

BAE SYSTEMS PROPRIETARY

**BAE SYSTEMS**

BAE Systems  
GCS International Limited  
Barrow-in-Furness, Cumbria  
LA14 1AF United Kingdom

2<sup>nd</sup> February 2024

**REDACTED Official Sensitive Personal**

Artillery Systems  
Ministry of Defence  
Abbey Wood #4110,  
Bristol  
BS34 8JH

Our ref: COMM/EH/NA2385  
Your Ref: 706506451

Dear **REDACTED Official Sensitive Personal**

,

**Design Organisation (DO) for the L118 Light Gun (LG) WP 31 – Spares**

**REDACTED OFFICIAL SENSITIVE COMMERCIAL**

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1. The above prices assume that this non-core task will run alongside the core contracting period of 2024-2029.
2. The above Proposal assumes the placement of orders will continue to be received through the existing Contractual mechanism – Babcock to BAE Systems.
3. The KPI's that address this package of work can be found at V1.11 25.01.2024 however this is still to be formally agreed.
4. The above proposal is based on a mutually agreeable payment terms of monthly in arrears.
5. Based on core pricing, the optional years and Adhoc tasks we have determined that this contract fits the criteria for Qualifying Defence Contract. Please see applicable 6 step profit calculation.
6. The rates utilised are based on the QMAC agreed for 2023.
7. The above Proposal assumes a Contract Start Date of 1<sup>st</sup> March 2024. Should contract agreement not be reached before this date, BAE Systems reserves the right to reprice our proposal accordingly.
8. There is an opportunity for BAE Systems to hold stock on behalf of the Authority to improve lead times and allow the Authority to benefit from Economies of Scale in ordering larger quantities. If this of interest to the Authority we would welcome a discussion on funding for this.

**Terms and Conditions:**

The above reference proposal is based on the assumption we will reach a mutually agreeable position on Terms and Conditions under the core element of this contract.

It is also assumed that a mutually agreeable position will be reached on Intellectual Property Rights which is still to be finalised.

The proposal is valid until 29<sup>th</sup> February 2024 whereafter it may be amended or withdrawn.

Should you have any questions regarding this letter please do not hesitate to contact me.

Yours Sincerely  
for BAE Systems GCS International Limited

**REDACTED Official Sensitive Personal**  
**Commercial Officer**  
**BAE Systems**  
**GCS International Limited**

Tel : **REDACTED Official Sensitive Personal**

Email: **REDACTED Official Sensitive Personal**

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