and providing contractor(s) or government agency(s) which includes a provision that a specified portion of the provider's workforce will be members of a military reserve component as a condition of employment.	
76	SRM Principles	Supplier Relationship Management principles.	
77	Standard Priority System	The design of the SPS has been based upon relative levels of urgency of need and split into Operational and Non-Operational categories and three movement levels: a. IMMEDIATE Delivery in the UK and NWE within 24 hours. b. PRIORITY Delivery in the UK and NWE between 48 hours and 6 days. c. ROUTINE Delivery in the UK and NWE within 7 days.	
78	Stock Level Management	Controlling the quantity and composition of inventory to adequately meet the demand of the User whilst providing value for money.	
79	Stored Operational Fleet	Comprised of approximately 5000 vehicles held at graduated readiness (R3-5), these vehicles are stored for employment on Contingent Operations by the deploying units.	
80	Store Systems 3 (SS3)	An Authority Inventory and Supply Management information system.	
81	Suitably Qualified and Equipped (SQE)	Having the required qualifications for a specific role and having undergone an assessment process (by the Contractor) which has deemed that person to be suitable for the role.	
82	Suitably Qualified and Equipped Personnel (SQEP)	See above	
83	Support Vehicle (Recovery)	A variant of the MAN Support Vehicle used in Military vehicle recovery activities.	
84	Technical Assistance Agreement (TAA)	An agreement allowing the holder to share and discuss regulated technical data (as regulated by the ITAR) with an overseas contact. Provides method to bypass potentially restrictive export licensing requirements of technical data.	Part 120 ITAR
85	Technical Query Note	A notification raised by the Contractor in the event that they have insufficient technical information to undertake a particular activity on equipment. The TQN shall be raised to the Authority who may approach the Design Authority for guidance.	

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86	Through Life	The full service life of an equipment from the in-service date to disposal.	
87	Total Support Force (TSF)	A pre-planned mix of the most appropriate manpower including Regular, Volunteer Reserve, Civil Servants, Sponsored Reserves and Contractors; exploiting the skills, characteristics and strengths of each source to deliver capability at the declared readiness and risk in a deployed space.	
88	Unscheduled Repair	An unplanned maintenance session	
89	Urgency of Need (UON) 1 Units at R1	Immediate commencement of work. Repair and spares movement in silent hours. 24 hour working may be required. MCMO authority is required in every case.	Appendix C4 To NCA SOW LECOM/1005 01/10/2012
90	Urgency of Need (UON) 2 Units at R2	Urgent work. Important to be completed within maximum delivery date. Only to be used by Units not designated for operations when authorised by Div.	Appendix C4 To NCA SOW LECOM/1005 01/10/2012
91	Urgency of Need (UON) 3 Discovery Work Units at R3 or lower	Required by date is the PDD as negotiated with supplier but initially no longer than 30 working days.	Appendix C4 To NCA SOW LECOM/1005 01/10/2012
92	Urgency of Need (UON) 3 Units at R3 or lower	Required by Date of 6 - 15 working days.	Appendix C4 To NCA SOW LECOM/1005 01/10/2012
93	User	The User is the ultimate customer for all Defence Acquisition business.	
94	Whole Life Cost	Total cost of ownership over the life of an asset from concept to disposal.	

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PART A: INPUT BASED REQUIREMENTS

1A. Common Requirements			
ID	Requirement	Priority	Remarks
1. General Contractor Obligations			
1.1	The Contractor shall deliver the services described within this Requirement document, to the extent required by the Annual Plan.	1	
1.2	The Contractor shall respond to requests for technical advice which relate to the services provided, in support of the Authority's roles as Equipment Technical and Engineering Authority and Safety Authority.	1	
1.2.1	The Contractor shall provide suitably qualified and experienced personnel for Authority-led meetings/panels, in support of the Authority's roles as Equipment Engineering and Technical Authority and Safety Authority.	1	These meetings will be held in accordance with schedule 8 (Governance) of the SPC.
1.3	The Contractor shall be prepared to provide to the Authority all technical and engineering information generated through the delivery of contracted services.	1	
1.4	The Contractor shall be capable of inputting and maintaining data into Authority management information systems, as directed by the Authority.	1	
1.4.1	The Contractor shall, when working on JAMES-Managed Equipment, input all equipment-related data in accordance with JAMES standard operating procedures.	M	http://www.james-project.r.mil.uk/index.html
1.5	The Contractor shall provide all information that is required to support performance management of the contract, in accordance with the defined KPIs and governance regime.	M	
1.5.1	The Contractor shall provide the Authority with Management Reporting Packs to support the Joint Strategic Group, Joint Management Group, SPC Contract Review Meeting, Front Line Operating Meeting and the Programme Operations Meetings at the corresponding frequency of these forums (see schedule 8 (Governance) of the SPC), and appropriately in advance of these forums.	1	
1.5.2	The Contractor shall include within Management Reporting Packs the necessary contract performance information against all specified KPIs (see schedule 25 (Performance Mechanism) of the SPC.	1	
1.5.3	The Contractor shall provide to the Authority all required performance management information, including information on both contract performance and equipment support outcomes.	1	Required performance management information will be specified and attached to schedule 8 (Governance) of the SPC

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1.5.4	The Contractor shall provide to the Authority a defined raw data block covering all SPC functional areas and KPIs, delivered in a format that can be readily manipulated by the Authority using common tools.	1	Required data block will be specified and attached to schedule 8 (Governance) of the SPC. Common tool could be for instance MS Excel 2003
1.6	The Contractor shall provide all secretariat support to the Joint Strategic Group, Joint Management Group, SPC Contract Review Meeting, Front Line Operating Meeting and Programme Operations Meetings at the corresponding frequency of these forums (see schedule 8 (Governance) of the SPC).	1	To include assembling papers, managing diaries and venues, recording and distributing minutes and capturing and tracking actions
1.7	The Contractor shall support all physical assurance processes, as and when required by the Authority, in order to provide the Authority with confidence in the quality and completeness of any work which the Contractor has undertaken.	1	
1.7.1	The Contractor shall provide Assurance Reports to the Authority, as and when required, in order to provide the Authority with confidence that key engineering, safety, security and military capability risks are managed within acceptable limits.	1	
1.8	The Contractor shall comply with all Requirements relating to the management of equipment, which is subject to the International Traffic in Arms Regulations (ITAR).	M	
1.9	The Contractor shall ensure that all personnel are appropriately trained.	1	As specified within each Requirement category
1.10	The Contractor shall ensure that all personnel are appropriately qualified.	1	As specified within each Requirement category
	The Contractor shall ensure that all personnel are appropriately accredited.	1	As specified within each Requirement category
1.12	The Contractor shall provide the Authority with a list of the Special Tools & Test Equipment (STTE) required to undertake contracted activity.	1	
1.12.1	The Contractor shall maintain an up-to-date list of STTE for the duration of the contract.	1	
1.13	The Contractor shall comply with all Requirements relating to the security classification of any equipment for which it is responsible.	M	Details of such equipment and the associated security constraints will be issued at the commencement of the contract and updated thereafter. The highest classification will be SECRET UK EYES A.
1.13.1	The Contractor shall provide and maintain the required levels of security for the handling and storage of classified equipment and materiel.	M	

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1.14	The Contractor shall remain certified throughout the SPC period to ISO 9001:2008, or to a similarly recognised national or international accreditation scheme, appropriate to the scope of this Requirement.	M	
1.15	The Contractor shall implement a Quality Plan in accordance with Allied Quality Assurance Publications (AQAP) 2105 within three months of the SPC commencement date.	1	
1.15.1	The Contractor shall maintain the Quality Plan in accordance with Allied Quality Assurance Publications (AQAP) 2105.	1	
1.16	The Contractor shall provide open book access to Authority of sub-contractual arrangements and accounting.	1	
1.17	The Contractor shall retain all documentation associated with the delivery of services, for the duration of the contract and make available for any Authority review/audit purposes, upon request.	1	
1.18	The Contractor shall mobilise as per Phase 1 of the Transition Plan.	1	
1.19	The Contractor shall support the transition from the current contract to any subsequent contract with the Contractor or another provider.	1	The demobilisation plan will be identified through the procurement of any subsequent contract.
1.20	The Contractor shall transform the business in accordance with the agreed contractual Transformation Plan.	1	This will be agreed during the evaluation process.
1.20.1	The Contractor shall produce Transformation progress reports, detailing progress against planned schedule and resources, including relevant risks, assumptions, issues and dependencies with corresponding mitigation plans for the Authority, at a specified frequency (see schedule 8 (Governance) of the SPC).	1	Required performance management information will be specified and attached to schedule 8 (Governance) of the SPC
1.20.2	The Contractor shall produce reports tracking the benefits delivered to the Authority of all incremental improvements to business-as-usual, as a result of Transformation activities.	1	The agreed frequency will depend on Bidders proposals for Transformation
1.21	The Contractor shall comply with all relevant Policy.	M	
1.22	The Contractor shall escalate any identified risk resulting from dependencies on the Authority, in a timely fashion where this risk could result in a cost to the Authority.	1	
2. GFA Obligations			
2.1	The Contractor shall be responsible for the cost of maintaining all GFA, excluding IT.	1	
2.2	The Contractor shall be responsible for the cost of managing all GFA, excluding IT.	1	
2.3	The Contractor shall obtain approval from the Authority before disposing of any GFA, including STTE.	1	

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2.4	The Contractor shall return to the Authority any GFA, including STTE, which is no longer required.	1	
2.5	The Contractor shall maintain an up to date list of GFA provided under this contract, its corresponding utilisation and corresponding evidence of its maintenance and submit management information on this list to the Authority as required.	1	

2A. Statement of Requirement and Specifications for Delivery: Level 1-3 Maintenance Repair & Overhaul Operations

ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
	<p>The Contractor shall provide a Level 1, 2 and 3 Maintenance, Repair and Overhaul service, including the provision of a local manufacture capability, for tri-Service units and Other Government Departments (OGDs) where necessary. This service will comprise both scheduled (routine) and unscheduled (non-routine) tasks.</p> <p>The Contractor shall also ensure the availability of the Power Pack Forward Repair Pool at Warminster and Bovington.</p> <p>The Contractor shall also provide a year-round, on call, rough-terrain vehicle recovery service for specified training areas for all Authority-registered vehicles.</p> <p>In addition to the services described, the Contractor may also be required to deliver Level 1-3 MRO services in support of an operational deployment. However, it is not intended that this undertaking should be costed in any response to this ITN as the costs associated with the preparation for and delivery of these services in support of an operational deployment will be managed as part of the defined contract change mechanism as required.</p>		
2. Forecast of Service			
	<p>The forecast of service for workshop activities is presented as groups of equipment types (e.g. A Vehicles, B Vehicles), each with an associated forecast of hours.</p> <p>The forecast of service for training area recovery is presented as a number of recoveries by location.</p>		
3. Location for Delivery			
	<p>The Contractor shall take over existing workshop locations. The Contractor may make proposals to the Authority for the use of different and/or fewer sites if a cost benefit can be demonstrated. On occasion the Contractor shall be required to undertake these tasks at Authority, rather than at Contractor's locations. The only current workshop location which must be retained is Kinnegar, NI.</p> <p>The Contractor shall provide a training area recovery capability at: Bovington (A & B vehicles); Sennybridge (B vehicles); Salisbury Plain (B vehicles); Thetford (B vehicles); and, Otterburn (B vehicles).</p> <p>The Contractor shall also ensure the availability of the Power Pack Forward Repair Pool at Warminster and Bovington.</p> <p>The Contractor may be required to deliver Level 1-3 MRO services whilst deployed for training and/or contingent operations. Arrangements for such activity will be defined by Authority when this is required.</p>		
4. Functional Requirements			

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4.1	Arrival and Receipt: Upon receiving a valid request for work from the Authority, the Contractor shall provide an equipment Receipt Date in accordance with the Urgency of Need Code Criteria, unless otherwise agreed.	1	
4.2.1	Arrival & Receipt: The Contractor shall accept equipment which is delivered by the Authority by road.	1	
4.2.2	Arrival & Receipt: The Contractor is required to have the capability to collect non-roadworthy equipment from Authority locations.	1	
4.2.3	Arrival & Receipt: Where the equipment is transported, the Contractor shall safely unload such equipment and accept it into the premises.	1	
4.2.4	Arrival & Receipt: Upon arrival of equipment, the Contractor shall accept it into the premises.	1	
4.2.5	Arrival & Receipt: The Contractor shall have the ability to accept equipment every calendar day of the year.	1	
4.3.1	De-Kit: Following receipt, the Contractor shall remove all items necessary to allow the required work to be undertaken.	1	
4.3.2	De-Kit: Following receipt, the Contractor shall safely store all items necessary to allow the required work to be undertaken.	1	
4.4.1	Routine and/or Specified Work: The Contractor shall undertake routine inspections on any in-scope equipment submitted by the Authority to the defined technical standard.	1	
4.4.2	Routine and/or Specified Work: The Contractor shall undertake routine servicing on any in-scope equipment submitted by the Authority.	1	
4.4.3	Routine and/or Specified Work: The Contractor shall undertake other routine maintenance or specified repair tasks on any in-scope equipment submitted by the Authority.	1	
4.4.4	Routine and/or Specified Work: The Contractor shall inform the Authority of any work which emerges during the course of routine work within 24 hours.	1	
4.4.5	Routine and/or Specified Work: The Contractor shall undertake any emergent work which has arisen during routine work, once the original request for work, price, and RDD have been amended by the Authority.	1	
4.5.1	Non-Routine and/or Unspecified Work: The Contractor shall inspect equipment submitted by the Authority in accordance with Urgency of Need Code Criteria, unless otherwise agreed.	1	
4.5.2	Non-Routine and/or Unspecified Work: The Contractor shall identify any faults on equipment submitted by the Authority.	1	

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4.5.3	Non-Routine and/or Unspecified Work: The Contractor shall undertake directed rectification/repair activity on equipment submitted by the Authority.	1	
4.5.4	Non-Routine and/or Specified Work: The Contractor shall inform the Authority of any work which emerges during the course of non-routine work within 24 hours.	1	
4.5.5	Non-Routine and/or Unspecified Work: The Contractor shall provide the Authority with an RDD, when the extent of the work required has been determined.	1	
4.5.6	Non-Routine and/or Unspecified Work: Where the equipment is, in the opinion of the Contractor, Beyond Economic Repair (BER), the Contractor shall inform the Authority before any work is commenced.	1	
4.6.1	Issue: The Contractor shall issue all equipment which has been subject to inspection in a JAMES Fully Fit condition, unless concessions are agreed.	K	
4.6.2	Issue: The Contractor shall issue all equipment which has been subject to repair in a JAMES Fully Fit condition, or other serviceability state as directed by the Authority.	K	
4.6.3	Issue: The Contractor shall provide any specific documentation required by the Authority, with the issue of equipment.	1	
4.6.4	Issue: The Contractor shall provide any specific documentation required to meet statutory Requirements, with the issue of equipment.	M	
4.6.5	Issue: The Contractor shall issue equipment in accordance with the RDD.	K	RDDs may be arranged for any day of the calendar year.
4.6.6	Issue: In the event that emergent work prevents the Contractor from delivering equipment by the RDD, the Contractor shall propose a new RDD to the Authority, for approval.	1	
4.7.1	Despatch: The Contractor shall be required to deliver equipment to any UK location in accordance with timelines specified by the Authority, where it can not be collected by the requesting unit.	1	
4.7.2	Despatch: Where equipment transport is used, the Contractor shall be responsible for safely loading such equipment	1	
4.8	The Contractor shall provide a Mobile Support Team (MST) capability to deliver a short term increase in unit resources for Level 1-2 MRO activity.	1	
4.8.1	The Contractor shall, on receipt of a valid Authority request, provide an MST to deliver Level 1-2 MRO services, within 10 working days or	1	

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	shorter by agreement.		
4.8.2	The Contractor shall have the ability to deliver MST services for a period of up to 3 months (unless by prior agreement).	1	
4.8.3	The Contractor shall have the ability to deliver MST services to all UK locations specified by the Authority.	1	
4.8.4	The Contractor shall have the ability to deliver MST services to overseas locations specified by the Authority (excluding operational deployments).	1	
4.8.5	The Contractor shall have the ability to deliver MST services at any time of day.	1	Normal working hours will be between 0800-1700.
4.8.6	The Contractor shall, where MST services are required outside normal working hours, inform the Authority before the service commences of any additional costs.	1	
4.8.7	The Contractor shall have the ability to deliver MST services on equipment which is within the scope of this contract.	1	
4.8.8	The Contractor shall deliver MST services under the direction of the Authority.	1	
4.9	The Contractor shall provide an In Barrack Equipment Support (IBES) capability to deliver an increase in unit resources for Level 1-2 MRO activity.	1	
4.9.1	The Contractor shall, on receipt of a valid Authority request, provide an IBES team to deliver Level 1-2 MRO services, within 10 working days or shorter by agreement.	1	
4.9.2	The Contractor shall have the ability to deliver IBES services for periods longer than 3 months, agreed with the Authority.	1	
4.9.3	The Contractor shall have the ability to deliver IBES services to all UK locations specified by the Authority.	1	
4.9.4	The Contractor shall have the ability to deliver IBES services to overseas locations specified by the Authority (excluding operational deployments).	1	
4.9.5	The Contractor shall have the ability to deliver IBES services at any time of day.	1	Normal working hours will be between 0800-1700.
4.9.6	The Contractor shall, where IBES services are required outside normal working hours, inform the Authority before the service commences of any additional costs.	1	
4.9.7	The Contractor shall have the ability to deliver IBES services on equipment which is within	1	

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	the scope of this contract.		
4.9.8	The Contractor shall deliver IBES services under the direction of the Authority.	1	
4.10	The Contractor shall provide L1-3 services to the equipment listed as in scope of the contract. The Authority reserves the right to add to this list as equipment enters and leaves service.	1	
4.11	The Contractor shall be responsible for the incorporation of any modifications specified by the Authority as part of any L1-3 activity. (The parts required to enable such modifications may be provided under arrangements made by the Authority outside the scope of the contract.)	1	
4.12.1	The Contractor shall provide, at least twice a year, the Authority with options for equipment modifications to support improvements in capability, based upon technical assessments using the knowledge gained through the management and undertaking of Level 1-3 MRO activities.	1	This will be done in accordance with schedule 8 (Governance) of the SPC.
4.12.2	The Contractor shall provide, at least twice a year, the Authority with options for equipment modifications to support improvements in availability, based upon technical assessments using the knowledge gained through the management and undertaking of Level 1-3 MRO activities.	1	This will be done in accordance with schedule 8 (Governance) of the SPC.
4.12.3	The Contractor shall provide the Authority, at least twice a year, with options for equipment modifications to reduce the cost of ownership, based upon technical assessments using the knowledge gained through the management and undertaking of Level 1-3 MRO activities.	1	This will be done in accordance with schedule 8 (Governance) of the SPC.
4.12.4	The Contractor shall provide, at least twice a year, the Authority with options for equipment modifications to reduce the cost of use, based upon technical assessments using the knowledge gained through the management and undertaking of Level 1-3 MRO activities.	1	This will be done in accordance with schedule 8 (Governance) of the SPC.
4.13	The Contractor shall provide a local component manufacture capability, limited by the scope and scale of the facilities which exist at current sites.	1	
4.14	The Contractor shall ensure the availability to A2 standard of the power pack FRP.	1	
4.14.1	The Contractor shall provide the availability of one CV12 6a for immediate issue at Bovington.	1	
4.14.2	The Contractor shall provide the availability of one additional CV12 6a for issue within 8 working hours of the request, at Bovington.	1	

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4.14.3	The Contractor shall provide the availability of two additional CV12 6a for issue within 48 working hours of request.	1	
4.14.4	The Contractor shall provide the availability of one CV12 8a for immediate issue at Bovington.	1	
4.14.5	The Contractor shall provide the availability of one additional CV12 8a for issue within 48 working hours, at Bovington.	1	
4.14.6	The Contractor shall provide the availability of one CV8 for immediate issue at Warminster.	1	
4.14.7	The Contractor shall provide the availability of two additional CV8 for issue within 12 working hours, at Warminster.	1	
4.14.8	The Contractor shall provide the availability of three additional CV8 for issue within 72 working hours, at Warminster.		
4.15	The Contractor shall provide a year-round rough-terrain vehicle recovery service, every calendar day.	1	
4.15.1	The Contractor shall provide a rough-terrain vehicle recovery service on training areas specified by the Authority.	1	
4.15.2	The Contractor shall provide a rough-terrain vehicle recovery service capable of recovering all Authority vehicles and equipment.	1	
4.15.3	The Contractor shall have the capability to recover vehicles carrying sensitive loads (e.g. fuel and ammunition).	1	
4.15.4	The Contractor shall inform the Authority as soon as the issue is identified if a vehicle cannot be repaired or recovered with the load on to enable the Authority to provide a replacement vehicles and/or driver, as necessary.	1	
4.15.5	The Contractor shall be responsible for ensuring the security of the vehicle at all times whilst the vehicle is in their charge.	1	
4.15.6	Where the recovered vehicle is roadworthy, the Contractor shall recover to adjacent hard ground suitable for the vehicle to proceed under its own power.	1	
4.15.7	Where the recovered vehicle is not roadworthy, the Contractor shall recover directly to the nearest Authority-directed repair facility.	1	
4.15.8	The Contractor shall ensure that the correct recovery techniques are used as detailed in the appropriate AESPs.	1	
4.15.9	The Contractor shall ensure that no damage is made to the vehicle during recovery.	1	
4.15.10	The Contractor shall be responsible for any damage caused during the recovery process.	1	
4.15.11	Where damage is considered inevitable due to the location of the vehicle, the Contractor shall	1	

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	seek advice from the Authority, before the task is commenced.		
4.15.12	Where damage is considered inevitable due to the location of the vehicle outside of normal working hours, the Contractor shall alert the driver of this risk before recovery commences.	1	
4.15.13	Where damage is considered inevitable due to the location of the vehicle outside of normal working hours, the Contractor shall record this on the Contractor's job sheet.	1	
4.15.14	The Contractor shall be responsible for any damaged caused to the Contractor's equipment during recovery activity.	1	
5. Non-Functional Requirements - Technical Standards			
5.1	The Contractor shall undertake all maintenance activity in accordance with the defined technical standards and specifications.	M	
5.2	The Contractor shall undertake all repair activity in accordance with the defined technical standards and specifications.	M	
5.3	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary cost to the activities.	1	
5.4	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary time to the activities.	1	
5.5	The Contractor shall inform the Authority of instances where the Contractor wishes to propose an alternative approach to the delivery of activity.	1	
6. Non-Functional Requirements - Acceptance and Delivery Standards			
6.1	The Contractor shall provide the Authority with a correctly completed AF G8800 upon the completion of activity for an equipment.	1	The AF G8800 is a tasking form raised by the Authority, which the Contractor is expected to complete.
6.1.1	Within the AF G8800, the Contractor shall specify that they have received the equipment required in order to undertake the work specified by the Authority.	1	
6.1.2	Within the AF G8800, the Contractor shall specify that they have completed all activity to the build standard specified by the Authority, less any concessions.	1	
6.1.3	Within the AF G8800, the Contractor shall specify if they have incorporated any specified modifications.	1	
6.1.4	Within the AF G8800, the Contractor shall specify that they have undertaken all necessary maintenance to allow the equipment to return to	1	

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	use.		
6.1.5	Within the AF G8800, the Contractor shall specify that they have undertaken all necessary maintenance to appropriate technical standards and specifications.	1	
6.1.6	Within the AF G8800, the Contractor shall specify that they have undertaken all necessary maintenance to particular standards and specifications directed by the Authority.	1	
6.2	The Contractor shall output all equipment in a JAMES Fully-Fit condition unless otherwise directed by the Authority.	K	
6.3	The Contractor shall output all equipment to correct build standard unless otherwise directed by the Authority.	1	
6.4	The Contractor shall output all equipment modifications to the output standards set by the Authority prior to the commencement of work.	1	
6.5	For training area recovery activities, the Contractor shall ensure that the driver of the recovered vehicle signs the relevant job sheet to confirm satisfactory recovery and notes of any service failures.	1	
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall retain all documentation associated with the inspection, maintenance and repair of vehicles/equipments, for the duration of the contract and make available for any Authority review/audit purposes, upon request.	1	
7.2	The Contractor shall use JAMES for the recording of all Level 1-3 maintenance and repair activity, in accordance with JAMES standard operating procedures.	M	http://www.james-project.r.mil.uk/index.html
8. Non-Functional Requirements - GFA			
8.1	The Contractor shall be responsible for management of the power packs provided to them as part of the power pack FRP.	1	
8.2	The Contractor shall be responsible for Level 1-3 MRO activities on the single CRARRV that will be loaned to the Contractor for the completion of training area recovery activities at Bovington.	1	
8.3	The Contractor shall be responsible for Level 1-3 MRO activities on the single Support Vehicle (Recovery) variant that will be loaned to the Contractor for the completion of training area recovery activities at Bovington.	1	The Support Vehicle (Recovery) is a variant of the MAN Support Vehicle, used in vehicle recovery activities.
9. Non-Functional Requirements - Special Requirements			

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3A. Statement of Requirement and Specifications for Delivery: Receipt, Inspection, Issue and Storage			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
<p>The Contractor shall provide an equipment receipt, inspection, storage, maintenance and issue service which meets the equipment readiness needs of the Authority. The storage infrastructure, both Controlled Humidity Environment (CHE) and Non-Controlled Humidity Environment (Non-CHE) and associated workshop facilities, will be provided by the Authority.</p> <p>An element of the stored equipments for which the Contractor shall be responsible for will be attributed to the 'Stored Operational Fleet'. This is comprised of approximately 5000 vehicles held at graduated readiness of R3-5 (4000 vehicles) and R6-8 (1000 vehicles). The exact composition and defined readiness states of the Stored Operational Fleet is classified SECRET. Breakouts will be subject to periodic Deployment Tests, at least once a year, called by Army HQ, to which bidders will be expected to respond. More information on the scale, composition and timescales of Deployment Tests will be available in the Data Room.</p> <p>Inspection regimes on fleets held at certain readiness levels and subject to Deployment Tests, must be conducted to enable break-out within the defined target times.</p> <p>It is anticipated that a rolling inspection regime will be employed to ensure that all vehicles are maintained in-date.</p>			
2. Forecast of Service			
The forecast of service for RIIS is presented as the total number of issues from current sites driven by known Authority activity.			
3. Location for Delivery			
The location will be the current sites at Ashchurch (until circa December 2018 - thereafter a new site will be provided by the Defence Infrastructure Organisation), Lyneham (temporary requirement only for HXP-related storage until October 2016) and Ayrshire Barracks, Germany (management function only)(temporary until c 2020 due to drawdown). The Contractor may make proposals to the Authority for the use of different and/or fewer sites if a cost benefit can be demonstrated.			
4. Functional Requirements			
4.1	The Contractor shall have the capability to accept all equipment that arrives on site.	1	
4.1.1	Arrival: The Contractor shall accept equipment which arrives by road.	1	
4.1.2	Arrival: The Contractor shall accept equipment which arrives by rail.	1	
4.1.3	Arrival: The Contractor shall safely unload equipment upon arrival.	1	
4.1.4	Arrival: The Contractor shall accept all equipment into the facility upon arrival.	1	
4.1.5	Receipt from Trade: The Contractor shall inspect all equipment delivered new from trade.	1	
4.1.6	Receipt from Trade: The Contractor shall inspect equipment delivered new from trade against the specification supplied by the Authority.	1	
4.1.7	Receipt from Trade: The Contractor shall report any defects of equipment that is new from trade to the Authority within 5 working days of receiving the equipment.	1	

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4.1.8	Receipt from Trade: The Contractor shall report any deficiencies with equipment that is new from trade to the Authority within 10 working days of receiving the equipment.	1	
4.1.9	Receipt from the Authority: The Contractor shall inspect all equipment delivered by the Authority, within 5 working days of receiving the equipment.	1	
4.1.10	Receipt from the Authority: The Contractor shall inspect all equipment collected from the Authority, within 5 working days of receiving the equipment.	1	
4.1.11	Receipt from the Authority: The Contractor shall inspect equipment from the Authority against the specification supplied by the Authority.	1	
4.2	Following receipt of equipment, the Contractor shall de-kit, rectify and repair as necessary and as directed by the Authority	1	
4.2.1	De-Kit: Following receipt, the Contractor shall remove all Complete Equipment Schedule items, as directed by the Authority.	1	
4.2.2	De-Kit: Following receipt, the Contractor shall safely store all Complete Equipment Schedule items, as directed by the Authority.	1	
4.2.3	Rectification: Following receipt inspections, the Contractor shall undertake any identified Level 1 rectification activity.	1	
4.2.4	Rectification: The Contractor shall allow the staff of other Contractors to undertake rectification or modification activity on new equipment at that particular site during all standard working hours, following receipt inspections, as directed by the Authority.	1	
4.2.5	Repair: Following receipt inspections, the Contractor shall undertake any Level 2 repair activity specified by the Authority.	1	
4.2.6	Repair: The Contractor shall allow the staff of Third Party Contractors to undertake repair activity outside the scope of the SPC on new equipment at that particular site during standard working hours, following receipt inspections.	1	
4.2.7	Strip: The Contractor shall strip components from vehicles as directed by the Authority.	1	
4.2.8	Strip: The Contractor shall undertake any subsequent repair work, as directed by the Authority.	1	
4.2.9	Strip: The Contractor shall undertake any subsequent re-fit work, as directed by the Authority.	1	
4.3	The Contractor shall store equipment in accordance with specifications directed by the Authority	1	
4.3.1	Storage (Controlled Humidity Environment): To specifications directed by the Authority, the Contractor shall store equipment in a Controlled Humidity Environment (CHE).	M	

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4.3.2	Storage (Controlled Humidity Environment): The Contractor shall store equipment in CHE at a state of readiness to be set by the Authority.	1	
4.3.3	Storage (Non-Controlled Humidity Environment): To specifications directed by the Authority, the Contractor shall store equipment in a Non-Controlled Humidity Environment.	M	
4.3.4	Storage (Non-Controlled Humidity Environment): The Contractor shall store equipment at a state of readiness to be set by the Authority.	1	
4.3.5	Storage (Coroner's Court): As directed by the Authority, the Contractor shall store equipment subject to a Coroner's inquest in a separate location.	1	
4.3.6	Storage (Coroner's Court): As directed by the Authority, the Contractor shall store equipment subject to other Coroner processes in a separate location.	1	
4.3.7	Storage (Coroner's Court): The Contractor shall control access to equipment subject to a Coroner's inquest, as directed by the Authority.	1	
4.3.8	Storage (Coroner's Court): The Contractor shall control access to equipment subject to other Coroner processes, as directed by the Authority.	1	
4.4	The Contractor shall inspect, maintain and repair equipment to specifications defined by the Authority	1	
4.4.1	Maintenance & Repair: The Contractor shall inspect equipment which is in store to specifications defined by the Authority.	1	
4.4.2	Maintenance & Repair: The Contractor shall inspect equipment which is in store in line with the directed state of readiness of the equipment.	1	
4.4.3	Maintenance & Repair: The Contractor shall maintain equipment which is in store to specifications defined by the Authority.	1	
4.4.4	Maintenance & Repair: The Contractor shall maintain equipment which is in store in line with the directed state of readiness of the equipment.	1	
4.4.5	Maintenance & Repair: The Contractor shall repair equipment in store to specifications defined by the Authority.	1	
4.4.6	Maintenance & Repair: The Contractor shall repair equipment in store in line with the directed state of readiness of the equipment.	1	
4.4.7	Maintenance & Repair: The Contractor shall allow access to Authority personnel to undertake work on equipment in store during all standard working hours.	1	
4.4.8	Maintenance & Repair: The Contractor shall allow access to the staff of Third Party Contractors, to undertake work outside the scope of the SPC on equipment in store during all standard working hours.	1	

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4.5	When directed by the Authority, the Contractor shall remove equipment from storage at a set notice period.	1	
4.5.1	Break-Out: The Contractor shall inspect all equipment within 5 days, unless otherwise agreed, following removal from storage.	1	
4.5.2	Break-Out: The Contractor shall inspect equipment to specifications supplied by the Authority.	1	
4.5.3	Break-Out: The Contractor shall undertake any L1-2 activity required to bring the equipment to the required state of serviceability following removal from storage.	1	
4.6	As directed by the Authority, the Contractor shall refit all items which were removed from equipment, prior to storage, following removal from storage .	1	
4.7	The Contractor shall issue all equipment requested by the Authority, within Authority-defined notice periods.	K	This excludes the Stored Operational Fleet which is covered by requirements 4.9 and 4.10 Notice periods will be defined on a case by case basis.
4.7.1	Issue: The Contractor shall issue all in-scope equipment to standards defined by the Authority.	1	Except where a concession has been granted by the Authority for kit to be issued at a lower standard. For example where a battle damaged vehicle has been stored
4.7.2	Issue: The Contractor shall issue all equipment in a JAMES Fully-Fit condition.	K	
4.7.3	Issue: The Contractor shall record the state of every equipment issued against the specifications directed by the Authority.	1	
4.7.4	Issue: The Contractor shall record the state of every equipment at the point of issue.	1	
4.8	The Contractor shall despatch equipment in accordance with arrangements made by the Authority.	1	
4.8.1	Despatch: The Contractor shall have the ability to despatch equipment by road.	1	

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4.8.2	Despatch: The Contractor shall have the ability to despatch equipment by rail.	1	
4.8.3	Despatch: The Contractor shall safely load equipment at the point of despatch.	1	
4.9	Tactical CIS Eqpt: The Contractor shall maintain the complete stock of tactical CIS equipment and spares (including Bowman), which is not held within units.	1	This CIS equipment will be provided by the Authority
4.10	Tactical CIS Eqpt: The Contractor shall provide a receipt service for tactical CIS equipment and spares (including Bowman) from the reverse supply chain.	1	This CIS equipment will be provided by the Authority
4.11	Tactical CIS Eqpt: The Contractor shall prepare incident reports for issue to General Dynamics in the event of failure or excessive damage to Bowman equipment or spares.	1	This CIS equipment will be provided by the Authority
4.12	Tactical CIS Eqpt: The Contractor shall integrate all tactical CIS equipment (including Bowman) as required by the Authority, prior to issue of equipment.	1	This CIS equipment will be provided by the Authority
4.13	Tactical CIS Eqpt: The Contractor shall issue all non-vehicle tactical CIS equipment and spares (including Bowman) in accordance with timelines directed by the Authority.	1	This CIS equipment will be provided by the Authority
4.14	Tactical CIS Eqpt: The Contractor shall conduct out inspections of equipment, prior to issue, of tactical CIS components (including Bowman).	1	This CIS equipment will be provided by the Authority
4.15	The Contractor shall provide the Authority with a management capability at Ayrshire barracks (Germany), under the direction of the Authority.	1	This is a temporary requirement until the return of all stored Ayrshire equipment to the UK (currently estimated for 2020). The man-power requirement for this service is estimated at 6 personnel and should not exceed 10; personnel will work under the direction of the local TFSU(G) military authority. Current personnel are deployed from DSG UK on fixed term contracts (2 years) with differing contract expirations.

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4.16	The Contractor shall maintain the stored Contingent Operational fleet so as to be made available at the defined standards and within the defined timelines	K	The Contractor is not responsible for the physical breakout of the Stored Operational Fleet. The Authority will make additional personnel available to undertake such a breakout. The Authority may request support from the Contractor to undertake the breakout via a formal contract change request. Such a request will attract additional funding.
4.16.1	The contractor shall facilitate access to storage facilities by Authority personnel who are conducting a breakout of the Stored Operation Fleet	1	
4.17	The Contractor shall provide assurance that the Stored Operational Fleet can be made available at the defined standards and within the defined timelines	1	This will take the form of an assurance report, and be assessed as part of the KPI for the RIIS role
4.18	The Contractor shall provide a RIIS function in support of the HERRICK Exchange Point (HXP) at Lyneham	1	This is a temporary requirement and due to complete in Oct 16.
5. Non-Functional Requirements - Technical Standards			
5.1	The Contractor shall undertake all maintenance activity in accordance with the defined technical standards and specifications.	M	
5.2	The Contractor shall undertake all repair activity in accordance with the defined technical standards and specifications.	M	
5.3	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary cost to the activities.	1	
5.4	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary time to the activities.	1	
5.5	The Contractor shall inform the Authority of instances where the Contractor wishes to propose an alternative approach to the delivery of activity.	1	
6. Non-Functional Requirements - Acceptance and Delivery Standards			
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall use JAMES for the recording of all maintenance and repair activity and data from receipts	M	

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	shall be input onto JAMES within 3 working days.		
8. Non-Functional Requirements - GFA			
9. Non-Functional Requirements - Special Requirements			
4A. Statement of Requirement and Specifications for Delivery: Level 4 Maintenance Repair & Overhaul Operations			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide a Level 4 inspection, maintenance and repair service for all equipment listed as in-scope.			
2. Forecast of Service			
The forecast of service for Level 4 MRO is presented as annual load by equipment or sub-system type.			
3. Location for Delivery			
The Contractor shall take over existing workshop locations. The Contractor may make proposals to the Authority for the use of different and/or fewer sites if a cost benefit can be demonstrated.			
4. Functional Requirements			
4.1	The Contractor shall receive all in-scope equipment from the Authority in any condition.	1	
4.2	The Contractor shall conduct all in-inspections in accordance with Authority defined standards for all in-scope equipment.	1	This may exclude Challenger, Titan, Trojan and Driver Training Tank on IPR grounds for which there may be an independent contract.
4.3	The Contractor shall inform the Authority of any deficiencies with equipment received, against the Authority defined input standards, within 30 days of receipt, in accordance with JSP886.	1	The Authority requires at least 2 working days before the 30th day to inform the unit of any deficiencies.
4.4	The Contractor shall inform the Authority of evidence of any event which may adversely affect the safe operation of the equipment.	M	
4.5	The Contractor shall inform the Authority, following in-inspection, of the programme and cost of work for each equipment to produce it to the required output standard.	1	No approval from the Authority is required before the commencement of work if all activity required is defined within the standard base repair specification and is costed against an approved repair scheme.
4.6	Where work is required beyond that defined by the standard base overhaul repair specification, the Contractor shall only commence work following approval by the Authority of the proposed cost and	1	

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	programme.		
4.7	Where work is required beyond that defined by the standard base overhaul repair specification and for which no defined repair specification exists, the Contractor shall work with the Authority, DA and OEM as required to develop a repair specification to be approved by the Authority.	1	Once a specification is endorsed and a price is agreed this repair specification will be added to the library of approved repair specifications.
4.8	The Contractor shall provide the Authority with options for equipment modifications to support improvements in capability, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with schedule 8 (Governance) of the SPC.
4.9	The Contractor shall provide the Authority with options for equipment modifications to support improvements in availability, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with the schedule 8 (Governance) of the SPC.
4.10	The Contractor shall provide the Authority with options for equipment modifications to reduce the cost of ownership, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with the schedule 8 (Governance) of the SPC.
4.11	The Contractor shall provide the Authority with options for equipment modifications to reduce the cost of use, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with the schedule 8 (Governance) of the SPC.
4.12	The Contractor shall respond to requests from the Authority for technical advice relating to works required under Level 4 MRO conditions.	1	Only for Artillery Systems equipment
4.13	The Contractor shall provide technical input to Safety Panels, developed as a result of delivering the contracted service, as required by the Authority.	1	Only for Artillery Systems equipment
5. Non-Functional Requirements - Technical Standards			
5.1	The Contractor shall maintain a library of approved repair schemes on behalf of the Authority and will transfer all schemes back to the Authority upon	1	

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	conclusion of the contract		
5.2	The Contractor shall undertake all inspection activity in accordance with the standards and specifications, provided by the Authority.	M	
5.3	The Contractor shall undertake all maintenance activity in accordance with the technical standards and specifications, provided by the Authority.	M	
5.4	The Contractor shall undertake all repair activity in accordance with the standards and specifications, provided by the Authority.	M	
5.5	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary cost to the activities.	1	Only for Artillery Systems equipment
5.6	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary time to the activities.	1	Only for Artillery Systems equipment
5.7	The Contractor shall notify the Authority of any equipment which is deemed obsolescent.	1	Only for Artillery Systems equipment
5.8	The Contractor shall notify the Authority of any equipment which is deemed obsolete.	1	Only for Artillery Systems equipment
6. Non-Functional Requirements - Acceptance and Delivery Standards			
6.1	The Contractor shall issue in scope maintained/repaired equipment in accordance with Required Delivery Dates, specified by the Authority.	K	Delivery dates may be updated by the Authority to reflect concessions/priority activities. This is to include completion of emergent work.
6.1.1	In the event that emergent work prevents the Contractor from delivering equipment by the RDD, the Contractor shall propose a new RDD to the Authority, for approval.	1	
6.2	The Contractor shall issue equipment in accordance with output standards defined by the Authority.	K	
6.2.1	The Contractor shall maintain the output standard of the equipment until collection by the Authority.	1	Collection may be up to 3 months following completion of the Level 4 MRO activity.
6.2.2	The Contractor shall accept changes to defined output standards except for those changed deemed critical for safety reasons, which must be accepted immediately.	1	Notice of no less than 3 months will be provided to the Contractor of changes to output standards.
6.3	The Contractor is required to issue equipment following base repair with a correctly completed Certificate of Conformity for all equipment following base repair.	1	This is not required for sub-systems.
6.3.1	The Contractor shall specify within the Certificate of Conformity that the equipment has (if appropriate) been restored to appropriate structural integrity, less any concessions.	1	This is not required for sub-systems.

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6.3.2	The Contractor shall specify within the Certificate of Conformity that the equipment has (if appropriate) been completed to the build standard specified by the Authority, less any concessions.	1	This is not required for sub-systems.
6.3.3	The Contractor shall specify within the Certificate of Conformity that the equipment includes (if appropriate) any specified modifications.	1	This is not required for sub-systems.
6.3.4	The Contractor shall specify within the Certificate of Conformity that the equipment (if appropriate) has had all necessary maintenance completed to allow it to return to use.	1	This is not required for sub-systems.
6.3.5	The Contractor shall specify within the Certificate of Conformity that all work has been carried out to defined technical standards and specifications.	1	This is not required for sub-systems.
6.3.6	The Contractor shall provide within the Certificate of Conformity details of any concessions with reference numbers. Any TQN's resolved during the base overhaul process if not covered by concession should also be listed.	1	This is not required for sub-systems.
6.3.7	The Contractor shall provide within the Certificate of Conformity details of any TQN's resolved during the base repair process, if not covered by concession.	1	This is not required for sub-systems.
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall provide the Authority with a plan of equipment throughput on an annual basis, in accordance with the Required Delivery Dates.	1	
7.1.1	The Contractor provide the Authority with monthly progress updates on the status of each equipment undergoing Level 4 maintenance or repair activity, against the annual throughput plan.	1	
7.2	The Contractor shall use JAMES for the recording of all Level 4 maintenance and repair activity.	M	
7.2.1	The Contractor shall record the output standard of individual equipments which have been subject to Level 4 MRO activities on JAMES.	M	
7.2.2	The Contractor shall record in JAMES all details of the modifications included on the day of release from base overhaul.	M	
7.2.3	The Contractor shall record in JAMES all details of any concessions with reference numbers.	M	
7.2.4	The Contractor shall record in JAMES all details of TQN's resolved during the base overhaul process if not covered by concession.	M	
7.2.5	The Contractor shall complete all relevant data fields when recording information in JAMES.	M	
7.2.6	The Contractor shall record the details of any materiel used during Level 4 MRO activities on JAMES.	M	
7.2.7	The Contractor shall maintain accurate records of work completed in JAMES.	M	
7.3	The Contractor shall assist the Authority with equipment failure trend analysis	1	
7.3.1	The Contractor shall provide work records and	1	

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	trend analysis to the Authority as required.		
7.4	The Contractor shall complete the AF B2562 series, in accordance with AESP 0200-A-600-013 Ch 2-1, upon completion of Level 4 MRO activity on guns.	M	

5A. Statement of Requirement and Specifications for Delivery: Training Uplift Fleet Availability			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall manage the Training Uplift Fleet in order to provide a vehicle availability service.			
2. Forecast of Service			
The forecast of service for Training Uplift Fleet is presented as total fleet holdings by location. The forecast of service for Training Uplift Fleet is presented as number of vehicle issues by site.			
3. Location for Delivery			
The Contractor shall deliver these services from current locations, unless the Contractor can demonstrate the ability to derive and share benefit from the use of alternative sites. Equipment will be delivered to locations on the UK mainland designated by the Authority.			
4. Functional Requirements			
4.1	The Contractor shall manage a defined fleet of vehicles to provide the Authority with a required level of vehicle availability.	1	
4.2	The Contractor shall manage all TUF equipment (including CES, ancillary and BOWMAN items) in the delivery of required vehicle availability.	1	
4.2.1	The Contractor shall manage the receipt of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.2.2	The Contractor shall manage the rectification of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.2.3	The Contractor shall manage the repair of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.2.4	The Contractor shall manage the maintenance of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.2.5	The Contractor shall manage the storage of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.2.6	The Contractor shall manage the integration of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.2.7	The Contractor shall manage the issue of all TUF equipment (including CES, ancillary and BOWMAN items).	1	
4.3	On receiving a valid request for equipment from the Authority, the Contractor shall provide relevant logistical	1	

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	information surrounding the handback of the equipment.		
4.3.1	On receiving a valid request for equipment from the Authority, the Contractor shall propose a delivery time to the Authority, so as to satisfy the Authority-defined Requirement Delivery Date.	1	
4.3.2	On receiving a valid request for equipment from the Authority, the Contractor shall propose a handback time to the Authority, so as to satisfy the Authority-defined RHD.	1	
4.4	The Contractor shall issue the equipment to the Authority in accordance with the Required Delivery Date	K	
4.4.1	The Contractor shall include, with issue, all related documents (including certifications).	1	
4.4.2	The Contractor shall record, at the point of issue, the state of the equipment.	1	
4.4.3	The Contractor shall record, at the point of issue, the state of any associated items of the main equipment.	1	
4.4.4	The Contractor shall deliver equipment to the Authority at the defined location in accordance with the agreed delivery time	1	
4.5	The Contractor will report, to the Authority, the loss of any items	1	
4.5.1	The Contractor shall report losses of any equipment to the Authority.	1	
4.5.2	The Contractor shall report losses of any items associated with the equipment to the Authority.	1	
4.6	The Contractor shall collect equipment from the Authority at the defined location in accordance with the agreed handback time	1	
5. Non-Functional Requirements - Technical Standards			
5.1	The Contractor shall undertake all maintenance activity on equipment held in the TUF in accordance with the appropriate technical standards and specifications.	M	
5.2	The Contractor shall undertake all repair activity on equipment held in the TUF in accordance with the appropriate technical standards and specifications.	M	
5.3	The Contractor shall provide the Authority with a technical advice capability regarding the suitability of technical standards.	1	
5.3.1	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary cost to the activities.	1	
5.3.2	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary time to the activities.	1	
5.4	The Contractor shall inform the Authority of instances where the Contractor wishes to propose an alternative approach to the delivery of activity.	1	
6. Non-Functional Requirements - Acceptance and Delivery Standards			

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6.1	The Contractor shall deliver all equipment to the Authority in a James Fully Fit condition, excluding where concessions have been agreed with the Authority.	K	
6.2	The Contractor shall deliver all equipment to the Authority with all MEI completed, where relevant.	1	
6.3	The Contractor shall deliver all equipment to the Authority with all periodic maintenance completed, where relevant.	1	
6.4	The Contractor shall deliver all equipment to the Authority, complete to CES, unless instructed otherwise by the Authority.	1	
6.5	The Contractor shall deliver all equipment to the Authority with a full fuel tank.	1	
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall maintain robust management reporting practices.	1	
7.1.1	The Contractor shall manage all TUF equipment on JAMES.	M	
7.1.2	The Contractor shall manage all items associated with TUF equipment on JAMES.	M	
7.1.3	The Contractor shall use JAMES for the recording of all maintenance activity.	M	
7.1.4	The Contractor shall use JAMES for the recording of all repair activity.	M	
7.1.5	The Contractor shall record the details of all materiel used during maintenance activities on JAMES.	M	
7.1.6	The Contractor shall record the details of all materiel used during repair activities on JAMES.	M	
7.2	The Contractor shall make available all management information relating to TUF equipment which is requested by the Authority, in support of the Authority's wider Fleet Management activities.	1	
8. Non-Functional Requirements - GFA			
8.1	The Contractor shall make requests to the Authority for any additions to the equipment provided in order to enable the delivery of the contracted service.	1	
8.2	The Contractor shall make requests to the Authority for the removal of any equipment which has been provided, but is not required for the undertaking of these activities.	1	
9. Non-Functional Requirements - Special Requirements			

6A. Statement of Requirement and Specifications for Delivery: Power Pack Regeneration Facility Personnel

ID	Requirement	Priority	Remarks
1. High Level Statement of Work			

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The Contractor shall provide SQE Sponsored Reserve personnel to man an Authority provided Power Pack Regeneration Facility (PPRF) on deployed operations.			
2. Forecast of Service			
N/A			
3. Location for Delivery			
When instructed to deploy by the Authority, PPRF Personnel will be required to undertake Power Pack Regeneration activities in any location, as directed by the Authority.			
4. Functional Requirements			
4.1	The Contractor shall provide personnel with the ability to operate in a manoeuvre environment (characterised by austere and non-benign conditions).	1	
4.2	The Contractor shall operate within military command.	M	
4.3	The Contractor shall provide SQEP personnel.	1	
4.4	The Contractor shall provide a minimum of 24 personnel trained to a Military Class 1 tradesman equivalent.	1	
4.5	The Contractor shall provide a minimum of 16 personnel trained to a Military Class 2 tradesman equivalent.	1	
4.6	The Contractor shall ensure all Sponsored Reserve personnel must be fit for duty in austere and non-benign conditions.	1	
4.6.1	The Contractor shall ensure all Sponsored Reserve personnel have passed the Army Physical Fitness tests, as deemed appropriate by the Authority, before duty in austere and non-benign conditions.	1	
4.6.2	The Contractor shall ensure all Sponsored Reserve personnel have achieved the annual competence standards required for the personal weapon before duty in austere and non-benign conditions.	1	
4.6.3	The Contractor shall ensure all Sponsored Reserve personnel have successfully completed the pre-deployment training assessment, before duty in austere and non-benign conditions.	1	
4.6.4	The Contractor shall ensure all Sponsored Reserve personnel have completed all medical exam Requirements, before duty in austere and non-benign conditions.	1	
4.6.5	The Contractor shall ensure all Sponsored Reserve personnel have completed all dental exam Requirements, before duty in austere and non-benign conditions.	1	
4.6.6	The Contractor shall ensure all Sponsored Reserve personnel have an up to date medical assessment (PULHEEMS), before duty in austere and non-benign conditions.	1	
4.6.7	The Contractor shall ensure all Sponsored Reserve personnel are free from commitments which	1	

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	may inhibit their pre-deployment training or deployment.		
4.6.8	The Contractor shall ensure all Sponsored Reserve personnel are bound by military law, once deployed as a SR.	1	
4.6.9	The Contractor shall ensure all Sponsored Reserve PPR personnel comply with Army physical standards.	1	
4.6.10	The Contractor shall ensure all Sponsored Reserve PPR personnel comply with Army entry Requirements.	1	
4.6.11	The Contractor shall supply the required number of personnel for deployment.	1	
4.6.12	The Contractor shall supply a replacement, should the Authority deem that an individual is unable to deploy.	1	
4.7	The Contractor will provide Sponsored Reserve personnel when required by the Authority for training within 30 days notice.	1	
4.8	The Contractor will provide Sponsored Reserve personnel when required by the Authority for up to 38 days of training per year.	1	
4.9	The Contractor will provide for the maintenance of civilian professional qualifications for all Sponsored Reserves.	1	
4.10	The Contractor will provide for the acquisition of civilian professional qualifications for all Sponsored Reserves, as required.	1	
4.11	The Contractor shall manage the receipt of damaged power packs.	1	
4.12	The Contractor shall manage the triage of damaged power packs.	1	
4.13	The Contractor shall manage the operation of the PPRF, in accordance with deployed equipment support priorities.	1	
4.14	The Contractor shall be responsible for the safe handling of power packs within a PPRF.	1	
4.15	The Contractor shall be responsible for the safe handling of power packs around a PPRF.	1	
4.16	The Contractor shall undertake the regeneration of power packs in accordance with the relevant technical publications.	M	
4.17	The Contractor shall undertake the regeneration of power packs in accordance with the relevant technical standards.	M	
4.18	The Contractor shall provide certification to the Authority of fully regenerated and diagnostically fault free power packs.	1	
4.19	The Contractor shall maintain equipment owned by the Authority to standards directed by the Authority.	1	
4.20	The Contractor shall maintain infrastructure owned by the Authority to standards directed by the Authority.	1	

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4.21	The Contractor shall manage the delivery of regenerated power packs into the Joint Supply Chain.	1	
4.22	The Contractor shall manage equipment support material for the operations of the PPRF.	1	
4.23	The Contractor shall manage equipment support commodities for the operations of the PPRF.	1	
4.24	The Contractor shall control quality of the power pack regeneration process.	1	
4.25	The Contractor shall assure quality of the power pack regeneration process.	1	
4.26	The Contractor shall deliver continuous improvement against established military ways of working as prescribed in AESPs and relevant technical publications.	1	
4.27	The Contractor shall regenerate Warrior (CV 8) power packs.	1	
4.28	The Contractor shall regenerate Challenger (CV12-variant) power packs.	1	
4.29	The Contractor shall regenerate CRARRV (CV12-variant) power packs.	1	
4.30	The Contractor shall regenerate Titan/Trojan (CV12-variant) power packs.	1	
4.31	The Contractor shall regenerate AS90 (L60) power packs.	1	
4.32	The Contractor shall regenerate Scout power packs.	1	
4.33	The Contractor shall deliver an output of an average of 8 power packs per day over a rolling 7 day period.	1	
4.34	The Contractor shall have generated personnel able to deploy in accordance with defined notice period, no later than 2 years from the date of contract award	1	
4.35	The Contractor shall deliver the power pack regeneration capability requested by the Authority.	1	
4.36	The Contractor shall hold the Requirement for the power pack regeneration capability at readiness until activated by the Authority.	1	
4.37	The Contractor shall deliver a deployed capability for no less than 6 months.	1	
4.38	The Contractor shall provide 20 personnel to conduct power pack regeneration in-theatre in line with 6 months notice.	K	
4.39	The Contractor shall provide a capability to conduct power pack regeneration in-theatre up to a 12 month period, requiring up to 40 personnel in total.	1	The 12 month period will be divided into 2x6 month periods with 20 personnel deployed in each period.

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4.40	The Contractor shall maintain no less than 40 personnel able to deploy in line with the required notice period.	K	Ability to deploy includes being successfully approved for duty at the Army Reserve Mobilisation Centre as well as being mentally, physically and emotionally capable of enduring austere and non-benign conditions.
4.41	The Contractor shall deploy personnel in accordance with the most recent Sponsored Reserve deployment guidelines.	1	
4.42	The Contractor shall ensure that all regenerated power packs are certified by SQEP (defined as equivalent to Military Class 1 Tradesmen).	1	
4.43	The Contractor shall deliver regenerated power packs in a condition whereby they can be placed into a vehicle immediately or stored.	1	
4.44	The Contractor shall undertake the regeneration of power packs, when they have a major fault, up to and including a Level 3 MRO.	1	
4.45	The Contractor shall be responsible for diagnosis of specific faults with a failed power pack.	1	
4.46	The Contractor shall comply with the prioritisation of power packs to be regenerated, dictated by the in-theatre equipment support chain of command or deployed REME chain of command.	1	
4.47	The Contractor shall move all power packs in and around the power pack regeneration area using GFA organic to the PPRF (SISU MHE), once they have been delivered to a marshalling area by the Authority.	1	
4.48	The Contractor will provide, on a rolling basis, a 3 month plan to manage staffing and services.	1	
4.48.1	The Contractor shall include within the staffing plan, a by-name list of where all Sponsored Reserve personnel are working in a civilian capacity.	1	
4.48.2	The Contractor shall include within the staffing plan, a list of all Sponsored Reserve personnel available for mobilisation in accordance with the specific readiness Requirements.	1	See deployment timeline Requirements
4.48.3	The Contractor shall include within the staffing plan, a list of all Sponsored Reserve personnel available for mobilisation in accordance with the specified timelines.	1	
4.48.4	The Contractor shall include within the staffing plan, a by-name list that contains the current level of professional qualification achieved by all Sponsored Reserve personnel (e.g. Class 1 Tradesman).	1	
5. Non-Functional Requirements - Technical Standards			

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5.1	The Contractor shall undertake the regeneration of power packs in accordance with the relevant and most recent technical publications.	M	
5.2	The Contractor shall undertake the regeneration of power packs in accordance with the relevant and most recent technical standards.	M	
5.3	The Contractor shall undertake maintenance of the PPRF in accordance with the relevant and most recent technical publications.	M	
5.4	The Contractor shall undertake maintenance of the PPRF in accordance with the relevant and most recent technical standards.	M	
5.5	The Contractor shall undertake repair of the PPRF in accordance with the relevant and most recent technical publications.	M	
5.6	The Contractor shall undertake repair of the PPRF in accordance with the relevant and most recent technical standards.	M	
5.7	The Contractor shall deliver power pack regeneration in accordance with the Battlefield Equipment Support Doctrine (Army).	M	
5.8	The Contractor shall deliver power pack regeneration in accordance with Land Equipment Engineering Standards (LEES).	M	
6. Non-Functional Requirements - Acceptance and Delivery Standards			
6.1	The Contractor shall deliver regenerated power packs in line with conditions specified in the relevant and most recent technical publications.	1	
6.2	The Contractor shall deliver regenerated power packs in line with conditions specified in the relevant and most recent technical standards.	1	
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall manage the inventory of all equipment needed to facilitate power pack regeneration every 24 hours.	1	
7.2	Deployed: The Contractor shall provide performance data, as defined below, to the Authority every 24 hours.	1	
7.2.1	Deployed: The Contractor shall include within the performance data provided to the Authority current stock levels of equipment needed to regenerate power packs every 24 hours.	1	
7.2.2	Deployed: The Contractor shall include within the performance data provided to the Authority usage rates of equipment every 24 hours.	1	
7.2.3	Deployed: The Contractor shall include within the performance data provided to the Authority usage rates of material every 24 hours.	1	
7.2.4	Deployed: The Contractor shall include within the performance data provided to the Authority quantities of power pack throughput every 24 hours.	1	

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7.2.5	Deployed: The Contractor shall include within the performance data provided to the Authority forecast demand of equipment support material every 24 hours.	1	
7.2.6	Deployed: The Contractor shall include within the performance data provided to the Authority forecast demand of equipment support commodities every 24 hours.	1	
7.2.7	Deployed: The Contractor shall include within the performance data provided to the Authority the forecasted supply of necessary GFA Requirements every 24 hours.	1	
7.2.8	Deployed: The Contractor shall include within the performance data provided to the Authority supply lead times every 24 hours.	1	
7.2.9	Deployed: The Contractor shall include within the performance data provided to the Authority stock in transit every 24 hours.	1	
7.2.10	Deployed: The Contractor shall include within the performance data provided to the Authority historical consumption and analysis every 24 hours.	1	
7.2.11	Deployed: The Contractor shall include within the performance data provided to the Authority sustainment planning every 24 hours.	1	
7.2.12	Deployed: The Contractor shall include within the performance data provided to the Authority personnel training readiness every 24 hours.	1	
7.2.13	Deployed: The Contractor shall include within the performance data provided to the Authority outstanding issues related to personnel fitness for duty in austere environments every 24 hours.	1	
7.2.14	Deployed: The Contractor shall include within the performance data provided to the Authority hours of operation utilised for each power pack regeneration facility module, to ensure accurate maintenance timelines, every 24 hours.	1	
7.2.15	Deployed: The Contractor shall include within the performance data provided to the Authority the availability of the Power Pack Regeneration Facility every 24 hours.	1	
7.2.16	Deployed: The Contractor shall include within the performance data provided to the Authority the backlog of power packs waiting to be regenerated every 24 hours.	1	
7.3	The Contractor shall report data at a time dictated by the Authority.	1	
7.4	Non-deployed: The Contractor shall provide performance data to the Authority.	1	
7.4.1	Non-deployed: The Contractor shall include within the performance data provided to the Authority the work location of all personnel under a Sponsored Reserve Contract.	1	

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7.4.2	Non-deployed: The Contractor shall include within the performance data provided to the Authority the training competency and currency of all personnel (Record of Engineering Competence as per latest edition of LEES (Engineering Standards) held under Sponsored Reserve contracts.)	1	
7.4.3	Non-deployed: The Contractor shall include within the performance data provided to the Authority metrics on personnel able to deploy in line with contractual timelines.	1	
7.5	The Contractor shall manage the inventory of all equipment needed to facilitate power pack regeneration.	1	
7.6	Deployed: The Contractor shall provide a complete record of power pack regeneration activities.	1	
7.6.1	Deployed: The Contractor shall provide the Authority with the average time to regenerate a power pack.	1	
7.6.2	Deployed: The Contractor shall provide the Authority with the number of completed power packs regenerated every 24 hours.	1	
7.6.3	Deployed: The Contractor shall provide the Authority with a record by serial number of power packs completed.	1	
7.7	The Contractor shall order the materiel needed to successfully regenerate the required power packs.	1	
7.8	The Contractor shall order the commodities needed to successfully regenerate the required power packs.	1	
7.9	Firm base: The Contractor shall provide a complete record of all personnel able to deploy in support of Authority operations.	1	
7.10	Firm base: The Contractor shall provide a complete record of all personnel able to deploy within 6 months of notice (including ability to deploy on MST).	1	
7.11	Firm base: The Contractor shall provide a complete record of the number of personnel available to deploy in support of Authority military operations.	1	
7.12	Firm base: The Contractor shall provide a complete record of the number of personnel available who are deployed in support of Authority military operations.	1	
7.13	Firm base: The Contractor shall provide a complete record of the current competence and currency in power pack regeneration of all personnel across the in-scope power packs.	1	
7.14	The Contractor shall ensure that all personnel are able to attend defined military training annually.	1	
7.15	The Contractor shall ensure that all personnel are able to attend defined military training prior to deployment.	1	
7.16	The Contractor shall provide the required number of personnel at the required readiness to support deployed operations.	1	

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7.17	The Contractor shall hold the deployed elements of the contract at readiness until such time that the Authority instigates it.	1	
7.18	The Contractor shall input the power pack serial number into the relevant information system (IS) (e.g. JAMES), upon receipt for regeneration.	M	
8. Non-Functional Requirements - GFA			
8.1	The Contractor shall only utilise GFA materiel and equipment for the power pack regeneration capability. (Spares will be provided by the Authority.)	1	
8.2	The Contractor shall be proficient in the use of all GFA, materiel and equipment required in the undertaking of Power Pack regeneration, prior to deployment.	1	
8.3	The Contractor shall ensure that all personnel are current on all in scope power packs, prior to deployment.	1	
8.4	The Contractor shall use all health and safety equipment provided by the Authority for the proper functioning and safe operation of the PPRF, as dictated by the Authority.	1	
8.5	The Contractor shall maintain all GFA in accordance with the most recent technical publications and standards.	M	
8.6	The Contractor shall be responsible for the maintenance of all GFA whilst deployed.	1	
8.7	The Contractor shall use the deployed PPRF, provided by the Authority, for activity in-theatre.	1	
8.8	The Contractor shall unpack and establish the PPRF from transport configuration to a fully operational facility within 24 hours of receipt.	1	
8.9	The Contractor shall de-construct and prepare the PPRF for movement by the Authority within 24 hours of notice.	1	
8.10	The Contractor shall utilise Logistic Information Systems (Log IS), as directed by the Authority.	1	
8.11	The Contractor shall maintain the ability to interface with Log IS.	1	
9. Non-Functional Requirements - Special Requirements			
9.1	The Contractor shall have the ability to operate in an austere environment.	1	
9.2	The Contractor shall have the ability to operate whilst engaged by hostile forces, in accordance with the most recent editions or replacements of RFA96.	1	
9.3	The Contractor shall have the ability to operate whilst engaged by hostile forces, in accordance with the most recent editions or replacements of the RLC TA Force Generation Handbook (RLCTA/3107).	1	

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7A. Statement of Requirement and Specifications for Delivery: Inventory & Repair Management			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide an Inventory and Repair Management service to support the Authority (or its nominated agent) as the Single Item Owner (SIO) for specified DMCs. The Inventory and Repair Management service will include the timely provisioning of consumables and the efficient and effective management of the repair loop for in-scope items.			
2. Forecast of Service			
The number of DMCs for which the Contractor will be responsible is provided.			
3. Locations			
The Contractor will be able to deliver Inventory and Repair Management services from any sites deemed to represent value for money.			
4. Functional Requirements			
4.1	The Contractor shall support the SIO's activities with respect to Item Introduction.	1	
4.2	The Contractor shall monitor the obsolescence of all items within the defined DMCs.	1	
4.3	The Contractor shall advise the SIO in a timely fashion of all cases where the manufacturer is withdrawing support.	1	
4.4	The Contractor shall assist the SIO in the identification of alternative supply solutions for obsolete items.	1	
4.5	The Contractor shall provide support to any further items added to the list of defined DMCs by the SIO.	1	
4.6	The Contractor shall manage the expansion of records on the Authority's relevant stores systems (e.g. SS3) following the initiation of codification by the SIO.	1	
4.7	The Contractor shall manage the removal of records on the Authority's relevant stores systems (e.g. SS3) following the approval to remove same by the SIO.	1	
4.8	The Contractor shall support the SIO's activities with respect to Item Data Record management.	1	
4.8.1	The Contractor shall maintain the Item Data Records for the full range of items associated with each defined DMC.	1	
4.8.2	The Contractor shall ensure the integrity of Item Data Records for the full range of items associated with each defined DMC.	1	
4.8.3	The Contractor shall ensure the accuracy of all relevant data fields in the Item Data Records for the full range of items associated with each defined DMC.	1	
4.8.4	The Contractor shall regularly screen all relevant Item Data Records to detect "Common Items" (items with duplicated NIINs).	1	
4.8.5	The Contractor shall propose rationalisation actions following the detection of Common Items in Data Records to the appropriate SIO for approval.	1	
4.8.6	The Contractor shall regularly review all relevant Item Data Records to detect "Potentially Cleansable	1	

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	Records" (items with no stock and no activity within 5 years).		
4.8.7	The Contractor shall propose cleansing actions to the appropriate SIO for approval, following the detection of "Potentially Cleansable Records" (items with no stock and no activity within 5 years).	1	
4.9	The Contractor shall support the SIO's activities with respect to Stock Level Management.	1	
4.9.1	The Contractor shall determine the optimum stock level for each of the full range of items within each defined DMCs.	1	
4.9.2	The Contractor shall ensure that optimum stock levels take into account the relevant forecast activity levels.	1	
4.9.3	The Contractor shall ensure that optimum stock levels take into account the identification of Critical Items provided by the SIO.	1	
4.9.4	The Contractor shall ensure that optimum stock levels take into account relevant data from the Item Data Record.	1	
4.9.5	The Contractor shall monitor the planned stock levels for each of the full range of items with each defined DMC.	1	
4.9.6	The Contractor shall monitor the actual stock levels for each of the full range of items with each defined DMC.	1	
4.10	The Contractor shall develop Purchase, Repair and Disposals Plans.	1	
4.10.1	The Contractor shall include within Purchase, Repair and Disposals Plans details of the procurement that the Contractor considers necessary to maintain the required stock levels.	1	
4.10.2	The Contractor shall include within Purchase, Repair and Disposals Plans details of the repair that the Contractor considers necessary to maintain the required stock levels.	1	
4.10.3	The Contractor shall include within Purchase, Repair and Disposals Plans details of any actions (e.g. reduce to produce or replace) that the Contractor considers necessary to maintain the required stock levels.	1	
4.10.4	The Contractor shall present its Purchase, Repair and Disposals Plans to the SIO for endorsement at directed points within the Authority's regular planning cycle.	1	
4.10.5	The Contractor shall present its Purchase, Repair and Disposals Plans to the SIO for endorsement as required to support the Authority's In-Year Management (IYM) regime.	1	
4.10.6	The Contractor shall amend Purchase, Repair and Disposals Plans if directed by the SIO.	1	

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4.10.7	The Contractor shall implement the endorsed or amended Purchase, Repair and Disposals Plans, following review by the SIO.	1	
4.11	As directed by the Authority, the Contractor shall, as a planning exercise in support of the Authority's contingency planning, prepare an inventory purchase plan for potential contingent operational activity (activity levels and durations will be defined by the Authority), no more than twice annually.	1	
4.12	Where relevant, the Contractor shall ensure that LCS RFCs are raised for all procurements (including replenishments) that will have an impact on the scale of storage services required from LCS.	1	
4.12.1	The Contractor shall pass RCFs to the SIO for action/submission to LCS.	1	
4.13	The Contractor shall provide a monthly accruals report to the SIO.	1	
4.13.1	The Contractor shall ensure that the monthly accruals report details reasons for any variance greater than 5% of actual cost from the predicted cost of plans endorsed/amended by the SIO.	1	
4.14	The Contractor shall provide a monthly cumulative commitment forecast to the SIO.	1	
4.14.1	The Contractor shall ensure that the monthly cumulative commitment forecast details reasons for any variance greater than 5% of actual cost from the predicted cost of plans endorsed/amended by the SIO.	1	
4.15	The Contractor shall support the SIO's activities with respect to Demand Satisfaction.	1	Demand Satisfaction is defined with the KPIs
4.15.1	The Contractor shall take all reasonable action to ensure that legitimate demands for all items within the defined DMCs are supplied in the timescales defined by the Authority's Standard Priority Code (SPC) system.	K	
4.15.1.1	The Contractor is to prioritise demand satisfaction and satisfaction of unfulfilled demands against stated criticality codes, where applicable.	1	Currently criticality is expressed via the BVC (Battleworthy, Vehicle off road, Cosmetic) codes. The Authority may update or utilise alternative systems to express criticality in due course.
4.16	The Contractor shall ensure that SS3 presents a timely picture of the status of each demand.	1	
4.17	The Contractor shall ensure that all Inventory Forecasting, Planning and Management systems have the ability to interface with the VERITAS application.	1	

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4.18	The Contractor shall operate controls as agreed with the SIO to ensure that only entitled Users are permitted to demand items with Restriction Codes. (For example, that ITAR controlled items are issued only to Users holding the appropriate authorisation and managed in accordance with the measures laid down in the Technical Assistance Agreements (TAA).)	1	
4.19	The Contractor shall monitor the return of repairable carcasses from FLC.	1	
4.19.1	Where repairable carcasses are not returned from the FLC within the specified timescales, the Contractor shall alert the Authority.	1	
4.20	The Contractor shall investigate any supply chain failures for any of the items within the defined DMCs so as to identify root cause(s).	1	
4.21	The Contractor shall propose corrective action for supply chain failures through revised Purchase, Repair and Disposals Plans or, as necessary, other mechanisms to the SIO.	1	
4.22	The Contractor shall monitor all relevant Non Conformant Receipts (NCRs).	1	
4.22.1	The Contractor shall present to the SIO, recommendations for necessary corrective actions for Non Conformant Receipts (NCRs) to improve future support, for approval.	1	
4.22.2	The Contractor shall implement necessary corrective actions for Non Conformant Receipts (NCRs), which has been approved by the SIO, to improve future support.	1	
4.23	The Contractor shall administer requests for loans of Equipment, in accordance with the terms and conditions of loans directed by the SIO.	1	
4.24	The Contractor shall, at the request of the Authority, provide SME advice to support the procurement of initial inventory for new equipments.	1	
4.25	The Contractor shall support the SIO's activities with regard to the incorporation of modifications into any item of inventory which the Contractor manages.	1	
4.26	The Contractor shall support the SIO's management of technical concessions against any item of repairable inventory (the Authority to make concessions remains exclusively with the SIO).	1	
4.27	The Contractor shall support the Authority Duty-Holder in respect of hazard identification.	1	
4.28	The Contractor shall support the Authority Duty-Holder in respect of fault investigation.	1	
4.29	The Contractor shall operate all supply arrangements used in support of the Contractor's Inventory Management service.	1	
4.30	The Contractor shall be responsible for the definition of the inventory management commercial strategy (except as noted for discrete DMCs).	1	

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4.31	The Contractor shall be responsible for the implementation of the inventory management commercial strategy (except as noted for discrete DMCs).	1	
4.32	The Contractor shall be responsible for supplier development.	1	
4.33	The Contractor shall be responsible for contract administration.	1	
4.34	The Contractor shall determine commercial strategies for Inventory and Repairs Management.	1	
4.34.1	The Contractor shall determine the most effective commercial strategies for the purchase of all items within the defined DMCs (except as noted for discrete DMCs).	1	
4.34.2	The Contractor shall determine the most effective commercial strategies for the repair of all items within the defined DMCs (except as noted for discrete DMCs).	1	
4.34.3	The Contractor shall apply the principles of category management in the determination of effective commercial strategy.	1	
4.34.4	The Contractor shall apply an understanding of the relevant markets in the determination of effective commercial strategy.	1	
4.34.5	The Contractor shall apply the Authority's guidance on Conflicts of Interest in the determination of effective commercial strategy.	1	
4.34.6	The Contractor shall ensure that the commercial strategy maximises effectiveness.	1	
4.34.7	The Contractor shall ensure that the commercial strategy maximises efficiency.	1	
4.34.8	The Contractor shall ensure that the commercial strategy exploits the benefits of competition wherever appropriate.	1	
4.34.9	The Contractor shall maintain records of its commercial strategy.	1	
4.34.10	The Contractor shall make available records of its commercial strategy to the Authority on request.	1	
4.34.11	The Contractor shall maintain the results of the implementation of its commercial strategy (e.g. tender Requirements, tender assessments etc).	1	
4.34.12	The Contractor shall make available records of the implementation of its commercial strategy to the Authority on request.	1	
4.34.13	The Contractor shall provide the Authority with one month's prior notice before initiating any procurement action on a single source basis at a cost greater than £50,000 over the likely duration of the planned purchase/repair arrangement.	1	
4.34.14	The Contractor shall apply a competitive approach if the Authority is not satisfied that the commercial strategy justifies a single tender basis.	1	
4.35	The Contractor shall manage a programme of supplier development projects.	1	

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4.35.1	The Contractor shall include within the management of supplier development projects, contract innovation/involvement.	1	
4.35.2	The Contractor shall include within the management of supplier development projects, process improvements.	1	
4.36	The Contractor shall provide a Calibration and Maintenance Service for the equipment listed.	1	
4.37	The Contractor shall comply with all applicable Procurement Regulations in the undertaking of these services.	M	
5. Non-Functional Requirements - Technical Standards			
6. Non-Functional Requirements - Acceptance and Delivery Standards			
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall maintain a suite of service management documentation.	1	
7.1.1	The Contractor shall include within service management information a Risk Management Plan.	1	
7.1.2	The Contractor shall include within service management information a Business Continuity Plan.	1	
7.1.3	The Contractor shall include within service management information a Purchase, Repair and Disposals Plan.	1	
7.1.4	The Contractor shall include within service management information a Quality Management Plan.	1	
7.1.5	The Contractor shall include within service management information a Configuration Management Plan.	1	
7.1.6	The Contractor shall include within service management information a Commercial Strategy.	1	
7.1.7	The Contractor shall include within service management information a Service Users Guide visible to the Authority.	1	
7.2	The Contractor shall provide the Authority with assurance information to meet Authority Requirements.	1	
7.2.1	The Contractor shall provide the Authority with sufficient assurance information to meet Authority QA policies.	1	
7.2.2	The Contractor shall provide the Authority with sufficient assurance information to meet directed QPIs.	1	
7.2.3	The Contractor shall provide the Authority with sufficient assurance information to provide assistance into defect analysis.	1	
7.2.4	The Contractor shall provide the Authority with sufficient assurance information to provide assistance into defect investigation.	1	

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7.2.5	The Contractor shall provide the Authority with sufficient assurance information to provide technical input into performance management and review of processes.	1	
7.3	The Contractor shall provide a Monthly Performance Report (MPR) to the Authority no later than 5 days after the end of each calendar month.	1	
7.3.1	The Contractor shall include within the MPR details of all KPI performance.	1	
7.3.2	The Contractor shall include with the MPR sufficient information to support the Authority's Requirement to maintain accurate stock accounts, through the timely and accurate provision of accrued, committed and planned expenditure and stock movements against each in scope DMC.	1	
7.3.3	The Contractor shall ensure that any stock movements that will impact on the Authority's balance sheet is supported by full and accurate records which shall be made available to the Authority or the National Audit Office on request.	1	
7.3.4	The Contractor shall ensure that any stock events (e.g. disposal) that will impact on the Authority's balance sheet is supported by full and accurate records which shall be made available to the Authority or the National Audit Office on request.	1	
7.3.5	The Contractor shall include within the MPR any issues from its operation of the contract with the potential to impact on the Authority's Safety and Environmental risk assessments for all equipment within or supported by the DMCs.	1	
7.3.6	The Contractor shall include within the MPR any areas where the Contractor is seeking the Authority's approval of a proposal made by the Contractor, in accordance with the relevant Requirements of this Statement of Work.	1	
7.3.7	The Contractor shall include within the MPR any areas of risk to the continued successful operation of the SPC.	1	
7.3.8	The Contractor shall include within the MPR analysis of emerging trends in KPIs so that they are identified, understood and correctly managed.	1	
7.4	The Contractor shall attend meetings with the Authority on a quarterly basis to review all Inventory and Repair Management aspects of the operation of the contract and the Contractor's performance, using the Monthly Performance Reports to provide quantitative evidence of past, present and forecast performance.	1	
8. Non-Functional Requirements - GFA			
	□		
9. Non-Functional Requirements - Special Requirements			

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8A. Statement of Requirement and Specifications for Delivery: Light Weapons SSS			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide services for Light Weapon equipment, comprising of:			
<ul style="list-style-type: none"> • Provisioning and Inventory Management • Procurement • Receipt • Maintenance • Assembly and Integration • Issue • Disposal /BER recommendations 			
2. Forecast Volumes			
See Light Weapons forecast volumes for Level 1-4 MRO hours and complete equipment issues.			
3. Location for Delivery			
The Contractor will be able to deliver LW SSS services from any sites deemed to represent value for money.			
4. Functional Requirements			
4.1	The Contractor shall meet the availability Requirements of the Authority for in scope Light Weapons equipment.	K	
4.1.1	The Contractor shall provide the immediate availability of A1 quality weapons (individual weapons) excluding Donnington: 85% (DMCs B1, B4, B6, C1, C3, C5, C6, C7, GRENL, L128, L129, L74, MOR60, SIGP) 80% (DMCs ACOG, B3, B7, C2, C4, L32, MOR81, RIOTG) 75% (DMCs B5, PYRO, SMG3K) 60% (others)	1	
4.1.2	The Contractor shall maintain weapons at readiness levels in line with Army HQ's Requirement.	1	
4.2	Provisioning and Inventory Management: The Contractor shall manage a Sales & Operations Planning (S&OP) process under control of the Joint Management Board.	1	
4.2.1	Provisioning and Inventory Management: The Contractor shall support the Authority in carrying-out a Sales & Operations Planning (S&OP) process under control of the Joint Management Board.	1	
4.2.2	Provisioning and Inventory Management: The Contractor shall include within the S&OP process demand planning.	1	
4.2.3	Provisioning and Inventory Management: The Contractor shall include within the S&OP process the setting of business rules.	1	
4.2.4	Provisioning and Inventory Management: The Contractor shall include within	1	

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	the S&OP process the agreement of expenditure based on recommended investment decisions.		
4.3	Provisioning and Inventory Management: The Contractor shall draft an annual Inventory Management Plan (IMP).	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.3.1	Provisioning and Inventory Management: The Contractor shall submit the annual Inventory Management Plan (IMP) to the Authority for approval.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.3.2	Provisioning and Inventory Management: The Contractor shall include within the IMP how they intend to deal with surge Requirements as identified by Authority agreements with FLCs.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.4	Provisioning and Inventory Management: The Contractor shall implement stock optimisation as contained in the Inventory Plan.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.4.1	Provisioning and Inventory Management: The Contractor shall undertake level setting for different grades of all stock, as part of stock optimisation.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.4.2	Provisioning and Inventory Management: The Contractor shall conduct a quarterly review of inventory.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.4.3	Provisioning and Inventory Management: The Contractor shall provide the Authority with stock optimisation recommendations on a quarterly basis.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.5	Provisioning and Inventory Management: The Contractor shall inform the Authority of any inabilities to issue equipment in accordance with the required timescales.	1	
4.6	Provisioning and Inventory Management: The Contractor shall inform the Authority of any inabilities to issue equipment in accordance with the relevant priority codes.	1	
4.7	Provisioning and Inventory Management: The Contractor shall respond to specific provision queries raised by the Authority.	1	
4.8	Provisioning and Inventory Management: The Contractor shall respond to specific procurement queries raised by the Authority.	1	

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4.9	Provisioning and Inventory Management: The Contractor shall provide suitable representation at meetings about the supply chain.	1	
4.10	Provisioning and Inventory Management: The Contractor shall resolve or refer to the Authority within 12 working days quality issues related to spares provisioning for contracts managed by the Contractor only.	1	
4.11	Provisioning and Inventory Management: The Contractor shall manage the investigation of LCS-imposed stock bans.	1	
4.12	Provisioning and Inventory Management: The Contractor shall inform the Authority, within 5 working days of the end of the investigation, of findings of investigations into LCS-imposed stock bans.	1	
4.13	Provisioning and Inventory Management: The Contractor shall manage dues in from trade.	1	
4.14	Provisioning and Inventory Management: The Contractor shall manage reverse supply chain.	1	
4.15	Provisioning and Inventory Management: The Contractor shall manage dues in from units.	1	
4.16	Provisioning and Inventory Management: The Contractor shall carry out DMC management on SS3.	M	
4.17	Procurement: The Contractor shall provide a procurement service.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.17.1	Procurement: The Contractor shall include with the procurement service, the implementation of Authority-defined procurement strategies.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.17.2	Procurement: The Contractor shall provide a supplier management service in accordance with SRM principles.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.17.3	Procurement: The Contractor shall provide a supplier management service in accordance with Authority policy.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management

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			function
4.17.4	Procurement: The Contractor shall advise the Authority of any other initiatives relating to supplier performance and incentivisation.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.18	Procurement: The Contractor shall provide an order management service.	1	
4.18.1	Procurement: The Contractor shall include within the order management service the placing of orders with suppliers.	1	
4.18.2	Procurement: The Contractor shall include within the order management service actions necessary for on-time delivery.	1	
4.18.3	Procurement: The Contractor shall manage overdue dues in from suppliers to ensure that no more than 10% of orders are overdue for more than 30 days.	1	
4.18.4	Procurement: The Contractor shall manage suppliers to reduce overdue dues in.	1	
4.18.5	Procurement: The Contractor shall manage supplier contracts so as to optimise the Whole Life Cost of spares.	1	
4.18.6	Procurement: The Contractor shall manage order quantities so as to optimise the Whole Life Cost of spares.	1	
4.19	Procurement: The Contractor shall manage obsolescence so as to optimise the Whole Life Cost of spares.	1	
4.20	Procurement: The Contractor shall manage packaging activity, in accordance with service regulations.	1	
4.21	Procurement: The Contractor shall manage documentation activities, in accordance with current service regulations.	1	
4.22	Procurement: The Contractor shall provide the appropriate level of technical knowledge to the core procurement.	1	
4.23	Procurement: The Contractor shall provide the appropriate level of support to the core procurement.	1	
4.24	Procurement: The Contractor shall provide the appropriate level of technical knowledge to activities associated with the core procurement.	1	
4.25	Procurement: The Contractor shall provide the appropriate level of support to activities	1	

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	associated with the core procurement.		
4.26	Procurement: The Contractor shall implement approved concessions.	1	
4.27	Procurement: The Contractor shall make recommendations for concessions.	1	
4.28	Receipt: The Contractor shall deliver a receipt facility for all in scope Light Weapons items prior to MRO work.	1	LCS receipt LW equipment prior to storage
4.29	Receipt: The Contractor shall deliver a receipt capability for all in scope Light Weapons items prior to MRO work..	1	LCS receipt LW equipment prior to storage
4.30	Receipt: The Contractor shall deliver a cross-docking capability which allows segregation of Light Weapons items received from the Authority for direct onward transmission to other locations and government departments.	1	
4.31	Receipt: The Contractor shall deliver a capability which allows receipt of damaged Light Weapons prior to MRO work, provided they are certified safe to move.	1	LCS receipt LW equipment prior to storage
4.32	Receipt: The Contractor shall deliver a capability which allows receipt of mis-fired Light Weapons prior to MRO work, provided they are certified safe to move.	1	LCS receipt LW equipment prior to storage
4.33	Receipt: The Contractor shall provide the Authority with notification of non-conforming receipts.	1	
4.34	Maintenance: The Contractor shall plan the weapons Programme Load required to deliver the availability target.	1	
4.35	Maintenance: The Contractor shall manage capacity to optimise utilisation against forecasted future demand (including sufficient MST and armourer capacity as well as workshop capacity).	1	
4.36	Maintenance: The Contractor shall deliver Level 1-4 Repair and Maintenance to restore equipment to A1 condition.	1	
4.36.1	Maintenance: The Contractor shall deliver Level 1-4 Repair and Maintenance in accordance with specifications directed by the Authority.	M	
4.36.2	Maintenance: The Contractor shall deliver Level 1-4 Repair and Maintenance in accordance with schedules directed by the Authority.	1	
4.37	Maintenance: The Contractor shall deliver unscheduled maintenance up to Level 4 in support of weapons returned from service use.	1	
4.37.1	Maintenance: The Contractor shall include within unscheduled Level 4 maintenance full overhaul.	1	
4.37.2	Maintenance: The Contractor shall include within unscheduled Level 4 maintenance	1	

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	major conversions.		
4.37.3	Maintenance: The Contractor shall include within unscheduled Level 4 maintenance major repairs.	1	
4.38	Maintenance: The Contractor shall deliver an exchange service as alternative to unscheduled maintenance in support of weapons returned from service use.	1	
4.39	Maintenance: The Contractor shall cost and conduct inspections at Authority directed locations, and report findings.	1	
4.40	Maintenance: The Contractor shall have the ability to undertake MRO 1-3 work at user sites, when required.	1	
4.41	Assembly and Integration: The Contractor shall deliver an Assembly and Integration Service for Light Weapons and materiel.	1	
4.42	Assembly and Integration: The Contractor shall deliver the Assembly and Integration Service in accordance with schedules directed by the Authority	1	
4.43	Assembly and Integration: The Contractor shall deliver the Assembly and Integration Service in accordance with relevant specifications.	1	
4.44	Assembly and Integration: The Contractor shall deliver the Assembly and Integration Service in accordance with relevant standards.	1	
4.45	Issue: The Contractor shall provide an issuing capability for items in scope.	1	
4.45.1	Issue: The Contractor shall enable Light Weapons items to be issued to Authority units.	1	
4.45.2	Issue: The Contractor shall issue Light Weapons items to LCS, following MRO 4 work.	1	
4.45.3	Issue: The Contractor shall inform the requesting unit of when Light Weapons items are ready for collection, following MRO 1-3 repair.	1	
4.46	Issue: The Contractor shall manage liability of demands.	1	
4.47	Issue: The Contractor shall manage held stock.	1	
4.48	Issue: The Contractor shall manage dues in.	1	
4.49	Issue: The Contractor shall manage overstock.	1	
4.50	Issue: The Contractor shall deliver a Demand Processing Service.	1	
4.51	Issue: The Contractor shall include within the Demand Processing Service task issue.	1	
4.52	Issue: The Contractor shall include within the Demand Processing Service disposal.	1	
4.53	Issue: The Contractor shall include within the Demand Processing Service loan processing.	1	
4.54	Disposal: The Contractor shall establish disposal routes with the Disposal Services Authority (DSA)	1	

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	where they do not already exist.		
4.55	Disposal: The Contractor shall propose disposals.	1	
4.56	Disposal: The Contractor shall implement Authority agreed disposal plans.	1	
5. Non-Functional Requirements - Technical Standards			
6. Non-Functional Requirements - Acceptance and Delivery Standards			
7. Non-Functional Requirements - Management and Reporting			
7.1	The Contractor shall deliver up-to-date management information as requested by the Authority, to reflect issue activity.	1	
7.2	The Contractor shall deliver up-to-date management information to reflect maintenance activity.	1	
7.3	The Contractor shall deliver up-to-date management information to reflect rectification work.	1	
7.4	The Contractor shall provide management information which reflects storage status on a weekly basis.	1	
7.5	The Contractor shall provide management information which reflects maintenance schedules on a weekly basis.	1	
7.6	The Contractor shall provide management information which reflects locations on a weekly basis.	1	
7.7	The Contractor shall enter all performance management data on Authority defined MI systems on a weekly basis.	1	
7.8	The Contractor shall ensure the accuracy of SS3 data.	M	
7.9	The Contractor shall ensure the integrity of SS3 data.	M	
7.10	The Contractor shall maintain interfaces with other Log IT systems.	1	
7.11	The Contractor shall deliver an inventory maintenance service in compliance with Authority policies.	1	
7.12	The Contractor shall capture management information to reflect receipt activity.	1	
7.13	The Contractor shall update management information to reflect receipt activity.	1	
7.14	The Contractor shall manage billing issues with suppliers.	1	
7.15	The Contractor shall develop business cases for expenditure recommendations within 5 working days of identification of Requirement.	1	
7.16	The Contractor shall develop business cases for disposal recommendations within 5 working days	1	

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	of identification of Requirement.		
7.17	The Contractor shall develop business cases for write off recommendations within 5 working days of identification of Requirement.	1	
7.18	The Contractor shall provide invoice data for financial scrutiny of procurement within 2 days of receipt.	1	
8. Non-Functional Requirements - GFA			
9. Non-Functional Requirements - Special Requirements			
9.1	The Contractor shall be compatible with a Total Support Force (TSF) structure, in accordance with terms and conditions that enable deployability and sponsored reserves.	1	
9.2	The Contractor shall undertake the implementation of the new arrangements without interruption to service delivery.	1	
9.3	The Contractor shall provide representation within the Joint Management Board (JMB) to provide governance for the Light Weapons SSS solution.	1	
9.3.1	The Contractor shall provide the JMB with a single set of KPIs.	1	
9.3.2	The Contractor shall provide the JMB with a single set of accounts.	1	
9.3.3	The Contractor shall provide all other required management information to the Joint Management Board (JMB).	1	
9.3.4	The Contractor shall propose changes as part of the JMB.	1	
9.3.5	The Contractor shall assess the impact of changes as part of the JMB.	1	

9A. Statement of Requirement and Specifications for Delivery: Army HQ Fleet Management			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide support to Army HQ in understanding equipment outputs. The Contractor shall also provide support to Army HQ in cost-optimising equipment outputs.			
2. Forecast of Service			
N/A			
3. Locations			
The Contractor shall deliver these services from Army HQ Andover, unless the Contractor can demonstrate the ability to derive and share benefit from the use of alternative sites. The Contractor shall be present in Army HQ when required by the Authority.			
4a. Output Requirements - Basic Service			

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4a.1	The Contractor shall assist the Authority in delivering the Command Equipment Plan, at the best value to Defence.	K	
4a.2	The Contractor shall provide the Authority with key conclusions from the analysis of Army fleets.	1	
4a.2.1	The Contractor shall provide the Authority with key conclusions from analysis of fleet locations, to assist the Authority in setting equipment demand.	1	
4a.2.2	The Contractor shall provide the Authority with key conclusions from analysis of fleet numbers, to assist the Authority in setting equipment demand.	1	
4a.2.3	The Contractor shall provide the Authority with key conclusions from analysis of fleet composition, to assist the Authority in setting equipment demand.	1	
4a.2.4	The Contractor shall assist the Authority in understanding the engineering state/historic usage/forecast usage/allocations of equipment.	1	
4a.2.5	The Contractor shall assist the Authority in understanding the engineering state of equipment.	1	
4a.2.6	The Contractor shall assist the Authority in understanding the historic usage of equipment.	1	
4a.2.7	The Contractor shall assist the Authority in understanding the forecast usage of equipment.	1	
4a.2.8	The Contractor shall assist the Authority in understanding allocations of equipment.	1	
4a.2.9	The Contractor shall assist the Authority in understanding the relationships between reliability, cost and usage.	1	
4a.3	The Contractor shall provide the Authority with in-service equipment information and ad-hoc tasks, in support of routine D Eqpt or wider Authority activities.	1	
4a.4	The Contractor shall assist the Authority in identifying future equipment shortfalls in forecast demand and managing priorities.	1	
4b. Output Requirements - Incentivised Service			
4b.1	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimisation.	1	
4b.1.1	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising the distribution of equipment within the Command Equipment Plan.	1	
4b.1.2	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising the utilisation of equipment within the Command Equipment Plan.	1	These proposals will be presented as a high level business case and, if directed by the Authority, an outline implementation plan.

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4b.1.3	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising the management of equipment within the Command Equipment Plan.	1	These proposals will be presented as a high level business case and, if directed by the Authority, an outline implementation plan.
4b.1.4	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising equipment support solutions within the Command Equipment Plan.	1	These proposals will be presented as a high level business case and, if directed by the Authority, an outline implementation plan.
4b.1.5	The Contractors shall ensure proposals align to the strategic priorities of AD Eqpt Ops, as outlined in the Annual Plan.	1	
4b.2	The Contractor shall provide the Authority with a summary of analysis undertaken on relevant data relating to Army fleets.	1	This analysis may be undertaken on either Authority or Contractor systems.
4b.3	The Contractor shall assist the Authority in generating the evidence for fleet changes.	1	
4b.3.1	The Contractor shall assist the Authority in using existing tools to deliver the evidence for fleet changes.	1	
4b.3.2	The Contractor shall propose additional tools where gaps in the data require filling to provide a tangible advantage.	1	

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PART B: OUTPUT BASED REQUIREMENTS

1B. Common Requirements			
ID	Requirement	Priority	Remarks
1. General Contractor Obligations			
1.1	The Contractor shall deliver the services described within this Requirement document, to the extent required by the Annual Plan.	1	
1.2	The Contractor shall respond to requests for technical advice which relate to the services provided, in support of the Authority's roles as Equipment Technical and Engineering Authority and Safety Authority.	1	
1.2.1	The Contractor shall provide suitably qualified and experienced personnel for Authority-led meetings/panels, in support of the Authority's roles as Equipment Engineering and Technical Authority and Safety Authority.	1	These meetings will be held in accordance with Schedule 8 of the SPC.
1.3	The Contractor shall be prepared to provide to the Authority all technical and engineering information generated through the delivery of contracted services.	1	
1.4	The Contractor shall be capable of inputting and maintaining data into Authority management information systems, as directed by the Authority.	1	
1.4.1	The Contractor shall, when working on JAMES-Managed Equipment, input all equipment-related data in accordance with JAMES standard operating procedures.	M	http://www.james-project.r.mil.uk/index.html
1.5	The Contractor shall provide all information that is required to support performance management of the contract, in accordance with the defined KPIs and governance regime.	M	
1.5.1	The Contractor shall provide the Authority with Management Reporting Packs to support the Joint Strategic Group, Joint Management Group, SPC Contract Review Meeting, Front Line Operating Meeting and the Programme Operations Meetings at the corresponding frequency of these forums (see schedule 8 (Governance) of the SPC), and appropriately in advance of these forums.	1	
1.5.2	The Contractor shall include within Management Reporting Packs the necessary contract performance information against all specified KPIs (see schedule 25 (Performance Mechanism) of the SPC).	1	
1.5.3	The Contractor shall provide to the Authority all required performance management information, including information on both contract performance and equipment support outcomes.	1	Required performance management information will be specified and attached to schedule 8 (Governance) of the SPC

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1.5.4	The Contractor shall provide to the Authority a defined raw data block covering all SPC functional areas and KPIs, delivered in a format that can be readily manipulated by the Authority using common tools.	1	Required data block will be specified and attached to schedule 8 (Governance) of the SPC. Common tool could be for instance MS Excel 2003
1.6	The Contractor shall provide all secretariat support to the Joint Strategic Group, Joint Management Group, SPC Contract Review Meeting, Front Line Operating Meeting and Programme Operations Meetings at the corresponding frequency of these forums (see schedule 8 (Governance) of the SPC).	1	To include assembling papers, managing diaries and venues, recording and distributing minutes and capturing and tracking actions
1.7	The Contractor shall support all physical assurance processes, as and when required by the Authority, in order to provide the Authority with confidence in the quality and completeness of any work which the Contractor has undertaken.	1	
1.7.1	The Contractor shall provide Assurance Reports to the Authority, as and when required, in order to provide the Authority with confidence that key engineering, safety, security and military capability risks are managed within acceptable limits.	1	
1.8	The Contractor shall comply with all Requirements relating to the management of equipment, which is subject to the International Traffic in Arms Regulations (ITAR).	M	
1.9	The Contractor shall ensure that all personnel are appropriately trained.	1	As specified within each Requirement category
1.10	The Contractor shall ensure that all personnel are appropriately qualified.	1	As specified within each Requirement category
1.11	The Contractor shall ensure that all personnel are appropriately accredited.	1	As specified within each Requirement category
1.12	The Contractor shall provide the Authority with a list of the Special Tools & Test Equipment (STTE) required to undertake contracted activity.	1	
1.12.1	The Contractor shall maintain an up-to-date list of STTE for the duration of the contract.	1	
1.13	The Contractor shall comply with all Requirements relating to the security classification of any equipment for which it is responsible.	M	Details of such equipment and the associated security constraints will be issued at the commencement of the contract and updated thereafter. The highest classification will be SECRET UK EYES A.
1.13.1	The Contractor shall provide and maintain the required levels of security for the handling and storage of classified equipment and materiel.	M	

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1.14	The Contractor shall remain certified throughout the SPC period to ISO 9001:2008, or to a similarly recognised national or international accreditation scheme, appropriate to the scope of this Requirement.	M	
1.15	The Contractor shall implement a Quality Plan in accordance with Allied Quality Assurance Publications (AQAP) 2105 within three months of the SPC commencement date.	1	
1.15.1	The Contractor shall maintain the Quality Plan in accordance with Allied Quality Assurance Publications (AQAP) 2105.	1	
1.16	The Contractor shall provide open book access to Authority of sub-contractual arrangements and accounting.	1	
1.17	The Contractor shall retain all documentation associated with the delivery of services, for the duration of the contract and make available for any Authority review/audit purposes, upon request.	1	
1.18	The Contractor shall mobilise as per Phase 1 of the Transition Plan.	1	
1.19	The Contractor shall support the transition from the current contract to any subsequent contract with the Contractor or another provider.	1	The demobilisation plan will be identified through the procurement of any subsequent contract.
1.20	The Contractor shall transform the business in accordance with the agreed contractual Transformation Plan.	1	This will be agreed during the evaluation process.
1.20.1	The Contractor shall produce Transformation progress reports, detailing progress against planned schedule and resources, including relevant risks, assumptions, issues and dependencies with corresponding mitigation plans for the Authority, at a specified frequency (see schedule 8 (Governance) of the SPC).	1	Required performance management information will be specified and attached to schedule 8 (Governance) of the SPC
1.20.2	The Contractor shall produce reports tracking the benefits delivered to the Authority of all incremental improvements to business-as-usual, as a result of Transformation activities.	1	The agreed frequency will depend on Bidders proposals for Transformation
1.21	The Contractor shall comply with all relevant Policy.	M	
1.22	The Contractor shall escalate any identified risk resulting from dependencies on the Authority, in a timely fashion where this risk could result in a cost to the Authority.	1	
2. GFA Obligations			
2.1	The Contractor shall be responsible for the cost of maintaining all GFA, excluding IT.	1	
2.2	The Contractor shall be responsible for the cost of managing all GFA, excluding IT.	1	
2.3	The Contractor shall obtain approval from the Authority before disposing of any GFA, including STTE.	1	

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2.4	The Contractor shall return to the Authority any GFA, including STTE, which is no longer required.	1	
2.5	The Contractor shall maintain an up to date list of GFA provided under this contract, its corresponding utilisation and corresponding evidence of its maintenance and submit management information on this list to the Authority as required.	1	

2B. Statement of Requirement and Specifications for Delivery: Level 1-3 Maintenance Repair & Overhaul Operations

Main & Overhaul Operations			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
<p>The Contractor shall provide a Level 1, 2 and 3 Maintenance, Repair and Overhaul service, including the provision of a local manufacture capability, for tri-Service units and Other Government Departments (OGDs) where necessary. This service will comprise both scheduled (routine) and unscheduled (non-routine) tasks.</p> <p>The Contractor shall also ensure the availability of the Power Pack Forward Repair Pool at Warminster and Bovington.</p> <p>The Contractor shall also provide a year-round, on call, rough-terrain vehicle recovery service for specified training areas for all Authority-registered vehicles.</p> <p>In addition to the services described, the Contractor may also be required to deliver Level 1-3 MRO services in support of an operational deployment. However, it is not intended that this undertaking should be costed in any response to this ITN as the costs associated with the preparation for and delivery of these services in support of an operational deployment will be managed as part of the defined contract change mechanism as required.</p>			
2. Forecast of Service			
<p>The forecast of service for workshop activities is presented as groups of equipment types (e.g. A Vehicles, B Vehicles), each with an associated forecast of hours.</p> <p>The forecast of service for training area recovery is presented as a number of recoveries by location.</p>			
3. Location for Delivery			
<p>The Contractor shall take over existing workshop locations. The Contractor may make proposals to the Authority for the use of different and/or fewer sites if a cost benefit can be demonstrated. On occasion the Contractor shall be required to undertake these tasks at Authority, rather than at Contractor's locations. The only current workshop location which must be retained is Kinnegar, NI.</p> <p>The Contractor shall provide a training area recovery capability at : Bovington (A & B vehicles); Sennybridge (B vehicles); Salisbury Plain (B vehicles); Thetford (B vehicles); and, Otterburn (B vehicles).</p> <p>The Contractor shall also ensure the availability of the Power Pack Forward Repair Pool at Warminster and Bovington.</p>			
4. Output Requirements			

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4.1	The Contractor shall issue in scope maintained/repaired equipment in accordance with Required Delivery Dates, specified by the Authority.	K	Delivery dates may be updated by the Authority to reflect concessions/priority activities. This is to include completed emergent work. Delivery Dates may be scheduled for any day of the calendar year.
4.1.1	In the event that emergent work prevents the Contractor from delivering equipment by the RDD, the Contractor shall propose a new RDD to the Authority, for approval.	1	
4.2	The Contractor shall issue all in-scope equipment to technical standards defined by the Authority, following the completion of any Level 1-3 MRO activity, except for where concessions have been agreed.	1	
4.2.1	The Contractor shall issue all in scope equipment in accordance with the relevant Authority defined inspection, maintenance and repair standards.	1	
4.2.2	All in scope equipment issued by the Contractor shall be complete with any modifications specified by the Authority.	1	The parts required to enable such modifications/additions may be provided under separate arrangements made by the Authority outside the scope of this agreement.
4.2.3	The Contractor shall output all in scope equipment in a JAMES Fully-Fit condition unless otherwise directed by the Authority.	K	
4.2.4	The Contractor shall undertake any maintenance activity in accordance with the appropriate technical standards and specifications.	M	
4.2.5	The Contractor shall undertake any repair activity in accordance with the appropriate technical standards and specifications.	M	
4.2.6	Where equipment transport is used, the Contractor shall be responsible for safely loading such equipment	1	
4.2.7	The Contractor shall be required to deliver equipment on behalf of the Authority to any UK locations in accordance with timelines defined by the Authority, where it can not be collected by the requesting unit.	1	These delivery costs can be invoiced to Army HQ.
4.3	The Contractor shall provide the availability to A2 standard of the power pack FRP.	1	
4.3.1	The Contractor shall provide the availability of one CV12 6a for immediate issue at Bovington.	1	

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4.3.2	The Contractor shall provide the availability of one additional CV12 6a for issue within 8 working hours of the request, at Bovington.	1	
4.3.3	The Contractor shall provide the availability of two additional CV12 6a for issue within 48 working hours of request.	1	
4.3.4	The Contractor shall provide the availability of one CV12 8a for immediate issue at Bovington.	1	
4.3.5	The Contractor shall provide the availability of one additional CV12 8a for issue within 48 working hours, at Bovington.	1	
4.3.6	The Contractor shall provide the availability of one CV8 for immediate issue at Warminster.	1	
4.3.7	The Contractor shall provide the availability of two additional CV8 for issue within 12 working hours, at Warminster.	1	
4.3.8	The Contractor shall provide the availability of three additional CV8 for issue within 72 working hours, at Warminster.	1	
4.4	The Contractor shall provide the Authority with a technical advice capability, to advise the Authority concerning the appropriateness and applicability of the technical standards used for Level 1-3 MRO activity and to make recommendations for changes to the standards, as appropriate.	1	The responsibility for technical standards remains with the Design Authority. The Contractor shall have the ability only to advise the Authority and DA on potential changes to standards e.g. more frequent oil changes.
4.4.1	The Contractor shall provide the Authority recommendations for modifications to equipment to improve availability, cost of use, cost of ownership or capability.	1	
4.5	The Contractor shall provide a Mobile Support Team (MST) capability to deliver a short term increase in unit resources for Level 1-2 MRO activity.	1	
4.5.1	The Contractor shall, on receipt of a valid Authority request, provide an MST within 10 working days or shorter by agreement.	1	
4.5.2	The Contractor shall have the ability to deliver MST services for a period of up to 3 months (unless by prior agreement).	1	
4.5.3	The Contractor shall have the ability to deliver MST services to all UK locations specified by the Authority.	1	
4.5.4	The Contractor shall have the ability to deliver MST services to overseas locations specified by the Authority (excluding operational deployments).	1	

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4.5.5	The Contractor shall have the ability to deliver MST services any time of day.	1	Normal hours will be 0800-1700.
4.5.6	The Contractor shall, where MST services are required outside normal working hours, inform the Authority before the service commences of any additional costs.	1	
4.5.7	The Contractor shall have the ability to deliver MST services on all equipment which is within the scope of this contract.	1	
4.5.8	The Contractor shall deliver MST services under the direction of the Authority.	1	
4.6	The Contractor shall provide an In Barrack Equipment Support (IBES) capability to deliver an increase in unit resources for Level 1-2 MRO activity.	1	
4.6.1	The Contractor shall, on receipt of a valid Authority request, provide an IBES team to deliver Level 1-2 MRO services, within 10 working days or shorter by agreement.	1	
4.6.2	The Contractor shall have the ability to deliver IBES services for periods longer than 3 months, agreed with the Authority.	1	
4.6.3	The Contractor shall have the ability to deliver IBES services to all UK locations specified by the Authority.	1	
4.6.4	The Contractor shall have the ability to deliver IBES services to overseas locations specified by the Authority (excluding operational deployments).	1	
4.6.5	The Contractor shall have the ability to deliver IBES services at any time of day.	1	Normal working hours will be between 0800-1700.
4.6.6	The Contractor shall, where IBES services are required outside normal working hours, inform the Authority before the service commences of any additional costs.	1	
4.6.7	The Contractor shall have the ability to deliver IBES services on equipment which is within the scope of this contract.	1	
4.6.8	The Contractor shall deliver IBES services under the direction of the Authority.	1	
4.7	The Contractor shall provide a year-round rough-terrain vehicle recovery service, every calendar day.	1	
4.7.1	The Contractor shall provide a rough-terrain vehicle recovery service on training areas specified by the Authority.	1	
4.7.2	The Contractor shall provide a rough-terrain vehicle recovery service capable of recovering all Authority vehicles.	1	
4.7.3	The Contractor shall have the capability to recover vehicles carrying sensitive loads (e.g. fuel and ammunition).	1	

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4.7.4	The Contractor shall inform the Authority as soon as the issue is identified if a vehicle cannot be repaired or recovered with the load on to enable the Authority to provide a replacement vehicles and/or driver, as necessary.	1	
4.7.5	The Contractor shall be responsible for ensuring the security of the vehicle at all times whilst the vehicle is in their charge.	1	
4.7.6	Where the recovered vehicle is roadworthy, the Contractor shall recover to adjacent hard ground suitable for the vehicle to proceed under its own power.	1	
4.7.7	Where the recovered vehicle is not roadworthy, the Contractor shall recover directly to the nearest Authority-directed repair facility.	1	
4.7.8	The Contractor shall ensure that the correct recovery techniques are used as detailed in the appropriate AESPs.	1	
4.7.9	The Contractor shall ensure that no damage is made to the vehicle during recovery.	1	
4.7.10	The Contractor shall be responsible for any damage caused during the recovery process.	1	
4.7.11	Where damage is considered inevitable due to the location of the vehicle, the Contractor shall seek advice from the Authority, before the task is commenced.	1	
4.7.12	Where damage is considered inevitable due to the location of the vehicle outside of normal working hours, the Contractor shall alert the driver of this risk before recovery commences.	1	
4.7.13	Where damage is considered inevitable due to the location of the vehicle outside of normal working hours, the Contractor shall record this on the Contractor's job sheet.	1	
4.7.14	The Contractor shall be responsible for Level 1-3 MRO activities on the single CRARRV that will be loaned to the Contractor for the completion of training area recovery activities at Bovington.	1	
4.7.15	The Contractor shall be responsible for Level 1-3 MRO activities on the single Support Vehicle Recovery variant that will be loaned to the Contractor for the completion of training area recovery activities at Bovington.	1	
4.8	The Contractor shall accept all in scope equipment in accordance with specified equipment Receipt Dates.	1	Equipment Receipt Dates may be scheduled for day of the calendar year. There are to align to UON criteria.
4.8.1	The Contractor is required to have the capability to collect non-roadworthy equipment from Authority UK locations.	1	

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4.8.2	Where the equipment is, in the opinion of the Contractor, Beyond Economic Repair (BER), the Contractor shall inform the Authority before any work is commenced.	1	
4.8.3	The Contractor shall notify the Authority if they do not receive all vehicle equipment required to undertake the work specified by the Authority.	1	
4.8.4	The Contractor shall inform the Authority of any work which emerges during the course of routine work within 24 hours.	1	
4.9	The Contractor shall provide the Authority with written and auditable confirmation that each vehicle has been delivered to the required standard, following the completion of any Level 1-3 MRO activity, except for where concessions have been agreed.	1	This is currently delivered through an AF G8800
4.9.1	The Contractor shall provide the Authority with confirmation that the driver of the recovered vehicle is satisfied with the recovery.	1	
4.9.2	The Contractor shall use JAMES for the recording of all Level 1-3 MRO activity, in accordance with JAMES standard operating procedures.	M	
4.9.3	The Contractor shall provide any specific documentation required by the Authority, with the issue of equipment.	1	
4.9.4	The Contractor shall provide any specific documentation required to meet statutory Requirements, with the issue of equipment.	1	
4.9.5	The Contractor shall retain all documentation associated with the inspection, maintenance and repair of vehicles/equipments, for the duration of the contract and make available for any Authority review/audit purposes, upon request.	1	

3B. Statement of Requirement and Specifications for Delivery: Receipt, Inspection, Issue and Storage

ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
<p>The Contractor shall provide an equipment receipt, inspection, storage, maintenance and issue service which meets the equipment readiness needs of the Authority. The storage infrastructure, both Controlled Humidity Environment (CHE) and Non-Controlled Humidity Environment (Non-CHE) and associated workshop facilities, will be provided by the Authority.</p> <p>An element of the stored equipments for which the Contractor shall be responsible for will be attributed to the 'Stored Operational Fleet'. This is comprised of approximately 5000 vehicles held at graduated readiness of R3-5 (4000 vehicles) and R6-8 (1000 vehicles). The exact composition and defined readiness states of the Stored Operational Fleet is classified SECRET. Breakouts will be subject to periodic Deployment Tests, at least once a year, called by Army HQ, to which bidders will be expected to respond. More information on the scale, composition and timescales of Deployment Tests will be available in the Data Room.</p> <p>Inspection regimes on fleets held at certain readiness levels and subject to Deployment Tests,</p>			

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must be conducted to enable break-out within the defined target times.
It is anticipated that a rolling inspection regime will be employed to ensure that all vehicles are maintained in-date.

2. Forecast of Service

The forecast of service for RIIS is presented as the total number of issues from current sites driven by known Authority activity.

3. Location for Delivery

The location will be the current sites at Ashchurch (until circa December 2018 - thereafter a new site will be provided by the Defence Infrastructure Organisation), Lyneham (temporary requirement only for HXP-related storage until October 2016) and Ayrshire Barracks, Germany (management function only)(temporary until c 2020 due to drawdown). The Contractor may make proposals to the Authority for the use of different and/or fewer sites if a cost benefit can be demonstrated.

4. Output Requirements

4.1	The Contractor shall issue all equipment requested by the Authority, within Authority-defined notice periods.	K	This excludes the Stored Operational Fleet which is covered by requirements 4.9 and 4.10 Notice periods will be defined on a case by case basis.
4.2	The Contractor shall issue all in-scope equipment to standards defined by the Authority.	1	Except where a concession has been granted by the Authority for kit to be issued at a lower standard. For example where a battle damaged vehicle has been stored
4.2.1	The Contractor shall issue all equipment in accordance with the relevant Authority defined build standard.	1	
4.2.2	The Contractor shall issue all equipment in a JAMES Fully-Fit condition.	K	
4.2.3	The Contractor shall provide the Authority with confirmation that each equipment has been delivered to the required standard.	1	
4.2.4	The Contractor shall safely despatch equipment, in accordance with arrangements made by the	1	Despatch may be required by road or

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	Authority.		rail.
4.2.5	The Contractor shall undertake any maintenance activity in accordance with the appropriate technical standards and specifications.	M	
4.2.6	The Contractor shall undertake any repair activity in accordance with the appropriate technical standards and specifications.	M	
4.2.7	The Contractor shall integrate all tactical CIS equipment (including Bowman) as required by the Authority, prior to issue of equipment.	1	This CIS equipment will be provided by the Authority
4.2.8	The Contractor shall allow the staff of other Contractors to undertake rectification or modification activity on new equipment at that particular site during all standard working hours, following receipt inspections, as directed by the Authority.	1	
4.2.9	The Contractor shall allow the staff of other Contractors to undertake repair activity on new equipment at that particular site during standard working hours, following receipt inspections.	1	
4.2.10	The Contractor shall allow access to non-Contractor personnel to undertake work on equipment in store during all standard working hours.	1	
4.3	The Contractor shall be capable of accepting all equipment into the facility upon arrival.	1	Equipment may arrive by road or rail. Equipment may require to be safely unloaded.
4.3.1	The Contractor shall have the ability to accept equipment which is new from trade which meets Authority-provided standards.	1	
4.3.2	The Contractor shall have the ability to accept equipment from the Authority which meets Authority-provided standards.	1	
4.3.3	The Contractor shall inform the Authority of any instances where received equipment does not meet Authority defined input standards.	1	
4.4	To specifications directed by the Authority, the Contractor shall store equipment in a Controlled Humidity Environment (CHE).	1	
4.4.1	The Contractor shall store equipment in CHE in accordance with defined CHE storage and maintenance instructions.	M	
4.5	To specifications directed by the Authority, the Contractor shall store equipment in a Non-Controlled Humidity Environment.	1	
4.5.1	The Contractor shall store equipment in Non-CHE in accordance with the relevant maintenance and storage instructions.	M	
4.6	The Contractor shall provide the Authority with written and auditable confirmation that each equipment has been delivered to the required standard.	1	This is currently delivered through an AF G8800

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4.6.1	The Contractor shall comply with all Authority procedures for equipment subject to a Coroner's inquest or other Coroner processes.	M	
4.6.2	The Contractor shall use JAMES for the recording of all receipt, issue, maintenance and repair activity.	M	This includes the state of all equipment at point of issue.
4.7	The Contractor shall prepare incident reports for issue to General Dynamics in the event of failure or excessive damage to Bowman equipment or spares.	1	
4.8	The Contractor shall provide the Authority with a management capability at Ayrshire barracks (Germany), under the direction of the Authority.	1	This is a temporary requirement until the return of all stored Ayrshire equipment to the UK (currently estimated for 2020). The man-power requirement for this service is estimated at 6 personnel and should not exceed 10; personnel will work under the direction of the local TFSU(G) military authority. Current personnel are deployed from DSG UK on fixed term contracts (2 years) with differing contract expirations.
4.9	The Contractor shall maintain the stored Contingent Operational fleet so as to be made available at the defined standards and within the defined timelines	K	The Contractor is not responsible for the physical breakout of the Stored Operational Fleet. The Authority will make additional personnel available to undertake such a breakout. The Authority may request support from the Contractor to undertake the breakout via a formal contract change request. Such a request will attract additional funding.
4.9.1	The contractor shall facilitate access to storage facilities by Authority personnel who are conducting a breakout of the Stored Operation Fleet	1	

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4.10	The Contractor shall provide assurance that the Stored Operational Fleet can be made available at the defined standards and within the defined timelines	1	This will take the form of an assurance report, and be assessed as part of the KPI for the RIIS role
4.11	The Contractor shall provide a RIIS function in support of the HERRICK Exchange Point (HXP) at Lyneham	1	This is a temporary requirement and due to complete in Oct 16.

4B. Statement of Requirement and Specifications for Delivery: Level 4 Maintenance Repair & Overhaul Operations			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide a Level 4 inspection, maintenance and repair service for all equipment listed as in-scope.			
2. Forecast of Service			
The forecast of service for Level 4 MRO is presented as annual load by equipment or sub-system type.			
3. Location for Delivery			
The Contractor shall take over existing workshop locations. The Contractor may make proposals to the Authority for the use of different and/or fewer sites if a cost benefit can be demonstrated.			
4. Output Requirements			
4.1	The Contractor shall receive all in-scope equipment from the Authority in any condition.	1	
4.1.1	The Contractor shall inform the Authority of any deficiencies with equipment received, against the Authority defined input standards, within 30 days of receipt, in accordance with JSP886.	1	The Authority requires at least 2 working days before the 30th day to inform the unit of any deficiencies.
4.1.2	The Contractor shall inform the Authority of evidence of any event which may adversely affect the safe operation of the equipment.	M	
4.1.3	The Contractor shall inform the Authority, following in-inspection, of the programme and cost of work for each equipment to produce it to the required output standard.	1	
4.1.4	Where work is required beyond that defined by the standard base overhaul repair specification, the Contractor shall only commence work following approval by the Authority of the proposed cost and programme.	1	
4.1.5	Where work is required beyond that defined by the standard base overhaul repair specification and for which no defined repair specification exists, the Contractor shall work with the Authority, DA and OEM as required to develop a repair specification to be approved by the Authority.	1	

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4.2	The Contractor shall issue in scope maintained/repaired equipment in accordance with Required Delivery Dates, specified by the Authority.	K	Delivery dates may be updated by the Authority to reflect concessions/priority activities. This is to include completion of emergent work.
4.2.1	In the event that emergent work prevents the Contractor from delivering equipment by the RDD, the Contractor shall propose a new RDD to the Authority, for approval.	1	
4.3	The Contractor shall issue equipment in accordance with output standards defined by the Authority.	K	
4.3.1	The Contractor shall maintain the output standard of the equipment until collection by the Authority.	1	Collection may be up to 3 months following completion of the Level 4 MRO activity.
4.3.2	The Contractor shall accept changes to defined output standards except for those changed deemed critical for safety reasons, which must be accepted immediately.	1	Notice of no less than 3 months will be provided to the Contractor of changes to output standards.
4.3.3	The Contractor shall undertake all inspection activity in accordance with the standards and specifications, provided by the Authority.	M	
4.3.4	The Contractor shall undertake all maintenance activity in accordance with the technical standards and specifications, provided by the Authority.	M	
4.3.5	The Contractor shall undertake all repair activity in accordance with the standards and specifications, provided by the Authority.	M	
4.3.6	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary cost to the activities.	1	Only for Artillery Systems equipment
4.3.7	The Contractor shall inform the Authority of instances where identified standards and specifications add unnecessary time to the activities.	1	Only for Artillery Systems equipment
4.4	The Contractor shall notify the Authority of any equipment which is deemed obsolescent.	1	Only for Artillery Systems equipment
4.5	The Contractor shall notify the Authority of any equipment which is deemed obsolete.	1	Only for Artillery Systems equipment
4.6	The Contractor shall provide the Authority with a plan of equipment throughput on an annual basis, in accordance with the Required Delivery Dates.	1	
4.6.1	The Contractor provide the Authority with monthly progress updates on the status of each equipment undergoing Level 4 maintenance or repair activity, against the annual throughput plan.	1	
4.7	The Contractor shall offer potential solutions to accommodate changes in the Authority's Requirement and priorities.	1	

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4.8	The Contractor shall provide the Authority with written and auditable confirmation that each vehicle has been delivered to the required standard and in accordance with the appropriate technical specifications, following the completion of any Level 4 MRO activity.	1	Confirmation is currently provided through a signed Certificate of Conformity issued by DSG with each completed A Vehicle.
4.8.1	The Contractor shall maintain accurate JAMES records for all Level 4 maintenance and repair activity, in accordance with prescribed JAMES data standards.	M	
4.9	The Contractor shall assist the Authority with equipment failure trend analysis	1	
4.9.1	The Contractor shall provide work records and trend analysis to the Authority as required.	1	
4.10	The Contractor shall complete the AF B2562 series, in accordance with AESP 0200-A-600-013 Ch 2-1, upon completion of Level 4 MRO activity on guns.	M	
4.11	The Contractor shall provide the Authority with options for equipment modifications to support improvements in capability, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with schedule 8 (Governance) of the SPC.
4.12	The Contractor shall provide the Authority with options for equipment modifications to support improvements in availability, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with schedule 8 (Governance) of the SPC.
4.13	The Contractor shall provide the Authority with options for equipment modifications to reduce the cost of ownership, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with schedule 8 (Governance) of the SPC.
4.14	The Contractor shall provide the Authority with options for equipment modifications to reduce the cost of use, using the knowledge gained through the management and undertaking of Level 4 MRO activities.	1	Only for Artillery Systems equipment. Options are to be provided in accordance with schedule 8 (Governance) of the SPC.
4.15	The Contractor shall respond to requests from the Authority for technical advice relating to works required under Level 4 MRO conditions.	1	Only for Artillery Systems equipment

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4.16	The Contractor shall provide technical input to Safety Panels, developed as a result of delivering the contracted service, as required by the Authority.	1	Only for Artillery Systems equipment
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5B. Statement of Requirement and Specifications for Delivery: Training Uplift Fleet Availability			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall manage the Training Uplift Fleet in order to provide a vehicle availability service.			
2. Forecast of Service			
The forecast of service for Training Uplift Fleet is presented as total fleet holdings by location. The forecast of service for Training Uplift Fleet is presented as number of vehicle issues by site.			
3. Location for Delivery			
The Contractor shall deliver these services from current locations, unless the Contractor can demonstrate the ability to derive and share benefit from the use of alternative sites. Equipment will be delivered to locations on the UK mainland designated by the Authority.			
4. Output Requirements			
4.1	The Contractor shall manage a defined fleet of vehicles to provide the Authority with a required level of vehicle availability.	1	
4.1.1	The Contractor shall deliver all in scope TUF equipment to the correct training location, as specified by the Authority.	1	The Contractor may be required to deliver equipment to anywhere in the UK, including unit locations and training sites.
4.1.2	The Contractor shall issue equipment in accordance with each specified delivery time.	K	
4.2	The Contractor shall issue all in-scope equipment in accordance with Authority-defined output standards.	1	
4.2.1	The Contractor shall provide a Level 1-2 inspection, maintenance and repair service for all in scope TUF equipment to meet the output standards required by the Authority.	1	
4.2.2	The Contractor shall undertake all maintenance activity on equipment held in the TUF in accordance with the appropriate technical standards and specifications.	M	
4.2.3	The Contractor shall undertake all repair activity on equipment held in the TUF in accordance with the appropriate technical standards and specifications.	M	
4.2.4	The Contractor shall issue all in-scope equipment to the Authority in a James Fully Fit condition, excluding where concessions have been agreed with the Authority.	K	This includes MEI and all periodic maintenance
4.2.5	The Contractor shall issue all equipment to the Authority, complete to CES, unless instructed otherwise by the Authority.	1	

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4.2.6	The Contractor shall issue all equipment to the Authority with all ancillary items fitted (including BOWMAN items).	1	
4.2.7	The Contractor shall issue all equipment to the Authority with all ancillary items working (including BOWMAN items).	1	
4.2.8	The Contractor shall issue all vehicles to the Authority with a full tank of the correct fuel.	1	
4.2.9	The Contractor shall provide the Authority with confirmation that each vehicle has been delivered to the required standard, except for where concessions have been agreed.	1	
4.2.10	The Contractor shall notify the Authority of any instance where equipment received requires maintenance or repair work exceeding Level 2.	1	
4.3	The Contractor shall have the ability to collect all in scope TUF equipment from the correct training location, as agreed with the Authority.	1	
4.4	The Contractor shall make available all management information relating to TUF equipment which is requested by the Authority, in support of the Authority's wider Fleet Management activities.	1	
4.4.1	The Contractor shall manage all TUF equipment on JAMES, in accordance with JAMES standard operating procedures.	M	
4.4.2	The Contractor shall report losses of any equipment (including CES items and ancillary items) to the Authority.	1	
4.5	The Contractor shall provide the Authority with options for improving the configuration of the Training Uplift Fleet to meet the demand of the Authority.	1	
4.5.1	The Contractor shall identify to Authority opportunities to reduce the size of the Training Uplift fleet.	1	
4.5.2	The Contractor shall identify to the Authority any increases to fleet size required to deliver the contracted service.	1	

6B. Statement of Requirement and Specifications for Delivery: Power Pack Regeneration Facility Personnel

ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide SQE Sponsored Reserve personnel to man an Authority provided Power Pack Regeneration Facility (PPRF) on deployed operations.			
2. Forecast of Service			
N/A			
3. Locations			

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When instructed to deploy by the Authority, PPRF Personnel will be required to undertake Power Pack Regeneration activities in any locations, as directed by the Authority.			
4. Output Requirements			
4.1	The Contractor shall have the ability operate and maintain a fully functional Power Pack Repair Facility within timescales defined by the Authority.	1	
4.1.1	The Contractor shall provide deployable Sponsored Reserve SQEP for no less than 6 months, unless otherwise directed by Army HQ.	1	
4.1.2	The Contractor shall provide deployable Sponsored Reserve SQEP for a duration of up to 12 months.	1	
4.1.3	The Contractor shall provide deployable Sponsored Reserve SQEP at 6 months notice to deploy.	1	
4.1.4	The Contractor shall have generated personnel able to deploy, in accordance with the defined notice period, no later than 2 years from the date of contract award.	1	(It is expected that the deployed capability will be required from 2017 onwards.)
4.1.5	The Contractor shall unpack and establish the PPRF from transport configuration to a fully operational facility within 24 hours of receipt.	1	
4.1.6	The Contractor shall de-construct and prepare the PPRF for movement by the Authority within 24 hours of notice.	1	
4.2	The Contractor shall provide SQEP to deliver a Power Pack Repair capability.	1	
4.2.1	The Contractor shall provide a minimum of 24 personnel trained to a Military Class 1 tradesman equivalent.	1	
4.2.2	The Contractor shall provide a minimum of 16 personnel trained to a Military Class 2 tradesman equivalent.	1	
4.2.3	The Contractor shall make available Sponsored Reserve personnel when required by the Authority for up to 38 days of training per year.	1	
4.3	The Contractor shall provide the required number of personnel at the correct readiness to support deployed operations.	1	
4.3.1	The Contractor shall provide 20 personnel to conduct power pack regeneration in-theatre in line with 6 months notice.	K	
4.3.2	The Contractor shall provide a capability to conduct power pack regeneration in-theatre up to a 12 month period, requiring up to 40 personnel in total.	1	The 12 month period will be divided into 2x6 month periods with 20 personnel deployed in each period.

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4.3.3	The Contractor shall maintain no less than 40 personnel able to deploy in line with the required notice period.	K	Ability to deploy includes being successfully approved for duty at the Army Reserve Mobilisation Centre as well as being mentally, physically and emotionally capable of enduring austere and non-benign conditions.
4.4	The Contractor shall deliver regenerated power packs into the Joint Supply Chain.	1	Variants include: Warrior (CV 8), CR2 (CV 12), CRARRV (CV 12), T2 (CV 12), AS90 (L 60), Scout and potential new variants.
4.4.1	The Contractor shall deliver an output of an average of 8 power packs per day over a rolling 7 day period, subject to the provision of sufficient E0 power packs.	1	
4.4.2	The Contractor shall provide certification that power packs have been fully regenerated to the defined standards and are diagnostically fault free.	1	
4.4.3	The Contractor shall ensure that all regenerated power packs are certified by SQEP (defined as equivalent to Military Class 1 Tradesmen).	1	
4.4.4	The Contractor shall deliver regenerated power packs in a condition whereby they can be placed into a vehicle immediately or stored.	1	
4.4.5	The Contractor shall comply with the prioritisation of power packs to be regenerated, dictated by the in-theatre equipment support chain of command or deployed REME chain of command.	1	
4.4.6	The Contractor shall notify the Authority of instances where power packs have been received requiring a greater level of repair than Level 3.	1	
4.4.7	The Contractor's personnel shall undertake the regeneration of power packs in accordance with the relevant and most recent technical standards.	M	
4.4.8	The Contractor's personnel shall deliver power pack regeneration in accordance with the Battlefield Equipment Support Doctrine (Army).	M	
4.4.9	The Contractor's personnel shall deliver power pack regeneration in accordance with Land Equipment Engineering Standards (LEES).	M	
4.4.10	The Contractor's personnel shall only utilise GFA materiel and equipment for the power pack regeneration capability. (Spares will be provided by the Authority.)	1	

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4.4.11	The Contractor's personnel shall maintain all GFA in line with the most recent technical publications and standards.	M	
4.4.12	The Contractor's personnel shall maintain equipment owned by the Authority to standards directed by the Authority.	1	
4.4.13	The Contractor's personnel shall use the deployed PPRF, provided by the Authority, for activity in-theatre.	1	
4.4.14	The Contractor's personnel shall undertake maintenance of the PPRF in accordance with the relevant and most recent technical standards.	M	
4.4.15	The Contractor's personnel shall undertake repair of the PPRF in accordance with the relevant and most recent technical standards.	M	
4.4.16	The Contractor's personnel shall manage the operation of the PPRF, in accordance with deployed equipment support priorities.	M	
4.4.17	The Contractor's personnel shall use all health and safety equipment provided by the Authority for the proper functioning and safe operation of the PPRF, as dictated by the Authority.	1	
4.4.18	The Contractor's personnel shall move all power packs in and around the power pack regeneration area using GFA organic to the PPRF (SISU MHE), once they have been delivered to a marshalling area by the Authority.	1	
4.4.19	The Contractor's personnel shall deliver regenerated power packs in line with conditions specified in the relevant and most recent technical standards.	M	
4.4.20	The Contractor's personnel shall assure quality of the power pack regeneration process.	1	
4.4.21	The Contractor's personnel shall maintain infrastructure owned by the Authority to standards directed by the Authority.	1	
4.5	The Contractor shall provide SQEP with the ability to operate in austere and non-benign conditions.	1	
4.5.1	The Contractor shall ensure all Sponsored Reserves are physically fit.	1	
4.5.2	The Contractor shall ensure all Sponsored Reserves identified for deployment have successfully completed all training specified by the Army.	1	
4.6	The Contractor shall have the ability to operate within a hostile environment.	1	
4.6.1	The Contractor shall comply with the most recent editions or replacements of RFA96, whilst operating within a hostile environment.	M	
4.6.2	The Contractor shall comply with the most recent editions or replacements of the RLC TA Force Generation Handbook (RLCTA/3107), whilst operating within a hostile environment.	M	

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4.7	The Contractor shall provide performance data to the Authority.	1	
4.7.1	The Contractor shall include within the performance data provided to the Authority the work location of all personnel under a Sponsored Reserve Contract.	1	
4.7.2	The Contractor shall include within the performance data provided to the Authority the training competency and currency of all personnel (Record of Engineering Competence as per latest edition of LEES (Engineering Standards) held under Sponsored Reserve contracts.)	1	
4.7.3	The Contractor shall include within the performance data provided to the Authority metrics on personnel able to deploy in line with contractual timelines.	1	
4.8	The Contractor shall provide a complete record of all personnel able to deploy in support of Authority operations.	1	
4.8.1	The Contractor shall provide a complete record of all personnel able to deploy within 6 months of notice (including ability to deploy on MST).	1	
4.8.2	The Contractor shall provide a complete record of the number of personnel available to deploy in support of Authority military operations.	1	
4.8.3	The Contractor shall provide a complete record of the number of personnel available who are deployed in support of Authority military operations.	1	
4.8.4	The Contractor shall provide a complete record of the current competence and currency in power pack regeneration of all personnel across the in-scope power packs.	1	
4.9	The Contractor will provide, on a rolling basis, a 3 month plan to manage staffing and services.	1	
4.9.1	The Contractor shall include within the staffing plan, a by-name list of where all Sponsored Reserve personnel are working in a civilian capacity.	1	
4.9.2	The Contractor shall include within the staffing plan, a list of all Sponsored Reserve personnel available for mobilisation in accordance with the specific readiness Requirements.	1	See deployment timeline Requirements
4.9.3	The Contractor shall include within the staffing plan, a by-name list that contains the current level of professional qualification achieved by all Sponsored Reserve personnel (e.g. Class 1 Tradesman).	1	

7B. Statement of Requirement and Specifications for Delivery: Inventory & Repair Management

ID	Requirement	Priority	Remarks
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1. High Level Statement of Work			
The Contractor shall provide an Inventory and Repair Management service to support the Authority (or its nominated agent) as the Single Item Owner (SIO) for specified DMCs. The Inventory and Repair Management service will include the timely provisioning of consumables and the efficient and effective management of the repair loop for in-scope items.			
2. Forecast of Service			
The number of DMCs for which the Contractor will be responsible is provided.			
3. Locations			
The Contractor will be able to deliver Inventory and Repair Management services from any sites deemed to represent value for money.			
4. Output Requirements			
4.1	The Contractor shall provide an inventory management service to satisfy all Authority demands for in scope consumables and repairables items.	1	This includes setting of stock levels and procurement only for non-Bowman or tactical CIS in-scope DMCs. A list of these is provided within this Requirement document.
4.1.1	The Contractor shall ensure that demands for all items within the defined DMCs are satisfied in the timescales defined by the Authority's Standard Priority Code (SPC) system.	K	
4.1.1.1	The Contractor is to prioritise demand satisfaction and satisfaction of unfulfilled demands against stated criticality codes, where applicable.	1	Currently criticality is expressed via the BVC (Battleworthy, Vehicle off road, Cosmetic) codes. The Authority may update or utilise alternative systems to express criticality in due course.
4.1.2	The Contractor shall support the relevant SIO to ensure that all new items are introduced in accordance with JSP886.	1	
4.1.3	The Contractor shall support the relevant SIO to ensure that modifications to in-scope equipment are incorporated in accordance with Authority defined standards	1	
4.1.4	The Contractor shall support the Authority Duty-Holder in respect of hazard identification.	1	
4.1.5	The Contractor shall support the Authority Duty-Holder in respect of fault investigation.	1	
4.1.6	The Contractor shall provide Purchase, Repair and Disposals Plans.	1	

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4.1.7	The Contractor shall include within Purchase, Repair and Disposals Plans details of the procurement that the Contractor considers necessary to maintain the required stock levels.	1	
4.1.8	The Contractor shall include within Purchase, Repair and Disposals Plans details of the repairs that the Contractor considers necessary to maintain the required stock levels.	1	
4.1.10	The Contractor shall present its Purchase, Repair and Disposals Plans to the SIO for endorsement at directed points within the Authority's regular planning cycle.	1	
4.1.11	The Contractor shall present its Purchase, Repair and Disposals Plans to the SIO for endorsement as required to support the Authority's In-Year Management (IYM) regime.	1	
4.1.12	The Contractor shall deliver against the endorsed Purchase, Repair and Disposals Plans, following review by the SIO.	1	
4.1.13	The Contractor shall propose corrective action for supply chain failures through revised Purchase, Repair and Disposals Plans or, as necessary, other mechanisms to the SIO.	1	
4.1.14	As directed by the Authority, the Contractor shall, as a planning exercise in support of the Authority's contingency planning, prepare an inventory purchase plan for potential contingent operational activity, no more than twice annually.	1	Activity levels and durations will be defined by the Authority
4.1.15	The Contractor shall notify LCS of all procurements (including replenishments) that will have a significant impact upon storage Requirements.	1	
4.1.16	The Contractor shall operate Management Controls as agreed with the SIO to ensure that only entitled Users are permitted to demand items with Restriction Codes. (For example, that ITAR controlled items are issued only to Users holding the appropriate authorisation and managed in accordance with the measures laid down in the Technical Assistance Agreements (TAA).)	1	
4.1.17	The Contractor shall administer requests for loans of equipment, in accordance with the terms and conditions of loans directed by the SIO.	1	
4.2	The Contractor shall provide a Calibration and Maintenance Service for the equipment listed.	1	
4.3	The Contractor shall provide a technical advice capability to support the Authority in procurement of initial inventory for new equipments.	1	
4.3.1	The Contractor shall assist the SIO in the identification of alternative supply solutions for obsolete items.	1	
4.3.2	The Contractor shall present to the SIO, recommendations for necessary corrective actions for	1	

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	Non Conformant Receipts (NCRs) to improve future support, for approval.		
4.3.3	The Contractor shall implement necessary corrective actions for Non Conformant Receipts (NCRs), which has been approved by the SIO, to improve future support.	1	
4.4	The Contractor shall determine commercial strategies for Inventory and Repairs Management to achieve or exceed targets set by the KPIs.	1	
4.4.1	The Contractor shall apply a competitive approach if the Authority is not satisfied that the commercial strategy justifies a single tender basis.	1	
4.4.2	The Contractor shall provide the Authority with one month's prior notice before initiating any procurement action on a single source basis at a cost greater than £50,000 over the likely duration of the planned purchase/repair arrangement.	1	
4.5	The Contractor shall ensure that the Authority SS3 presents a timely picture of the status of each demand.	1	
4.6	The Contractor shall ensure that all Inventory Forecasting, Planning and Management systems have the ability to interface with the VERITAS application.		
4.7	The Contractor shall maintain a suite of service management documentation.	1	
4.7.1	The Contractor shall include within service management information a Risk Management Plan.	1	
4.7.2	The Contractor shall include within service management information an Inventory and Repair Management Business Continuity Plan.	1	
4.7.3	The Contractor shall include within service management information a Purchase, Repair and Disposals Plan.	1	
4.7.4	The Contractor shall include within service management information an Inventory and Repair Management Quality Management Plan.	1	
4.7.5	The Contractor shall include within service management information a Configuration Management Plan.	1	
4.7.6	The Contractor shall include within service management information a Commercial Strategy.	1	
4.7.7	The Contractor shall include within service management information results of the implementation of its Commercial Strategy.	1	e.g. tender Requirements, tender assessments etc.
4.7.8	The Contractor shall include within service management information a Service Users Guide visible to the Authority.	1	
4.7.9	The Contractor shall provide a monthly financial accruals report to the SIO.	1	

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4.7.10	The Contractor shall ensure that the monthly accruals report details reasons for any variance greater than 5% of actual cost from the predicted cost of plans endorsed/amended by the SIO.	1	
4.7.11	The Contractor shall provide a monthly cumulative commitment forecast to the SIO.	1	
4.7.12	The Contractor shall ensure that the monthly cumulative commitment forecast details reasons for any variance greater than 5% of actual cost from the predicted cost of plans endorsed/amended by the SIO.	1	
4.8	The Contractor shall provide a Monthly Performance Report (MPR) to the Authority no later than 5 days after the end of each calendar month.	1	
4.8.1	The Contractor shall include within the MPR details of all KPI performance.	1	
4.8.2	The Contractor shall include with the MPR sufficient information to support the Authority's Requirement to maintain fair and proper stock accounts, through the timely and accurate provision of accrued, committed and planned expenditure and stock movements against each in scope DMC.	1	
4.8.3	The Contractor shall ensure that any stock movements that will impact on the Authority's balance sheet is supported by full and accurate records which shall be made available to the Authority or the National Audit Office on request.	1	
4.8.4	The Contractor shall ensure that any stock events (e.g. disposal) that will impact on the Authority's balance sheet is supported by full and accurate records which shall be made available to the Authority or the National Audit Office on request.	1	
4.8.5	The Contractor shall include within the MPR any issues from its operation of the contract with the potential to impact on the Authority's Safety and Environmental risk assessments for all equipment within or supported by the DMCs.	1	
4.8.6	The Contractor shall include within the MPR any areas where the Contractor is seeking the Authority's approval of a proposal made by the Contractor, in accordance with the relevant Requirements of this Statement of Work.	1	
4.8.7	The Contractor shall include within the MPR any areas of risk to the continued successful operation of the SPC.	1	
4.8.8	The Contractor shall include within the MPR analysis of emerging trends in KPIs so that they are identified, understood and correctly managed.	1	
4.8.9	The Contractor shall attend meetings with the Authority on a quarterly basis to review all Inventory and Repair Management aspects of the operation of the contract and the Contractor's performance, using	1	

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	the Monthly Performance Reports to provide quantitative evidence of past, present and forecast performance.		
4.9	The Contractor shall provide the Authority with assurance information to meet Authority Requirements.	1	
4.9.1	The Contractor shall provide the Authority with sufficient assurance information to meet Authority QA policies.	1	
4.9.2	The Contractor shall provide the Authority with sufficient assurance information to meet directed QPIs.	1	
4.9.3	The Contractor shall provide the Authority with sufficient assurance information to provide assistance into defect analysis.	1	
4.9.4	The Contractor shall provide the Authority with sufficient assurance information to provide assistance into defect investigation.	1	
4.9.5	The Contractor shall provide the Authority with sufficient assurance information to provide technical input into performance management and review of processes.	1	
4.10	The Contractor shall support the SIO's activities with respect to Item Data Record management.	1	
4.10.1	The Contractor shall maintain the Item Data Records for the full range of items associated with each defined DMC.	1	
4.10.2	The Contractor shall ensure the integrity of Item Data Records for the full range of items associated with each defined DMC.	1	
4.10.3	The Contractor shall ensure the accuracy of all relevant data fields in the Item Data Records for the full range of items associated with each defined DMC.	1	
4.10.4	The Contractor shall regularly screen all relevant Item Data Records to detect "Common Items" (items with duplicated NIINs).	1	
4.10.5	The Contractor shall propose rationalisation actions following the detection of Common Items in Data Records to the appropriate SIO for approval.	1	
4.10.6	The Contractor shall regularly review all relevant Item Data Records to detect "Potentially Cleansable Records" (items with no stock and no activity within 5 years).	1	
4.10.7	The Contractor shall propose cleansing actions to the appropriate SIO for approval, following the detection of "Potentially Cleansable Records" (items with no stock and no activity within 5 years).	1	
4.11	The Contractor shall advise the SIO in a timely fashion of all cases where the manufacturer is withdrawing support.	1	

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4.12	Where repairable carcasses are not returned from the FLC within the specified timescales, the Contractor shall alert the Authority.	1	
4.13	The Contractor shall comply with all applicable Procurement Regulations in the undertaking of these services.	M	

8B. Statement of Requirement and Specifications for Delivery: Light Weapons SSS			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
<p>The Contractor shall provide services for Light Weapon equipments, comprising of:</p> <ul style="list-style-type: none"> • Provisioning and Inventory Management • Procurement • Receipt • Storage • Distribution and Transportation • Maintenance • Assembly and Integration • Issue • Disposal 			
2. Forecast Volumes			
See Light Weapons forecast volumes for Level 1-4 MRO hours and complete equipment issues.			
3. Location for Delivery			
The Contractor will be able to deliver LW SSS services from any sites deemed to represent value for money.			
4. Output Requirements			
4.1	The Contractor shall meet the availability Requirements of the Authority for in scope Light Weapons equipment.	K	
4.1.1	<p>The Contractor shall provide the immediate availability of A1 quality weapons (individual weapons) excluding Donnington:</p> <p>85% (DMCs B1, B4, B6, C1, C3, C5, C6, C7, GRENL, L128, L129, L74, MOR60, SIGP)</p> <p>80% (DMCs ACOG, B3, B7, C2, C4, L32, MOR81, RIOTG)</p> <p>75% (DMCs B5, PYRO, SMG3K)</p> <p>60% (others)</p>	1	
4.1.2	The Contractor shall maintain weapons at readiness levels in line with Army HQ's Requirement.	1	
4.2	The Contractor shall provide a procurement service for all in scope Light Weapons equipment.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and

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			Repair Management function
4.2.1	The Contractor shall develop business cases for expenditure recommendations within 5 working days of identification of Requirement.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.2.2	The Contractor shall include with the procurement service, the implementation of Authority-defined procurement strategies.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.2.3	The Contractor shall provide data for financial scrutiny of procurement within 2 days of receipt.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.2.4	The Contractor shall manage suppliers to reduce overdue dues in.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.2.5	The Contractor shall manage procurement so as to optimise the Whole Life Cost of spares.	1	It is anticipated that this activity will be undertaken for consumables under the Inventory and Repair Management function
4.3	The Contractor shall deliver a receipt capability for all in scope Light Weapons equipment.	1	
4.3.1	The Contractor shall provide a collection service of all in-scope Light Weapons equipment within 5 working days of request from the Authority.	1	
4.3.2	The Contractor shall deliver a capability which allows receipt of damaged Light Weapons, provided they are certified safe to move.	1	
4.3.3	The Contractor shall deliver a capability which allows receipt of mis-fired Light Weapons, provided they are certified safe to move.	1	
4.3.4	The Contractor shall provide the Authority with	1	

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	notification of non-conforming receipts.		
4.4	The Contractor shall deliver a cross-docking capability which allows segregation of Light Weapons items received from the Authority for direct onward transmission to other locations and government departments.	1	
4.5	The Contractor shall manage a Sales & Operations Planning (S&OP) process under control of the Joint Management Board.	1	
4.6	The Contractor shall provide the Authority with an annual Inventory Management Plan (IMP).	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.7	The Contractor shall provide the Authority with key findings from the investigation of LCS-imposed stock bans.	1	
4.8	The Contractor shall carry out DMC management on SS3.	M	SS3 will be replaced
4.9	The Contractor shall provide appropriate storage facilities for in scope Light Weapons.	1	
4.9.1	The Contractor shall provide a stocktaking capability.	1	
4.9.2	The Contractor shall provide the Authority with stock optimisation recommendations on a quarterly basis.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.10	The Contractor shall deliver an Assembly and Integration Service for Light Weapons and materiel.	1	
4.10.1	The Contractor shall deliver the Assembly and Integration Service in accordance with schedules directed by the Authority	1	
4.10.2	The Contractor shall deliver the Assembly and Integration Service in accordance with relevant specifications.	1	
4.11	The Contractor shall output all Light Weapons equipment to A1 standard.	1	
4.11.1	The Contractor shall deliver Level 1-4 Repair and Maintenance in accordance with specifications directed by the Authority.	1	
4.12	The Contractor shall provide an issuing capability for items in scope.	1	
4.12.1	The Contractor shall have the ability to issue Light Weapons equipment to the Authority.	1	
4.12.2	The Contractor shall have the ability to issue Light Weapons equipment to trade.	1	
4.12.3	The Contractor shall have the ability to issue Light Weapons equipment to non-Authority customers.	1	

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4.12.4	The Contractor shall have the ability to issue Light Weapons equipment to non-Authority suppliers.	1	
4.12.5	The Contractor shall provide a delivery service for all in -scope Light Weapons equipment.	1	
4.12.6	The Contractor shall inform the Authority of any inabilities to issue equipment in accordance with the required timescales.	1	
4.13	The Contractor shall undertake the implementation of the new arrangements without interruption to service delivery.	1	
4.14	The Contractor shall provide representation within the Joint Management Board (JMB) to provide governance for the Light Weapons SSS solution.	1	
4.14.1	The Contractor shall provide all required management information to the Joint Management Board (JMB).	1	
4.14.2	The Contractor shall propose changes as part of the JMB.	1	
4.14.3	The Contractor shall assess the impact of changes as part of the JMB.	1	
4.15	The Contractor shall provide suitable representation at meetings about the supply chain.	1	
4.16	The Contractor shall be compatible with a Total Support Force (TSF) structure, in accordance with terms and conditions that enable deployability and sponsored reserves.	1	
4.17	The Contractor shall provide the Authority with a suite of up-to-date management information on a weekly basis.	1	
4.17.1	The Contractor shall deliver management information as requested by the Authority, to reflect receipt activity.	1	
4.17.2	The Contractor shall deliver management information as requested by the Authority, to reflect issue activity.	1	
4.17.3	The Contractor shall deliver management information to reflect maintenance activity.	1	
4.17.4	The Contractor shall deliver management information to reflect rectification work.	1	
4.17.5	The Contractor shall provide management information which reflects storage status.	1	
4.17.6	The Contractor shall provide management information which reflects maintenance schedules.	1	
4.17.7	The Contractor shall provide management information which reflects locations.	1	
4.17.8	The Contractor shall enter all performance management data on Authority defined MI systems.	1	
4.17.9	The Contractor shall ensure the accuracy of SS3 data.	M	SS3 will be replaced
4.17.10	The Contractor shall ensure the integrity of SS3 data.	M	SS3 will be replaced

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4.18	The Contractor shall deliver a disposal capability for in scope Light Weapons equipment as required by the Authority.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.18.1	The Contractor shall propose disposals.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.18.2	The Contractor shall develop business cases for disposal recommendations within 5 working days of identification of Requirement.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.18.3	The Contractor shall develop business cases for write off recommendations within 5 working days of identification of Requirement.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.18.4	The Contractor shall implement disposal plans.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function
4.18.5	The Contractor shall establish disposal routes with the Disposal Services Authority (DSA) where they do not already exist.	1	It is anticipated that this activity will be undertaken under the Inventory and Repair Management function

9B. Statement of Requirement and Specifications for Delivery: Army HQ Fleet Management			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall provide support to Army HQ in understanding equipment outputs. The Contractor shall also provide support to Army HQ in cost-optimising equipment outputs.			
2. Forecast of Service			
N/A			
3. Locations			
The Contractor shall deliver these services from Army HQ Andover, unless the Contractor can demonstrate the ability to derive and share benefit from the use of alternative sites. The Contractor shall be present in Army HQ when required by the Authority.			
4a. Output Requirements - Basic Service			
4a.1	The Contractor shall assist the Authority in delivering the Command Equipment Plan, at the best value to Defence.	K	

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4a.2	The Contractor shall provide the Authority with key conclusions from the analysis of Army fleets.	1	
4a.2.1	The Contractor shall provide the Authority with key conclusions from analysis of fleet locations, to assist the Authority in setting equipment demand.	1	
4a.2.2	The Contractor shall provide the Authority with key conclusions from analysis of fleet numbers, to assist the Authority in setting equipment demand.	1	
4a.2.3	The Contractor shall provide the Authority with key conclusions from analysis of fleet composition, to assist the Authority in setting equipment demand.	1	
4a.2.4	The Contractor shall assist the Authority in understanding the engineering state/historic usage/forecast usage/allocations of equipment.	1	
4a.2.5	The Contractor shall assist the Authority in understanding the engineering state of equipment.	1	
4a.2.6	The Contractor shall assist the Authority in understanding the historic usage of equipment.	1	
4a.2.7	The Contractor shall assist the Authority in understanding the forecast usage of equipment.	1	
4a.2.8	The Contractor shall assist the Authority in understanding allocations of equipment.	1	
4a.2.9	The Contractor shall assist the Authority in understanding the relationships between reliability, cost and usage.	1	
4a.3	The Contractor shall provide the Authority with in-service equipment information and ad-hoc tasks, in support of routine D Eqpt or wider Authority activities.	1	
4a.4	The Contractor shall assist the Authority in identifying future equipment shortfalls in forecast demand and managing priorities.	1	
4b. Output Requirements - Incentivised Service			
4b.1	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimisation.	1	
4b.1.1	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising the distribution of equipment within the Command Equipment Plan.	1	
4b.1.2	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising the utilisation of equipment within the Command Equipment Plan.	1	These proposals will be presented as a high level business case and, if directed by the Authority, an outline implementation plan.
4b.1.3	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising the management of equipment within the Command Equipment Plan.	1	These proposals will be presented as a high level business case and, if directed by the Authority, an outline implementation

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			plan.
4b.1.4	The Contractor shall provide the Authority with correct and valid evidence-based proposals for cost-optimising equipment support solutions within the Command Equipment Plan.	1	These proposals will be presented as a high level business case and, if directed by the Authority, an outline implementation plan.
4b.1.5	The Contractors shall ensure proposals align to the strategic priorities of AD Eqpt Ops, as outlined in the Annual Plan.	1	
4b.2	The Contractor shall provide the Authority with a summary of analysis undertaken on relevant data relating to Army fleets.	1	This analysis may be undertaken on either Authority or Contractor systems.
4b.3	The Contractor shall assist the Authority in generating the evidence for fleet changes.	1	
4b.3.1	The Contractor shall assist the Authority in using existing tools to deliver the evidence for fleet changes.	1	
4b.3.2	The Contractor shall propose additional tools where gaps in the data require filling to provide a tangible advantage.	1	

10B. Statement of Requirement and Specifications for Delivery: A Vehicle SSS			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall deliver end to end vehicle support for specified in-scope equipment, across different environments (e.g. training, operations, sustainability) and different geographies, in order to meet demand specified by the Authority, upkeep Front Line capabilities and ensure value for money.			
2. Forecast of Service			
The Contractor shall provide the Service as set out for the SSS end state articulated within the Transformation plan which will be developed jointly with the Authority. The starting point for these plans will be proposals through the Service Delivery Plan for measuring activity levels, proposals for a predictable pricing mechanism and the extant fleet of armoured vehicles.			
3. Location for Delivery			
The Contractor shall have the ability to determine sites from which to conduct these services. Equipment will be delivered to locations across international Authority locations, as per Requirement 4.6, up to Purple Gate.			
4. Output Requirements			
4.1	The Contractor shall provide vehicle availability for the following vehicles: Warrior (ex CSP), Challenger 2 (ex LEP), DTT, Trojan, Titan, CRARRV, CVR(T), BRV,	TBD	

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	BV206, Panther, Bulldog, AS90 and relevant trailers in the build standard agreed by the Authority to meet the forecast demand of the Authority.		
4.2	In the event of vehicle breakdown or failure while with the Authority, the Contractor shall remedy the situation, either through repair, replacement or agreed concession.	TBD	
4.3	The Contractor shall manage the NSNs identified as obsolete in an appropriate manner (including disposal) to uphold the agreed build standard.	TBD	
4.4	The Contractor shall ensure that provision is made for Authority specified fleets to be deployed at a set notice period in line with Authority defined readiness levels.	TBD	
4.5	The Contractor shall have responsibility for assuring that equipment is at a Authority-defined theatre readiness standard where necessary and requested by the Authority	TBD	
4.6	The Contractor shall have the ability to collect/deliver inventory/equipment to/from sites identified by the Authority as required.	TBD	
4.7	The Contractor shall have the ability to perform Level 1-4 MRO tasks on all in-scope equipment.	TBD	
4.8	The Contractor shall develop a maintenance regime for in-scope vehicles as agreed by the Authority.	TBD	
4.9	The Contractor is responsible for working with the Design Authority for in-scope vehicles to establish the required technical and quality standards.	TBD	
4.10	The Contractor shall deliver the inventory and equipment in accordance with the required standards as defined by the Authority and at the time required by the Authority.	TBD	
4.11	The Contractor shall provide consumables and repairables for in-scope equipment at the agreed equipment build standard to meet the forecast demand of the Authority.	TBD	
4.12	The Contractor shall provide the Authority with reliable data from the Contractor's relevant systems to support the Authority's decision making, assurance, governance and control.	TBD	
4.13	The Contractor shall conduct support activities within the tolerances of any Authority defined assurance and compliance framework regarding safety, engineering, supportability, finance, commercial, performance and project control.	TBD	
4.14	The Contractor shall ensure that the training required to maintain REME skill levels is delivered in line with defined Requirements agreed jointly with the Authority.	TBD	
4.15	The Contractor shall identify and enact efficiencies and interventions that reduce support costs or improve Authority benefits.	TBD	
4.16	The Contractor shall notify the Authority of any changes made to support processes that have an impact on	TBD	

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	Authority activities and the associated risk.		
4.17	The Contractor shall use the Storage and Distribution Services of LCS as directed by the Authority unless a suitable alternative that can prove Value for Money is agreed with the Authority.	TBD	
4.18	The Contractor shall have the ability to revert to the current support processes within a timescale defined by the Authority.	TBD	

11B. Statement of Requirement and Specifications for Delivery: B Vehicle SSS			
ID	Requirement	Priority	Remarks
1. High Level Statement of Work			
The Contractor shall deliver end to end vehicle support for specified in-scope equipment, across different environments (e.g. training, operations, sustainability) and different geographies, in order to meet demand specified by the Authority, upkeep Front Line capabilities and ensure value for money.			
2. Forecast of Service			
The Contractor shall provide the Service as set out for the SSS end state articulated within the Transformation Plan which will be developed jointly with the Authority. The starting point for these plans will be proposals through the Service Delivery Plan for measuring activity levels, proposals for a predictable pricing mechanism and the extant fleet of B-class vehicles.			
3. Location for Delivery			
The Contractor shall have the ability to determine sites from which to conduct these services. Equipment will be delivered to locations across international Authority locations, as per Requirement 4.6, up to Purple Gate.			
4. Output Requirements			
4.1	The Contractor shall provide vehicle availability for the following equipments: Support Vehicle, Wheel Tanker, Pinzgauer, Land Rover and relevant trailers at the build standard agreed by the Authority to meet the forecast demand of the Authority.	TBD	
4.2	In the event of vehicle breakdown or failure while with the Authority, the Contractor shall remedy the situation, either through repair, replacement or agreed concession.	TBD	
4.3	The Contractor shall manage the NSNs identified as obsolete in an appropriate manner (including disposal) to uphold the agreed build standard.	TBD	
4.4	The Contractor shall ensure that provision is made for Authority specified fleets to be deployed at a set notice period in line with Authority defined readiness levels.	TBD	
4.5	The Contractor shall have responsibility for assuring that equipment is at a Authority-defined theatre readiness standard where necessary and requested by the Authority	TBD	
4.6	The Contractor shall have the ability to collect/deliver inventory/equipment to/from sites identified by the Authority as required.	TBD	
4.7	The Contractor shall have the ability to perform Level 1-	TBD	

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	4 MRO tasks on all in-scope equipment.		
4.8	The Contractor shall develop a maintenance regime for in-scope vehicles as agreed by the Authority.	TBD	
4.9	The Contractor is responsible for working with the Design Authority for in-scope vehicles to establish the required technical and quality standards.	TBD	
4.10	The Contractor shall deliver the inventory and equipment in accordance with the required standards as defined by the Authority and at the time required by the Authority.	TBD	
4.11	The Contractor shall provide consumables and repairables for in-scope equipment at the agreed equipment build standard to meet the forecast demand of the Authority.	TBD	
4.12	The Contractor shall provide the Authority with reliable data from the Contractor's relevant systems to support the Authority's decision making, assurance, governance and control.	TBD	
4.13	The Contractor shall conduct support activities within the tolerances of any Authority defined assurance and compliance framework regarding safety, engineering, supportability, finance, commercial, performance and project control.	TBD	
4.14	The Contractor shall ensure that the training required to maintain REME skill levels is delivered in line with defined Requirements agreed jointly with the Authority.	TBD	
4.15	The Contractor shall identify and enact efficiencies and interventions that reduce support costs or improve Authority benefits.	TBD	
4.16	The Contractor shall notify the Authority of any changes made to support processes that have an impact on Authority activities and the associated risk.	TBD	
4.17	The Contractor shall use the Storage and Distribution Services of LCS as directed by the Authority unless a suitable alternative that can prove Value for Money is agreed with the Authority.	TBD	
4.18	The Contractor shall have the ability to revert to the current support processes within a timescale defined by the Authority.	TBD	