

**Schedule 1 to MEDGS/00292**

**STATEMENT OF REQUIREMENTS**

REQUIREMENT NUMBER AND TITLE	DESCRIPTION OF REQUIREMENT
1 OVERVIEW	1.1 This is the Statement of Requirement (StOR) for the supply and delivery of the Batteries range against the timescales specified within this document. It should be read in conjunction with the Schedule of Requirement (SOR), which defines the items to be supplied and the overarching Terms and Conditions of the Contract. This is to be a 2-year enabling agreement.
	1.2 The services to be provided are as follows:  a) To supply Batteries and Associated items as and when demanded to the specifications listed in the SOR and as amended by the Authority during the contract period.  b) To provide product support services relating to the items supplied.
	1.3 The definitions and defined terms used in this document are explained at Annex C to the StOR.
2. READINESS REVIEW	2.1 The Contractor shall be expected to be ready to commence the provision of the Services detailed within this StOR and shall be able to demonstrate that a fully operative supply chain is in place on the commencement date specified in the SOR.
	2.2 The Contractor shall, within 8 weeks of the award of the contract, provide an initial Risks and Issues Register. The Contractor should also provide details of how this register will be managed and maintained.
	2.3 If, for any reason the Authority is not content with any of the plans presented, the Contractor shall, in negotiation with the Authority, make the necessary adjustments within 5 working days.
3. REQUIREMENT	3.1 The Contractor shall provide items listed within the SOR in response to customer demands:  a) Within the agreed contract lead times specified by the required delivery date in the demand.

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	<ul style="list-style-type: none"> <li>b) To the quantities required against each demand line item</li> <li>c) When delivered, to meet the minimum shelf life criteria as highlighted in the SOR and in accordance with Specification.</li> <li>d) Delivered, carriage paid, unless otherwise stated by the Demander in the demand details, into Logistics Services Depots at Donnington in Shropshire and Bicester in Oxon. Full details are at Annex B to the StOR.</li> <li>e) Packaged and labelled in accordance with Specification (see para 6)</li> </ul>
	3.2 The Articles covered by the Framework Agreement are detailed in the SOR.
	3.3 The framework agreement shall cover all Demand Orders issued by the Authorized Demander(s) from the commencement date for 2 years. After the expiry of this period, no new Demand Orders will be placed under this framework. Direct supply demanders can be found at Annex E
	3.4 The quantities referred to in the SOR are estimates only. The Authority may order more or less than the estimated quantities. In any event the Authority shall not be bound to order any items referred to in the SOR nor to accept or to pay for any items other than those actually ordered.
	3.5 The Contractor shall supply items to the latest specification shown within the SOR unless subsequently amended by the authority.
	3.6 The Authority will accept Minimum Order Quantities (MOQs) however it must be demonstrated that this is warranted by order volumes under the contract and agreed by the Authority. Otherwise, the Contractor must manage MOQs where they are imposed by suppliers. Once MOQ'S are agreed these are to remain and not changed.
	3.7 If the Contractor can only meet the requirements of a specific demand by delivering items that do not satisfy the Shelf Life requirement defined in the previous paragraph, then the Contractor shall make a written application to the Authority for an exemption stating the reason for the request. The Authority will, at its discretion, consider a request to deliver an item with less than the minimum Shelf Life remaining. If the request is declined then the responsibility rests with the Contractor to satisfy the demand in accordance with the requirements of the contract.
	3.8 <b>Customer Advice and Support Service.</b> The Contractor shall provide Subject Matter Experts (SMEs) who can supply a Support Service to the Authority in written and/or verbal form which shall include, but may not be limited to, the

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	<p>following:</p> <ul style="list-style-type: none"> <li>a) Demand and delivery status information on request;</li> <li>b) Technical advice, guidance and/or safety characteristics of the items supplied .</li> <li>c) Advice on changes in manufacturing, technical standards, legislation that may affect the products.</li> <li>d) Advice of a change in Health and Safety or other legal requirement, affecting procurement, storage, packaging, use or transportation of an item</li> <li>e) Methods of reducing waste with recommendations for corrective action where appropriate;</li> <li>f) Advice on methods of reducing costs.</li> </ul>
	3.9 The Contractor shall ensure that all telephone calls shall be picked up or routed to a recording device in a timely manner.
	3.10 Urgent technical advice queries shall receive immediate attention and a full response shall be provided within 24 hours where practical.
	3.11 All technical advice queries shall be actioned and an initial response provided within 5 working days.
	<p>3.12 Where an item is found to be defective by the Authority, an associated Defect Report will be raised and will require the support of the Contractor to investigate and respond within 10 working days. There are 3 types of report covering the 3 Services:</p> <ul style="list-style-type: none"> <li>a) Army – Equipment Failure Reports (EFRs);</li> <li>b) Navy – S2022;</li> <li>c) AIR – Mod Form 760.</li> </ul>
4 QUALITY MANAGEMENT	4.1 The Contractor is responsible for ensuring that the quality of the articles and materials supplied and from all Sub-Contractors conform to the requirements of the Contract. The Contractor shall maintain an effective quality management system in accordance with BS EN ISO 9001:2008 - Quality Management Systems – Requirements, issued by a UKAS

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	recognised 3 <sup>rd</sup> party certification body, and the AQAP 2100 series, notably AQAP 2130 and all amendments
	<p>4.2 Overseas Guidance</p> <p>Appropriate certification also includes third party certifications issued in overseas countries by members of a Multi-Lateral Agreement (MLA), in which UKAS participates.</p> <p>UKAS now participates in two MLAs which expand further the UK's recognition of quality management system certificates issued in other countries; these are:</p> <ul style="list-style-type: none"> <li>• The European co-operation for Accreditation – Multi-Lateral Agreement (EA-MLA); and</li> <li>• The International Accreditation Forum – Multi-Lateral Agreement (IAF-MLA)</li> </ul> <p>UKAS has confirmed that accreditation by a signatory of either MLA is equivalent to its own.</p>
	<p>4.3 Reference Documents</p> <p>The following documents shall be referenced in the Contractor's Quality Management System:</p> <ul style="list-style-type: none"> <li>• BS EN ISO 9001:2008 - Quality Management Systems - Requirements</li> <li>• AQAP 2130 - NATO Quality Assurance Requirements for Inspection and Test</li> <li>• Defence Standard 05-61 - Quality Assurance Procedural Requirements, Part 1 Concessions.</li> <li>• DEFCON 602B – Quality Assurance - Without Deliverable Quality Plan</li> <li>• DEFCON 627 - Quality Assurance - Requirement for a Certificate of Conformity.</li> </ul>
5 ORDERING	5.1 Only the Authorised Demander can place orders.
	5.2 The Authorised Demanders shall predominately place orders using electronic orders on the Purchase-to-Payment (P2P) Application. However, initially some manual orders may be placed using DEFFORM 300AC (Edition 10/09) which utilizes the MOD Form 640 method of payment, and the contract will be amended to include DEFCON 5 (Edition 07/99).

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	Information on the P2P Application is available at <a href="http://www.d2btrade.com">www.d2btrade.com</a> . Annex G has further information.
	5.3 The Contractor shall, within 3 months of the contract start date, have the capability to receive; process, and acknowledge orders sent via the P2P Application.
	5.4 The Contractor shall acknowledge receipt of each order placed by the Authority within 3 working days. The delivery lead time shall commence from the acknowledgement of the order.
	5.5 If the Contractor fails to acknowledge within 3 working days an order placed by the Authority, then the delivery lead time shall commence from the date the order was placed by the Authority plus 3 working days.
	<p>5.6 Each order will contain, as a minimum:</p> <ul style="list-style-type: none"> <li>a) Demanding Authority details;</li> <li>b) Contract number and unique order number;</li> <li>c) Delivery address;</li> <li>d) The item(s) demanded, including: <ul style="list-style-type: none"> <li>(1) NATO Stock Number (NSN);</li> <li>(2) Manufacturer reference/part number where relevant;</li> <li>(3) Full item description;</li> <li>(4) Defence and/or British Standard requirements;</li> <li>(5) Denomination of quantity (DofQ);</li> <li>(6) Quantity;</li> <li>(7) Required delivery date;</li> </ul> </li> </ul>
	5.7 The Authority may cancel any order prior to its dispatch.

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	5.8 The Contractor shall raise invoices via the P2P Application.
	5.9 The Authority shall pay invoices via the P2P Application.
	<p>5.10 In the event of unforeseen operations, environmental disasters or other unplanned events, there may be an increase in one or all of the following:</p> <ul style="list-style-type: none"> <li>a) Number of orders placed;</li> <li>b) Quantity of Items ordered;</li> <li>c) Shorter delivery lead-times as opposed to those stated on the contract.</li> </ul> <p>Such increases above predicted levels shall be termed 'Surge'. Surge will be defined and notified by the Authority. The Authority shall endeavour to supply the Contractor with advance notice of such surges in so far as it is able to do so. The Contractor shall use their best endeavours to satisfy the increased order and meet the Authority's requirements. Where it is not possible, the Contractor shall work with the Authority to agree alternative acceptable arrangements.</p>
6. PACKAGING AND LABELLING	<p>6.1 The Contractor shall ensure that each article:</p> <ul style="list-style-type: none"> <li>a) May be transported to the consignee nominated in the order in an undamaged and serviceable condition.</li> <li>b) Is labelled, as stipulated in DEFCON129 Edition (07/13), to enable the contents to be received and identified with the Defence Supply Chain without the need to breach the package.</li> </ul>
	6.2 Articles are to be packaged and labelled in accordance with the Commercial Packaging standards set out in DEFCON 129 (Edition 07/13). Articles are to be supplied in their Primary Packaging Quantity (PPQ) with each article labelled as per the specification and each package labelled as per DEFCON 129 (Edition 07/13) and in accordance with legislation.
	6.3 Primary Packaged Quantity (PPQ) packs, overpacks and consignment packs are to be filled to capacity to provide further protection against their collapse when palletized; voids shall be filled with appropriate packaging materiel.
	6.4 Consignment packs delivered in response to electronic P2P orders shall carry a fully completed DEFFORM 129J

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	shipping label.
	6.5 Consignment packs delivered in response a manual order shall carry a fully completed MOD Form 640 (Delivery and Acceptance Form).
	6.6 Where possible labels shall be positioned on each consignment pack such that the carton could be opened for examination without damage to the labels.
	6.7 The consignment pack that contains the consignment documentation is to be clearly marked 'Documentation Here'.
	6.8 In accordance with Dangerous Goods legislation as indicated by the MOD Hazard Codes in column L on the Schedule of Requirements are to be packed, labelled and documented to Dangerous Goods legislation for transport by (AIR), Surface road (ADR), Rail (RID) and Sea (IMDG). MOD Hazard Codes and definitions are presented in Annex E to the schedule of requirements.
	6.9 Notwithstanding this condition, the Contractor is responsible for the selection of packaging materials and processes as set forth in condition 6.6 of DEFSTAN 81-41 Part 1 Issue 7 and for ensuring that the aforesaid selection is in conformance with the requirements of the Authority and is in accordance with Civil and Transport Regulations.
	6.10 In addition to the retail trade packaging requirements specified in DEFCON 129 (Edition 07/13), each primary package shall be marked with a label containing the following information as a minimum: NSN DMC/IMC Demand Order Number DofQ PPQ Weight of individual articles Combined weight of package Batch details Date of Manufacture / Expiry Date
	6.11 Pallet and Wooden Packing Material. In addition to the provisions of DEFCON 691 (Edition 03/13), all delivered timber shall be treated to prevent the transmission of the pinewood nematode and other pests in accordance with the International Standard for Phytosanitary Measures – 15 (ISPM-15) on wood-based packaging material (WBPM) (see DEFCON129 (Edition 07/13). All delivered timber shall be marked with a stamp to confirm that this requirement has been met. Annex H has further information

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7. DELIVERY	7.1 All orders are to be delivered in accordance with the Required Delivery Date stated on the order. Earlier deliveries will be accepted, and indeed encouraged. The delivery dates will be in the region of 30 working days unless there is a justifiable reason and that it is stated in the SOR. There may be urgent operational requirements which will necessitate a delivery date prior to 30 working days but these will be minimal and by exception.
	7.2 The Contractor shall deliver the items to the delivery point address specified within the order ensuring that the storage and transportation of items is carried out in compliance with regulatory, statutory and manufacturer's specifications.
	7.3 In order to make a delivery to the Logistics Services Depot Donnington and Bicester, the Service Provider will be required to contact the depot and reserve a specific delivery date and time slot. The associated contact details to book a delivery slot are listed at Annex B to the StOR.
	7.4 In the event that any changes occur, e.g. in delivery timescale, before the demand has been satisfied then the Contractor shall immediately notify the Authority to seek agreement to the change. If approval is not granted by the Authority, the Contractor shall implement the necessary mitigating actions to enable the original order requirements to be honoured.
	7.5 If any problems arise during any procurement of any item on the SOR the provider is to contact Authority's Contract Manager as first point of contact.
8. REJECTION AND RECTIFICATION	8.1 <b>Supply of New and Equivalent Alternative Items.</b> Where the Contractor wishes to supply an equivalent alternative to any item identified in the SOR, the Contractor shall contact the Authority's Contract Manager in writing to consider the equivalent alternative item:
	8.2 The Contractor shall bring to the attention of the Authority any item(s) that are approaching obsolescence and propose replacement items for the Authority's approval (minimum 60 working days from submission) to minimise any impact on meeting customer requirements.
	8.3 <b>Defective or Incorrect Items Received.</b> Where any item(s) received by the Authority is deemed to be either defective or a non-compliant receipt for the following reasons (but not limited to):  not the item ordered;

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	<p>incorrect packaging;</p> <p>incorrect labelling;</p> <p>incorrect quantity;</p> <p>Incorrect specification</p> <p>The Contractor shall immediately instigate the collection and rectification of that item(s) within 10 working days.</p>
	<p>8.4 The Contractor shall, within 24 hours of notification of the defective/incorrect item, confirm in writing (email) to the Authority issue details and timescales relating to the supply and delivery of the replacement item.</p>
	<p>8.5 Once rectification action has been taken, the Contractor shall detail the preventative action taken to avert a reoccurrence of the non-conformance.</p>
	<p>8.6 <b>Product Alerts and Recalls.</b> It will be incumbent upon the Contractor to ensure that they are up to date with all recalls and alerts, irrespective of the issuing authority (Original Equipment Manufacturer (OEM), legislation etc).</p>
	<p>8.7 The Contractor shall alert and notify the Authority's Contract Manager immediately they become aware of any potential or actual health and safety or quality issue or a requirement for a product recall. If the initial alert/notification is made verbally, then it is to be followed up with written confirmation within 24 hours (e.g. e-mail).</p>
	<p>8.8 Within 5 working days of an alert or recall being identified, the Contractor shall propose a Recall Plan, which shall include as a minimum the proposed arrangements for:</p> <ul style="list-style-type: none"> <li>a) The collection or disposal of the faulty items;</li> <li>b) The issue of replacement items where this is appropriate or where a replacement item is not appropriate, to provide a Credit Note to the Authority within one calendar month.</li> <li>c) The costs for replacement of items not supplied under this contract.</li> </ul>
	<p>8.9 The Authority shall review the proposed Recall Plan and provide approval or identify any changes required to it and will notify the Contractor within 5 working days.</p>

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	8.10 The Contractor shall implement the Recall Plan within 5 working days once confirmation to proceed has been granted by the Authority.
9. CUSTOMER SATISFACTION AND COMPLAINTS	9.1 The Contractor shall ensure that customers will be able to report complaints to a single source of contact by e-mail, phone or fax. For the avoidance of doubt, any contact by a customer relating to the failure of any service shall be treated as a complaint.
	9.2 All Customer complaints will be logged, allocated a unique reference number and acknowledged within five working day of receipt.
	9.3 The Contractor will investigate the complaint, obtaining any necessary information from the Customer and provide a response with a proposed resolution within 5 working days of receipt.
	9.4 If the Customer is not satisfied, the complaint will be escalated to the Authority Contract Manager and Contractor senior management.
	9.5 Where systematic failures of the Services are identified the Contractor shall, within 5 working days of notification, propose changes to eliminate these failures to the Authority's Contract Manager.
	9.6 The Authority shall approve or provide comment on the proposed changes within 10 working days of notification if practical.
	9.7 The Contractor shall, where comments are received, address these comments within 5 working days and resubmit their proposal for the Authority to approve.
	9.8 The Contractor shall implement the agreed changes to the timescales agreed.
	9.9 The Contractor shall review the implemented changes and report back to the Authority at the following Review Meeting.
10. PERFORMANCE MONITORING	10.1 The Contractor shall deliver complete and accurate monthly management information reports in the format outlined at Annex D to the StOR, in order for the Authority to monitor performance.
	10.2 The Contractor shall issue the following information based upon the activity over the preceding calendar month:  a) The number and value of line items ordered which are outstanding for the timescales specified below, clearly detailing the time outstanding, reason for delay and revised delivery date. For those outstanding demands where a

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	<p>revised delivery date has been provided but then also missed, the Contractor is to list all forecast and missed delivery dates against that demand until it is fulfilled:</p> <ol style="list-style-type: none"> <li>(1) Over 7 days outstanding (including weekends and bank holidays);</li> <li>(2) More than 7 days and less than 30 days outstanding (including weekends and bank holidays);</li> <li>(3) In excess of 30 days outstanding (including weekends and bank holidays);</li> <li>(4) In excess of 90 days outstanding (including weekends and bank holidays).</li> </ol> <p>b) The total number of queries, technical or otherwise, received in the preceding calendar month broken down by type and category, expressed as a number and also as a percentage against the total number of queries received to show:</p> <ol style="list-style-type: none"> <li>(1) The number queries resolved.</li> <li>(2) The number of queries outstanding, annotated with length of time and reason for delay;</li> <li>(3) The status of those queries outstanding;</li> <li>(4) The number of queries not answered on the initial call;</li> </ol>
	<p>10.3 All management information reports shall be delivered to the Authority's Contract Manager within 5 working days following the end of each calendar month.</p>
	<p>10.4 The Contractor shall capture and record all information required to enable the Contractor's performance to be measured and reported on. All reports shall be submitted to the Authority in electronic format compatible with MS Office 2003 (or later versions as agreed with the Authority). Interim reports when requested by the Authority shall be issued by the Contractor within 5 working days of that report being requested. The Authority reserves the right to develop and amend the content of reports and reporting processes with the Contractor.</p>
<p>11. CONTINUOUS IMPROVEMENT</p>	<p>11.1 The Contractor shall recommend to the Authority changes and improvements to processes and/or procedures that</p>

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	will result in a benefit to the Authority as they become aware of them.
	11.2 The Contractor shall only implement these changes and improvements when approved and authorised to do so by the Authority's Contract Manager.
	<p>11.3 The Contractor shall work with the Authority to continually improve the performance and value for money of the service, including:</p> <ul style="list-style-type: none"> <li>a) Reducing the cost of the Goods and Services to the Authority;</li> <li>b) Using innovation to improve the service through rationalisation and standardisation across the inventory ranges.</li> </ul>
	11.4 The Contractor shall maintain records of improvements and their associated benefits (both hard and soft).
12. MEETINGS	<p>12.1 The Contractor shall be responsible for arranging all meetings, including:</p> <ul style="list-style-type: none"> <li>a. Identifying and inviting all attendees one calendar month prior to quarterly meetings.</li> <li>b. Ensuring that the venue and any required facilities are available. The location of the meetings is to be agreed by the Authority;</li> <li>c. The Contractor is to supply full Secretarial Support for all meetings, to provide agenda's and all supporting documents to all attendees;</li> <li>d. Prepare draft minutes of all meetings with the Authority and issuing them to the Authority for review within 5 working days of each meeting;</li> <li>e. Within 5 working days of receipt of comments from the Authority, updating the draft minutes to incorporate the Authority's comments and re-issuing the minutes in final form.</li> </ul>
	12.2 Contract Review Meetings will be held quarterly and attended by the Contractor's Manager, the Authority's Contract Manager and other staff deemed appropriate by the Authority. The meeting will review and discuss the performance against the monthly reports during the previous calendar month and also address any issues, and review the risks, or additional agenda items identified by the Contractor and/or the Authority

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13. END OF CONTRACT ACTIVITIES	13.1 During the Exit Period, the Contractor shall work with the Authority, supplying any information requested by the Authority to enable effective re-competition of the Contractor's role.
	13.2 The Contractor shall work with the Authority and any future Contractor for a period of up to 6 months prior to contract end, to ensure the continued provision of all services to the Authority during the transition to the new Contractor.
	13.3 Upon commencement of any subsequent contract with a Future Contractor, the Contractor shall, for 6 months after the subsequent contract start answer any queries posed by either the Authority or the Future Contractor.

Annexes:

- A. Schedule of requirements
- B. Depot Instructions.
- C. Definitions and Defined Terms.
- D. Management Information Report
- E. Delivery Sites
- F. MOD Hazard Categories and Definitions
- G. DECS / P2P
- H. Pallet specification

