



Section 1 – Form of Contract

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|---------------------------------|--|
| Framework Agreement for: | CONFLICT, STABILITY & SECURITY FUND (CSSF) FRAMEWORK 2023-2027 |
| Reference Number: | CPG/8015/2022 |
| Lot Number: | Lot 3 |
| Call-Off Title: | MOD - Complex Multiple Storey Relocatable Building for NATO Assigned Infantry and Special Forces for Krivolak Training Area (KTA) |
| Call-Off Reference: | 709222450 |

This Call-Off Contract is made between the Secretary of State for Defence, acting as part of the Crown (“the Authority”),

and

Sustainable Criminal Justice Solutions Community Interest Company (“the Supplier”) having their main or registered office at 1st Floor, Chandlery Building, School Lane, Southampton, Hampshire, SO31

(“the Parties”)

SIGNED on behalf of the Parties:

For the Supplier:

For the Authority:

By:

Full Name:

Full Name: E Harding

Position held on behalf of Supplier:

Position held on behalf of Authority:
Commercial Officer HO Commercial BP4
delivery team

Date:

Date: 11 Jan 2024

CSSF FRAMEWORK 2023 - CALL-OFF CONTRACT

| | |
|-----------------------------|--|
| Framework Agreement with: | Sustainable Criminal Justice Solutions Community |
| Company Number: | Interest Company 07869789 |
| Sub-Contractors/Consortia: | Gary Linton Services International (UK) |
| Company Number: | Eurotrade (GR) Ni-Com Trade (MK) |
| Framework Agreement for: | CONFLICT STABILITY & SECURITY FUND 2023 |
| Framework Agreement Number: | CPG/8015/2022 (Lot 3) |
| Call-off Contract For: | MOD - Complex Multiple Storey Relocatable Building for NATO Assigned Infantry and Special Forces for Krivolak Training Area (KTA) |
| Contract Number: | 709222450 |

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Section 2 – Call-Off Terms & Conditions

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1. The above mentioned Framework Agreement.

- 1.1. Capitalised terms used in this Call-Off Contract shall (save where specified otherwise) have the meaning set out in the Framework Agreement.

2. Your proposal of 24 Dec 2023.

- 2.1. The Authority requires Sustainable Criminal Justice Solutions Community Interest Company (“the Supplier”) to provide the Services as stated in the *Statement of Requirements* at Annex 1 and, under the Terms and Conditions of the Framework Agreement, which shall apply to this Call-off Contract as if expressly incorporated herein.

3. Commencement and Duration of the Services

- 3.1. The Supplier shall start the Services no later than 31 Jan 2024 (“the Start Date”) and Services shall be completed by 31 March 2024 (“the End Date”) unless the Call-off Contract is terminated or extended in accordance with the terms and conditions of the Framework Agreement and by contract variation.
- 3.2. The Authority reserves the right, without prejudice to its termination rights under the Framework Agreement, to terminate this Call-Off Contract (where it is a multi-year contract) at the end of each United Kingdom (UK) financial year, if the Supplier’s performance is not deemed satisfactory or the fund available to the CSSF programme is no longer sufficient to continue financing the programme.

4. Recipient

- 4.1. The Authority requires the Supplier to provide the Services to the Krivolak Training Area, North Macedonia (“the Recipient”).

5. Financial Limit

- 5.1. Payments under this Call-off Contract shall not exceed £ Two Hundred and Fifty Thousand (pounds) (“the Financial Limit”) and is exclusive of any government tax, if applicable as detailed in the Framework Agreement and the [Statement of Requirements \(Annex 1\)](#) and [Schedule of Prices and Rates \(Annex 2\)](#).
- 5.2. The Call-off Contract does not include an extension option.
- 5.3. To support invoicing the Supplier shall provide monthly financial statements, covering activities delivered together with the Contract reference number and Purchase Order number.
- 5.4. Payment of invoices will be made monthly in arrears on receipt of an itemised invoice.

6. Milestone Payments and Charges

- 6.1. Any Supplier Personnel employee fees payable are deemed to cover the cost of salary, overseas inducements, leave allowances, bonuses, profit, taxes, insurances, superannuation, non-working days and all other costs including, but not limited to, clothing, passports, visas and vaccinations, overheads and expenses of whatsoever nature that may be incurred except those otherwise specifically provided for in this Call-off Contract.
- 6.2. Where applicable Milestone Payments, will be made on satisfactory performance of the Services, at the payment points defined as per Schedule of Prices and Rates. At each payment point set criteria will be jointly agreed as part of the payments. Payment will be made if the criteria are met to the satisfaction of the Authority when the relevant Milestone is achieved in its final form by the Supplier or following completion of the Services, as the case may be, indicating both the amount or amounts due at the time and cumulatively. Payments are subject to the satisfaction of the Project Officer in relation to the performance by the Supplier of its obligations under the Call-off Contract and to verification by the Project Officer that all prior payments made to the Supplier under this Call-off Contract were

properly due.

7. Fixed Price

7.1. Where the Parties have agreed in the [Schedule of Prices and Rates \(Annex 3\)](#) that the Services will be provided on a fixed price basis, then the fixed price shall be paid according to the Schedule of Prices and Rates, which may relate to the achievement of specific Milestones as defined, dates or acceptance and shall be inclusive of all Supplier costs.

8. Time and Material

8.1. Where the Parties have agreed in the [Schedule of Prices and Rates \(Annex 3\)](#) that the Services will be provided on a time and materials basis, then:

- a) the Services shall be provided in accordance with the rate card set out in the Schedule of Prices and Rates;
- b) the Parties shall agree a maximum price, which shall include but not be limited to a resource profile, a fixed date to start and to complete and a set of deliverables, further details of which shall be agreed by the Parties in the Schedule of Prices and Rates;
- c) the Supplier shall attach to each invoice, records of the time spent and materials used in providing the Services, together with all supporting documentation including but not limited to all relevant timesheets, receipts (if applicable), a list of Services to which the invoice relates and a reference to the Contract and Schedule of Prices and Rates, as well as any other information as reasonably requested by the Authority from time to time;
- d) the Supplier must notify the Authority immediately if it becomes apparent that the cost to complete the Services will be in excess of the maximum price, and shall only proceed with and be paid for Services in excess of the maximum price with the prior written consent of the Authority.

9. Officials

9.1. The Authority Project Officer is Brian Katumba, the Authority Contract Officer is Elisabeth Harding.

10. Key Personnel

10.1. The following Supplier Personnel are the Key Personnel for the purposes of this Call-Off Contract:

| <i>Title:</i> | <i>Name:</i> | <i>Contact Number:</i> | <i>Email Address:</i> |
|----------------------|---------------------|-------------------------------|------------------------------|
| | | | |
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| | | | |

11. Monitoring and Contract Performance Reports

11.1. For the purpose of monitoring of performance, the Supplier shall submit project reports in accordance with the agreements and timescales contained in the [Statement of Requirement at Annex 1](#).

11.2. These provisions will include without limitation:

- i. random inspections;
- ii. regular meetings;
- iii. the regular delivery of written management reports;
- iv. monthly report on Key Performance Indicators.

11.3. All such agreements will be carried out by the Supplier in a timely manner, as reasonably required by the Authority, and in line with Good Industry Practice.

12. Duty of Care

12.1. Unless otherwise agreed, all Supplier Personnel (as defined in Section 2 of the Framework Agreement) engaged in connection with the performance of this Call-off Contract will come under the

duty of care of the Supplier. The Supplier will be responsible for all security arrangements and His Majesty's Government accepts no responsibility for the health, safety and security of individuals or property.

12.2. Unless otherwise agreed, the Supplier will be responsible for taking out insurance in respect of death or personal injury, damage to or loss of property, and will indemnify and keep indemnified the Authority in respect of any claim, howsoever arising, by the Supplier Personnel or any person employed or otherwise engaged by the Supplier, in connection with their performance under this Call-off Contract.

12.3. The Supplier will ensure that such insurance arrangements as are made in respect of the Supplier Personnel, or any person employed or otherwise engaged by the Supplier are reasonable and prudent in all circumstances, including in respect of death, injury or disablement, and emergency medical expenses.

12.4. The costs of any insurance specifically taken out by the Supplier to support the performance of this Call-off Contract in relation to duty of care may be included as part of the management costs of the project, and must be separately identified in all financial reporting relating to the project.

12.5. Where the Authority is providing any specific security arrangements for Suppliers in relation to the Call-off Contract, these will be detailed in the [Statement of Requirements at Annex 1](#).

13. Third Party Rights for Sub-Contractors

13.1. The Supplier shall ensure that all Sub-Contracts contain provisions to the effect of "in respect of security and secrecy, intellectual property and audit rights corresponding to those placed on the Supplier under this Contract (subject to such variations as the Authority may reasonably specify), which the Authority shall have the ability to directly enforce under the Contracts (Rights of Third Parties) Act 1999.

14. Call-off Contract Signature

14.1. If the original Form of Call-off Contract is not returned to the Contract/Project Officer (as identified at paragraph 9 above) duly completed, signed and dated on behalf of the Supplier within 10 working days of the date of signature on behalf of the Authority, the Authority will be entitled, at its sole discretion, to declare this Call-off Contract void.

15. Destruction and deletion of Authority Data and Confidential Information

15.1. Pursuant to:

- Clause 16.1.3 of the Framework Agreement requiring the Supplier to provide an inventory of Authority Data in its possession or control; and
- Clause 29 (Confidentiality);

The Supplier shall, at the written direction of the Authority, delete, destroy or return, as appropriate, all Authority Data and Confidential Information (and any copies of it) on termination of the Call-Off Contract.

16. Special Terms & Conditions

16.1. The Following Defence Conditions apply to this Call-Off Contract:

| Number | Edition | Title |
|-------------|----------|--|
| DEFCON 005J | 18/11/16 | Unique Identifiers |
| DEFCON 129J | 18/11/16 | The Use Of The Electronic Business Delivery Form |
| DEFCON 507 | 07/21 | Delivery |
| DEFCON 538 | 06/02 | Severability |
| DEFCON 566 | 10/20 | Change of Control of Contractor |
| DEFCON 632 | 11/21 | Third Party Intellectual Property Rights |

16.2. DEFCONS can be accessed at <https://www.kid.mod.uk/maincontent/business/commercial/index.htm>

Annex 1 – Statement of Requirements

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CSSF NORTH MACEDONIA (MKD): COMPLEX MULTIPLE STOREY RELOCATABLE BUILDING FOR INFANTRY TRAINING AT KRIVOLAK TRAINING AREA (KTA)

Statement of Requirements

1. Introduction

- 1.1. This Statement of Requirement (“SOR”) sets out Ministry of Defence (“MOD”) requirements for the Provision of a Complex Multiple Storey relocatable building for Infantry Training at Krivolak Training Area, North Macedonia (the “project”).
- 1.2. This SOR should be read in conjunction with the Invitation to Tender; CSSF Framework Agreement and sample Call-Off Contract.

2. Background and Objectives:

- 2.1. The Macedonian vision is to develop KTA as a regional centre for training light role infantry forces, airborne forces and SF for NATO operations. The training area offers outstanding and testing terrain. The Macedonian Training and Doctrine Command has a programme of activity to develop training estate infrastructure and support facilities, but do not have sufficient experience in modern dismounted close combat training, in general, and in training for contemporary operations ‘amongst the people’, in particular, to design and procure urban training facilities for KTA. US investment is also providing improvements at KTA and local engagement has ensured that the UK investment is complementary. [REDACTED]

- 2.2. [REDACTED]

3. Recipients and beneficiaries:

- 3.1. The main recipients will be the Army of the Republic of North Macedonia.
- 3.2. The wider beneficiaries will include UK Armed Forces & other NATO allies.

4. Scope of work required

4.1. **Scope of the Call-Off Contract (“contract”)**

The Requirement. A mobile reconfigurable training tower is required to provide realistic contemporary training for airborne units and infantry forces at BG(+) level.

4.2. **Description of Work.** Provision and installation of a training tower as detailed below:

- 4.2.1. Through a site recce, the Supplier should confirm and communicate to the Defence Attaché (DA) Skopje and the Army of the Republic of North Macedonia (ARNM) military engineers all ground works and plant requirements not less than 14 days before anticipated delivery. The supplier is to project manage on site at the KTA all ground works which will be undertaken by ARNM engineers
- 4.2.2. Relocatable housing units configured to provide a 3-storey structure of not less 24ft x 24ft at the narrowest point. These units must be relocatable, and reconfigurable to provide an agile, adaptable and challenging urban training resource.
- 4.2.3. The tower should comprise internal and external staircases; lift shafts; reconfigurable internal walls, rooms and corridors; and multiple points of ingress and egress at the base and roof of the structure.
- 4.2.4. The tower should provide strong points to allow abseiling/repelling.
- 4.2.5. Each floor of the building and ingress/egress points should be covered by CCTV to support after action review of military training. The system should include sufficient recording and editing equipment to allow capture of key training lessons and playback to deployed troops.
- 4.2.6. Each floor of the tower must have a full electrical power supply.
- 4.2.7. The system must complement a large group of role-players replicating the civilian population and should contain appropriate housing and office supplies to ensure realism.
- 4.2.8. Neutral textures should be applied to buildings reflecting a generic, but realistic contemporary operational theatre.
- 4.2.9. All housing units, fittings and installations should comply with relevant UK safety standards. On completion the tower should provide a ‘safe place’ for high intensity military training.
- 4.2.10. All units must be fire-retardant, weatherproof and safe for year-round use.
- 4.2.11. The supplier must assemble the system and provide training to nominated ARNM forces, to ensure the Macedonian Training and Doctrine Command and ARNM engineers may safely assemble, dismantle and relocate the housing units independently.

- 4.2.12. The training package must include supportable training aids such as training manuals. Training aids must be provided in English (essential) and Macedonian (desirable).
- 4.2.13. The system should have a lifespan of 5 years and a 12-month warranty.
- 4.2.14. The tower must be delivered and installed by 31 Mar 24.

4.3. **Deliverables**

- 4.3.1. Project management of grounds works
- 4.3.2. Delivery, assembly and installation of housing units
- 4.3.3. Deliver training to members of ARNM, to include the provision of training manuals
- 4.3.4. Produce report detailing the items and training that has been delivered, as well as the readiness of the selected members of ARNM to relocate the housing units independently.

4.4. **Phases of delivery**

- 4.4.1. Inception - Through a site recce, the Supplier should confirm and communicate to DA Skopje and the ARNM military engineers all ground works and plant requirements not less than 14 days before anticipated delivery. The supplier is to project manage on site at the KTA all ground works which will be undertaken by ARNM engineers.
- 4.4.2. Implementation - Delivery, assembly and installation of housing units. Progress will be measured by the Authority in accordance with the Results Framework and Monitoring, Reporting, Evaluation and Learning (MREL) requirements described in sections 7 and 8 of this SOR.
- 4.4.3. Exit - The requirement will be deemed as completed when the housing units have been installed and training of members of ARNM has been conducted successfully and detailed in report produced by the supplier, submitted no later than 31 Mar 24.

4.5. **Delivery locations**

- 4.5.1. The Services will be delivered at the Krivolak Training Area in North Macedonia.

4.6. **Timeframe**

- 4.6.1. The project must be completed by the 31st March 2024.
- 4.6.2. The Term of the Call-Off Contract is expected to be up to 3 months. The contract is anticipated to commence on 15 Jan 2024 and end on 1 Apr 2024.

4.7. **Type of contract**

- 4.7.1. The contract will be an Output based contract, with fixed prices agreed at the outset linked to Phases and Outputs with payments directly linked to the successful delivery of agreed Outputs.
- 4.7.2. The Supplier will be expected to deliver the most economical solution that meets the requirements and delivers the Outputs.

5. Supplier's responsibilities

5.1. All Phases

- 5.1.1. The Supplier shall deliver services to the Authority in accordance with the requirements described in section 4 (Scope), 5 (Supplier responsibilities) and 6 (Outputs and Deliverables) of this SOR and as otherwise agreed in project workplans or Contract Variations.
- 5.1.2. The Supplier shall engage, coordinate and communicate as set out below:
 - 5.1.2.1. Maintain engagement with the Authority and the Project team;
 - 5.1.2.2. Maintain engagement with the key stakeholders/beneficiaries in each country, co-ordinating with locally employed and HMG Programme staff at Post, project managed by the ARNM defence section;
 - 5.1.2.3. Manage stakeholder expectations regarding the Project's duration, explaining the fixed period nature of the Project;
 - 5.1.2.4. Defence section Skopje are the project lead and will keep a register of engagements and minutes of key engagement meetings or correspondences; and
 - 5.1.2.5. Advise on the design and support delivery of the Project's external communications, including but not limited to producing and implementing a strategic communications strategy (in conjunction with the Project lead); and being responsive to ad-hoc communications related enquiries from the Project team
- 5.1.3. The Supplier shall provide activity, project and contract management as set out below:
 - 5.1.3.1. All documentation Deliverables/Outputs must be produced in Microsoft Office compatible format unless otherwise agreed;
 - 5.1.3.2. Manage projects and programmes according to current industry best practice including managing risks and issues; and
 - 5.1.3.3. Provide any and all reports as set out in section 8 (MREL) and 11 (Financial Management) of this SOR and as agreed from time to time in the Project workplan or Results Framework.

5.2. Inception Phase requirements

- 5.2.1. Through a site recce, the Supplier should confirm and communicate to DA Skopje and the ARNM military engineers all ground works and plant requirements not less than 14 days before anticipated delivery.
- 5.2.2. The Supplier shall within two (2) weeks of contract signature, submit a draft version of the workplan incorporating the Outputs.

5.3. Implementation Phase requirements

- 5.3.1. The Supplier shall be responsible for delivering the project, to the agreed timelines to the required standard as set by Defence Section Skopje and the ARNM. They will carry out as set out in the description of work as set out in section 4: Scope of Work
- 5.3.2. The supplier will provide regular feedback to the Defence Section Skopje, and the contactors about progress made.
- 5.3.3. The supplier will ensure the the work is completed by 31st March 2024.

5.4. Exit Phase requirements

- 5.4.1. During the Exit Phase, the Supplier shall provide a project completion report; lessons learnt document; asset management disposal plan; and handover plan for all material/documents produced during the project; and any other deliverables agreed between the Authority and Supplier for inclusion in the project exit plan ("Exit Plan").

5.5. Resourcing requirements

- 5.5.1. Tender responses should include a proposed resourcing structure. Delivery Location will be at Krivolak Training Area (KTA) ,North Macedonia (MKD).
- 5.5.2. The Supplier shall be responsible for ensuring they propose and maintain the right mix of people, skills and expertise to deliver the contract throughout the Term of the Call-Off Contract.
- 5.5.3. The Supplier must be prepared to work flexibly if required and respond quickly to unforeseen or changing requirements of the programme. If the Supplier is unable to meet a new request or change in agreed Deliverables from the Authority using the contracted personnel, the Supplier must have in place cost effective and efficient processes for sourcing and/or sub-contracting the necessary expertise in order to meet these requests in a timely manner.

5.6. Skills and competencies requirements

- 5.6.1. The Supplier is expected to have extensive experience of developing training grounds, and specifically urban training facilities in line with NATO standards

Preference will be given to Tenders which show a proven track record of delivery on time and on budget and have experience on working in the Western Balkans

- 5.6.2. The Supplier shall have or shall have access to an existing platform and licences required to operate in North Macedonia, and Western Balkans region at the time of bidding.

Other requirements

5.7. Quality Assurance

- 5.7.1. The Authority expects that the Supplier will have robust quality assurance processes in place to ensure the quality and effectiveness of the services to be delivered.

5.8. Risk Management

- 5.8.1. The Tender shall include a robust assessment of the key risks, detail their approach to risk management and how they propose to manage and mitigate risks for the duration of the contract. This will be revisited and reflected on and updated regularly throughout project implementation. The Supplier shall be proactive in identifying risks or threats to programme delivery.
- 5.8.2. Suppliers should consider how they will adapt and respond to changes in context and any potential alterations to the project.
- 5.8.3. The Supplier will be required to identify financial and programme risks in order to undertake necessary mitigation actions. Any risk mitigations should be agreed in consultation with the Authority.

5.9. Gender Sensitivity

- 5.9.1. The Authority views gender equality and women's rights as central to promoting peace and stability overseas. This project will take into account any gender-related differences; consider its contribution to reducing inequality between persons of different gender; and ensure that the project does no harm to any particular gender group.

5.10. Disability

- 5.10.1. The UK is keen to maintain a focus on disability in its programmes. We take a rights-based approach to disability inclusion in line with the United Nations Convention on the Rights of Persons with Disabilities. This recognises that disability results from the interaction between persons with impairments and the society around them. It is caused by attitudinal and environmental barriers that hinder the full and effective participation in society on an equal basis with others.
- 5.10.2. The Tender shall include details about how the Bidder intends to design, develop and implement the project in ways that take into account the needs and capabilities of people with disability and other vulnerable groups.

5.11. **Conflict Sensitivity**

- 5.11.1. By developing Urban Training facilities the ARNM will be able to operationlise their approach Human security and Women Peace & Security, to ensure ARNM personnel are better trained in issues relating to WPS.

5.12. **Duty of Care**

- 5.12.1. The Supplier is responsible for the safety and well-being of their Personnel and any Third Parties delivering activities under this Call-Off Contract. The Supplier is responsible for the appropriate security arrangements and documentation required for in-country personnel. The Supplier shall also be responsible for the provision of suitable security arrangements for their domestic and business property. The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that all Personnel register and receive briefing as outlined above. Travel advice is also available on the FCDO website and the Supplier must ensure all Personnel are briefed and up to date with the latest position.
- 5.12.2. The Supplier shall develop their Tender response on the basis of being fully responsible for Duty of Care in line with the details provided above. They must confirm in their Tender that:
- 5.12.3. The Supplier fully accepts responsibility for security and Duty of Care.
- 5.12.4. The Supplier understands the potential risks and have the knowledge and experience to develop an effective risk mitigation plan.
- 5.12.5. The Supplier has the capability to manage their Duty of Care responsibilities throughout the life of the contract.
- 5.12.6. If a Bidder is unwilling or unable to accept responsibility for Duty of Care as detailed above, their Tender will be viewed as non-compliant and excluded from further evaluation.
- 5.12.7. Acceptance of responsibility must be supported with evidence of capability. In providing evidence Tenderers should consider the following questions:
- 5.12.7.1. Have you completed an initial assessment of potential risks that demonstrates your knowledge and understanding, and are you satisfied that you understand the risk management implications?
- 5.12.7.2. Have you prepared an outline plan that you consider appropriate to manage these risks at this stage (or will you do so if you are awarded the contract) and are you confident/comfortable that you can implement this effectively?

- 5.12.7.3. Have you ensured or will you ensure that your staff are appropriately trained (including specialist training where required) before they are deployed and will you ensure that on-going training is provided where necessary?
- 5.12.7.4. Have you an appropriate mechanism in place to monitor risk on a live/on-going basis (or will you put one in place if you are awarded the contract)?
- 5.12.7.5. Have you ensured or will you ensure that your staff are provided with and have access to suitable equipment and will you ensure that this is reviewed and provided on an on-going basis?
- 5.12.7.6. Have you appropriate systems in place to manage an emergency/incident if one arises?

5.13. **Cyber Security**

- 5.13.1. The Cyber Risk level has been assessed as Not applicable – RAR 215867818.
- 5.13.2. The Supplier must ensure that every effort is made to provide the project with effective cyber security provision. All IT must have up-to-date encryption installed, and its make/type should be specified in the proposal. The method of communication between the Supplier and the Authority will be confirmed once the contract has been awarded, and may include an end-to-end encrypted email service.

5.14. **Asset Management**

- 5.14.1. The Supplier will need to set out how they will maintain, control and report on any assets purchased with project funds, mitigating against theft, damage or loss. An asset management plan should be developed if assets exist and/or created within the delivery plan for this programme. The Authority will then determine how the assets are disposed of at the end of the programme as part of the closure activities. All assets will be disposed of in a way that represents best value for money with a clear record of decision making, including approval by the Authority's project SRO and in accordance with relevant legislation on asset disposal.

5.15. **Safeguarding**

- 5.15.1. The Authority's aim across all its programming is to avoid doing harm by ensuring that their interventions do not sustain unequal power relations, reinforce social exclusion and predatory institutions, exacerbate conflict, contribute to human rights risks, and/or create or exacerbate resource scarcity, climate change and/or environmental damage, and/or increasing communities' vulnerabilities to shocks and trends. The Authority seeks to ensure their interventions do not displace/undermine local capacity or impose long-term financial burdens on partner governments, therefore,

require partners to lead and robustly consider environmental and social safeguards through its own processes and to live up to the high standards in safeguarding and protection which the Authority requires.

6. Outputs

- 6.1. Following contract signature, the Authority's Commercial Team will move quickly to arrange introduction meetings between the Supplier and relevant Authority stakeholders. This will allow the Supplier to create and provide a workplan and confirm planned activities for the Outputs listed in Table 1.
- 6.2. The draft workplan is expected to incorporate, but not be limited to the following scope of activities and Outputs as follows:

| Output | Phase | Scope of activities | Timescale |
|--|----------------|--|-----------------------|
| Output 1: Work Plan | Inception | The Supplier submits a draft version of the work plan incorporating the Outputs within two (2) weeks of contract signature. The Supplier conducts a site recce to confirm and communicate to DA Skopje and the Army of the Republic of North Macedonia (ARNM) military engineers all ground works and plant requirements not less than 14 days before anticipated delivery. | 15 - 31 January 2024 |
| Output 2: Confirm Groundwork requirements and Project Manage Ground works | Implementation | The Supplier should confirm and project manage all ground works requirements and plant requirements not less than 28 days before anticipated delivery. Levelling of ground will be undertaken by Macedonian military engineers. Plant hire costs should be included in Supplier quotes. | 1 - 15 February 2024 |
| Output 3: Arrange delivery of tower | Implementation | Supplier plans, prepares and provides all necessary paperwork and undertakes all activities needed to ensure tower is delivered on site smoothly and in line with customs/importing procedures in cooperation with Defence Section Skopje. Supplier's Project Manager to facilitate this process. Tower is delivered on Krivolak | 15 - 29 February 2024 |
| Output 4: Assemble the tower | Implementation | Relocatable housing units configured to provide a 3-storey structure of not less 24ft x 24ft at the narrowest point are assembles. These units must be relocatable, reconfigurable, and | 1 - 10 March 2024 |

| | | | |
|--|---------------------|--|---------------------------|
| | | <p>interoperable with the system currently at KRIVOLAK TRAINING AREA to provide an agile, adaptable, and challenging urban training resource.</p> <p>The tower should comprise internal and external staircases; lift shafts; reconfigurable internal walls, rooms and corridors; and multiple points of ingress and egress at the base and roof of the structure.</p> | |
| Output 5: Install CCTV | Implementation | Each floor of the building and ingress/egress points should be covered by CCTV to support after action review of military training. The system should include sufficient recording and editing equipment to allow capture of key training lessons and playback to deployed troops. | 10 - 15 March 2024 |
| Output 6: Install Power supply | Implementation | A full electrical power supply is installed on each floor. Works to be overseen by the Supplier's Project Manager and Subject Matter Expert | 15 - 20 March 2024 |
| Output 7: Fit housing and office supplies and furnishings | Implementation | Appropriate housing and office supplies to ensure realism are fitted and delivered to ensure the system complements a large group of role-players replicating the civilian population. | 15 - 20 March 2024 |
| Output 8: Apply neutral textures | Implementation | Neutral textures are applied to buildings reflecting a generic, but realistic contemporary operational theatre. | 20 - 25 March 2024 |
| Output 9 Conduct quality/safety review and produce report | Implementation | All housing units, fittings and installations should comply with relevant UK safety standards. On completion the tower should provide a 'safe place' for high intensity military training. | 25 - 31 March 2024 |
| Output 10 Provide Training & Training manual to MKD Army | Implementation | The supplier provides training and a user manual in a local language to nominated Macedonian forces and to ensure the Macedonian Training and Doctrine Command and Macedonian military engineers may safely assemble, dismantle and relocate the housing units independently | 1 - 15 April 2024 |
| Output 11 | Post project report | A report from the supplier, submitted no later than 31 May 24, should elaborate the details about the items and training | 31 st May 2024 |

| | | | |
|---------------------------|--|---|--|
| Produce Completion report | | delivered, as well as the readiness of the selected members of ARNM to relocate the systems | |
|---------------------------|--|---|--|

7. Performance Management and Results Framework

- 7.1. Supplier performance shall be measured against delivery of the Outputs in section 6.
- 7.2. The Defence Attaché will monitor the supplier's work and ensure that all fittings, and installations are successfully completed.
- 7.3. The Results Framework will be refined and agreed between the parties during the Inception Phase of the contract.

8. Monitoring, Reporting, Evaluation and Learning (MREL)

- 8.1. The Supplier shall submit the following reports to the project SRO as set out below:
 - 8.1.1. **Milestone** - Written update of progress against each Output ahead of a monthly oversight meeting with the project SRO. The exact proforma will be agreed during the Inception Phase, but as a principle, brevity is encouraged and the written update should include progress so far; successes, risks, issues and opportunities and the workplan for each Output for the month ahead
 - 8.1.2. **End of Phase** - Formal end of Phase report for each Phase, the exact proforma will be agreed during the Inception Phase but in principle aligned to workplan, Outputs; financial reporting and the Results Framework
 - 8.1.3. **End of project** - End of project report, the exact proforma to be agreed but in principle aligned to the workplan; lesson learnt; assessment of project success; Outputs; financial reporting, the Results Framework and Exit Plan.
 - 8.1.4. **Meetings** - The Supplier shall meet with Defence Section or other stake holders either in person or virtually, whichever is most convenient throughout the duration of the project and as frequently as required

9. Budget

- 9.1. The project will operate on an activity-based budget. Bids exceeding the following will not be considered: £250,000.
- 9.2. Bidders should not craft their Tenders in such a way to price to reach the budget ceiling. Bidders should construct their Tender to specifically meet the requirements of this Statement of Requirement and the pursuit of value for money.

10. Break points

- 10.1. The Call-Off Contract will remain subject to clauses 43, 44 and 45 of the CSSF Framework Agreement and clause 3.2 of the Call-Off Contract.

11. Financial Management and Payments

- 11.1. The payment schedule will be set out in line with the project delivery workplan and agreed Output based payment plan (Annex B)
- 11.2. Where the Services will be provided on a fixed price basis, then the fixed price shall be paid in accordance with the provisions of the Call-Off Contract, 7.Fixed Price.
- 11.3. Where the Services will be provided on an activity or time and materials basis, then the price shall be paid in accordance with the provisions of the Call-Off Contract, 8. Time and Material.
- 11.4. The Bidder will be required to provide a detailed breakdown on a proposed budget allocation throughout the life of the contract and demonstrate how it provides good value for money.
- 11.5. The Authority will make 100% non-expenses payments against successfully delivered pre-agreed Outputs. Output-based payments will be made against the agreed timetable of delivered products and services. No payments will be made in advance of need or delivery and each payment shall be subject to MOD approval of the associated Output using the verification method included in Annex B or as otherwise agreed from time to time.
- 11.6. Payments will be made in arrears in accordance with the CSSF Framework Agreement. Bidders should note that the Authority reserves the right to terminate any contract awarded at the end of each UK financial year (31st March 2024), if the bidder's performance is deemed unsatisfactory, or if the fund available to the CSSF programme is no longer sufficient to continue financing the project.
- 11.7. Proposals should be made in British Pound Sterling (GBP) and the Supplier will be required to report and receive payment in GBP. Please note that managing exchange risk fluctuations is the responsibility of the Supplier.
- 11.8. Expenses (including but not limited to Travel, Subsistence, Accommodation, Office Costs etc.) shall be paid monthly in arrears and shall be based on actuals, with the Price Schedule unit rates as a ceiling (provided they are in line with the overall budget agreed with the Authority and MOD policy on expenses).
- 11.9. Suppliers must ensure that the following costs do not exceed the below rates when delivering the project:
 - 11.9.1. Subsistence per person, per day in North Macedonia: up to £25.00.
 - 11.9.2. Accommodation per person, per day in North Macedonia: up to 100.00

- 11.10. The Supplier shall provide a monthly financial report of the project based on the. This Supplier shall submit a final report by May 2024. The Supplier shall submit a final report.
- 11.11. The Authority reserves the right to commission an additional external auditor or reserves the right to conduct financial spot checks during the life of the contract. Should the Authority exercises this right, all costs shall be funded by the Authority.

Annex A: Performance Management

- 11.12. As detailed at Paragraph 6 – Outputs and below in Annex B – Output based payment schedule.

Annex B: Output based payment schedule

| Output | Milestone Deliverables | Verification Method | Verifier | Due date | Invoice value (excluding expenses) |
|--|---|---|-----------|-------------|------------------------------------|
| Output 1: Work Plan | The supplier submits a draft version of the work plan incorporating the Outputs within two (2) weeks of contract signature. The supplier conducts a site recce to confirm and communicate to DA Skopje and the Army of the Republic of North Macedonia (ARNM) military engineers all ground works and plant requirements not less than 14 days before anticipated delivery | DA Skopje confirms receipt of the Plan and completion of site site recce. | DA Skopje | 31 Jan 2024 | £ |
| Output 2: Confirm Groundwork requirements and Project Manage Ground works | The Supplier should confirm and project manage all ground works requirements and plant requirements not less than 28 days before anticipated delivery. Levelling of ground will be undertaken by Macedonian military engineers. Plant hire costs should be included in Supplier quotes. | DA Skopje confirms completion of groundworks. | DA Skopje | 15 Feb 2024 | |
| Output 3: Arrange delivery of tower | Supplier plans, prepares and provides all necessary paperwork and undertakes all activities needed to ensure tower is delivered on site smoothly and in line with customs/importing procedures in cooperation with Defence Section Skopje. Supplier's Project Manager to facilitate this process. Tower is delivered on Krivolak | DA Skopje confirms successful delivery of the equipment to the Krivolak training area. | DA Skopje | 29 Feb 2024 | |
| Output 4: Assemble the tower | Relocatable housing units configured to provide a 3-storey structure of not less 24ft x 24ft at the narrowest point are assembled. These units must be relocatable, reconfigurable, and interoperable with the system currently at Krivolak Training Area to provide an agile, adaptable, and challenging urban training resource. The tower should comprise internal and external staircases; lift shafts; reconfigurable internal walls, rooms and corridors; and multiple points of ingress and egress at the base and roof of the structure. | DA Skopje confirms successful assembly of tower and that all requirements are met. | DA Skopje | 10 Mar 2024 | |
| Output 5: Install CCTV | Each floor of the building and ingress/egress points should be covered by CCTV to support after action review of military training. The system should include sufficient recording and editing equipment to allow capture of key training lessons and playback to deployed troops. | DA Skopje confirms successful installation of CCTV and recording, editing and playback capability | DA Skopje | 15 Mar 2024 | |

OFFICIAL SENSITIVE

| Output | Milestone Deliverables | Verification Method | Verifier | Due date | Invoice value (excluding expenses) |
|--|--|---|-----------|-------------|------------------------------------|
| Output 6: Install Power supply | A full electrical power supply is installed on each floor. Works to be overseen by the Supplier's Project Manager and Subject Matter Expert | DA Skopje confirms successful installation of power supply | DA Skopje | 20 Mar 2024 | |
| Output 7: Fit housing and office supplies and furnishings | Appropriate housing and office supplies to ensure realism are fitted and delivered to ensure the system complements a large group of role-players replicating the civilian population. | DA Skopje confirms successful installation of housing and office supplies | DA Skopje | 20 Mar 2024 | |
| Output 8: Apply neutral textures | Neutral textures are applied to buildings reflecting a generic, but realistic contemporary operational theatre. | DA Skopje confirms successful application of neutral textures | DA Skopje | 25 Mar 2024 | |
| Output 9 Conduct quality/safety review and produce report | All housing units, fittings and installations should comply with relevant UK safety standards. On completion the tower should provide a 'safe place' for high intensity military training. | DA Skopje confirms that units, fittings and installations comply with relevant UK safety standards. | DA Skopje | 31 Mar 2024 | |
| Output 10 Provide Training & Training manual to MKD Army | The supplier provides training and a user manual in a local language to nominated Macedonian forces and to ensure the Macedonian Training and Doctrine Command and Macedonian military engineers may safely assemble, dismantle and relocate the housing units independently | DA Skopje confirms successful delivery of training to nominated Macedonian forces. | DA Skopje | 15 Apr 2024 | |
| Output 11 Produce Completion report | A report from the supplier, submitted no later than 31 May 24, should elaborate the details about the items and training delivered, as well as the readiness of the selected members of ARNM to relocate the systems | DA Skopje confirms receipt of report. | DA Skopje | 31 May 2024 | |

Annex C: Call-Off Contract – Special Terms & Conditions

As detailed at Condition 16 of the Call-Off Contract the following Defence Conditions will apply:

| Number | Edition | Title |
|-------------|----------|--|
| DEFCON 005J | 18/11/16 | Unique Identifiers |
| DEFCON 129J | 18/11/16 | The Use Of The Electronic Business Delivery Form |
| DEFCON 507 | 07/21 | Delivery |
| DEFCON 538 | 06/02 | Severability |
| DEFCON 566 | 10/20 | Change of Control of Contractor |
| DEFCON 632 | 11/21 | Third Party Intellectual Property Rights |

Annex D: Lessons Learnt

11.13. Not applicable

By signing here the Supplier confirms Annex 1 represents the Statement of Requirements under reference tender 709222450.

Signed.....

Date.....

Annex 2 – Supplier's Tender[\(Back to Contents\)](#)

| Criteria | Suppliers Response |
|---|--------------------|
| 1 - Disclosures & Statements | |
| 2 - Mandatory Acceptances | |
| 3 - Financial Capacity & Management | |
| 4 - Proposed Solution Technical Questions | |
| Tender Clarification dated 9 Jan 2024 | |

By signing here the Supplier confirms they have opened and checked the embedded documents in Annex 2 and it represents the Supplier's Tender submitted in response to tender reference 709222450 dated 24 Dec 2023.

Signed.....

Date.....

Annex 3 – Schedule of Prices & Rates

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| Output | Output Description | Cost Breakdown | | | | | | | | |
|--|--|----------------|---------|-------------|------------------|---|-------------------|------------------|-----------------|-----------------------|
| | | Band(s) | Rate(s) | No. of Days | Total Staff Cost | Travel & Subsistence (to include flights) | Materials Actuals | Materials Profit | Total Materials | Total cost for Output |
| Output 1: Work Plan | The supplier submits a draft version of the work plan incorporating the Outputs within two (2) weeks of contract signature. The supplier conducts a site recce to confirm and communicate to DA Skopje and the Army of the Republic of North Macedonia (ARNM) military engineers all ground works and plant requirements not less than 14 days before anticipated delivery | | | | | | | | | £0.00 |
| Output 2: Confirm Groundwork requirements and Project Manage Ground works | The Supplier should confirm and project manage all ground works requirements and plant requirements not less than 28 days before anticipated delivery. Levelling of ground will be undertaken by Macedonian military engineers. Plant hire costs should be included in Supplier quotes. | | | | | | | | | £0.00 |
| Output 3: Arrange delivery of tower | Supplier plans, prepares and provides all necessary paperwork and undertakes all activities needed to ensure tower is delivered on site smoothly and in line with customs/importing procedures in cooperation with Defence Section Skopje. Supplier's Project Manager to facilitate this process. Tower is delivered on Krivolak | | | | | | | | | £0.00 |
| Output 4: Assemble the tower | Relocatable housing units configured to provide a 3-storey structure of not less 24ft x 24ft at the narrowest point are assembles. These units must be relocatable, reconfigurable, and interoperable with the system currently at Krivolak Training Area to provide an agile, adaptable, and challenging urban training resource. The tower should comprise internal and external staircases; lift shafts; reconfigurable internal walls, rooms and corridors; and multiple points of ingress and egress at the base and roof of the structure. | | | | | | | | | £0.00 |

OFFICIAL SENSITIVE

| | | | | | | | | | | |
|---|---|--|--|--|--|--|--|--|--|-------|
| Output 5: Install CCTV | Each floor of the building and ingress/egress points should be covered by CCTV to support after action review of military training. The system should include sufficient recording and editing equipment to allow capture of key training lessons and playback to deployed troops | | | | | | | | | £0.00 |
| Output 6: Install Power supply | A full electrical power supply is installed on each floor. Works to be overseen by the Supplier's Project Manager and Subject Matter Expert | | | | | | | | | £0.00 |
| Output 7: Fit housing and office supplies and furnishings | Appropriate housing and office supplies to ensure realism are fitted and delivered to ensure the system complements a large group of role-players replicating the civilian population. | | | | | | | | | £0.00 |
| Output 8: Apply neutral textures | Neutral textures are applied to buildings reflecting a generic, but realistic contemporary operational theatre. | | | | | | | | | £0.00 |
| Output 9: Conduct quality/safety review and produce report | All housing units, fittings and installations should comply with relevant UK safety standards. On completion the tower should provide a 'safe place' for high intensity military training. | | | | | | | | | £0.00 |
| Output 10: Provide Training & Training manual to MKD Army | The supplier provides training and a user manual in a local language to nominated Macedonian forces and to ensure the Macedonian Training and Doctrine Command and Macedonian military engineers may safely assemble, dismantle and relocate the housing units independently | | | | | | | | | £0.00 |
| Output 11: Produce Completion report | A report from the supplier, submitted no later than 31 May 24, should elaborate the details about the items and training delivered, as well as the readiness of the selected members of ARNM to relocate the systems | | | | | | | | | £0.00 |
| Grand Total All Outputs | | | | | | | | | | £0.00 |

By signing here the Supplier confirms they have opened and checked the embedded document/s in Annex 3 and it represents the Supplier's Tender submitted in response to tender reference 709222450 dated 24 Dec 2023.

Signed.....

Date.....

Annex 4 – Processing, Personal Data & Data Subjects

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This Annex 4 shall be completed by the Controller, where required on a Call-Off Contract by Call-Off Contract basis, who may take account of the view of the Processor, however the final decision as to the content of this Annex 4 shall be with the Controller at its absolute discretion.

1. The contact details of the Controller's Data Protection Officer are: TBC
2. The contact details of the Processor's Data Protection Officer are: Not applicable
3. The Processor shall comply with any further written instructions with respect to processing by the Controller.
4. Any such further instructions shall be incorporated into this Annex 4.

| Description | Details |
|--|---|
| Identity of the Controller and Processor | The Parties acknowledge that for the purposes of the Data Protection Legislation, and in relation to CPG/8015/2022 Call-Off Contract 709222450 the Customer is the Controller and the Supplier is the Processor in accordance with Clause 33.2.1. |
| Subject matter of the processing | No Personal Data will be processed under this Call-Off Contract. |
| Duration of the processing | For the duration of the contract. |
| Nature and purposes of the processing | Not applicable |
| Type of Personal Data being Processed | Not applicable |
| Categories of Data Subject | Not applicable |
| Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data | Not applicable |

Annex 5 – Insurances

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REQUIRED INSURANCES (SCHEDULE 3 OF THE FRAMEWORK AGREEMENT REFERS)

CALL-OFF CONTRACT REFERENCE: 709222450

PART A: THIRD PARTY PUBLIC & PRODUCTS LIABILITY INSURANCE

1. INSURED

1.1 The Supplier.

2. INTEREST

2.1 To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

death or bodily injury to or sickness, illness or disease contracted by any person;

loss of or damage to property;

happening during the period of insurance (as specified in Paragraph 5 of this Annex 1 to this Schedule 3) and arising out of or in connection with the provision of the Services and in connection with this Call-Off Contract.

3. LIMIT OF INDEMNITY

3.1 Not less than £1,000,000 or 125% of the annual Charges (whichever is the greater) that are payable by the Authority to the Supplier under the Call-Off Contract in the twelve (12) months following the Commencement Date (and any subsequent twelve (12) month period thereafter) in respect of any one occurrence, the number of occurrences being unlimited. In respect of products and pollution liability, not less than £1,000,000 or 125% of the Charges (whichever is the greater) payable by the Authority to the Supplier under the Call-Off Contract in the twelve (12) months following the Commencement Date (and any subsequent twelve (12) month period thereafter) for any one occurrence and in the aggregate per annum.

4. TERRITORIAL LIMITS

4.1 Coverage must extend to cover all aspects of delivery of the Services by the Supplier to the Authority as described in Annex 1 - Statement of Requirement.

5. PERIOD OF INSURANCE

5.1 From the commencement date of the Call-Off Contract for the term of the Call-Off Contract and renewable on an annual basis unless agreed otherwise by the Authority in writing.

6. COVER FEATURES AND EXTENSIONS

6.1 Indemnity to principals clause.

7. PRINCIPAL EXCLUSIONS

7.1 War and related perils.

7.2 Nuclear and radioactive risks.

7.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured during the course of their employment.

7.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.

7.5 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.

7.6 Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.

7.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.

7.8 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

8. MAXIMUM DEDUCTIBLE THRESHOLD

8.1 Not to exceed £5,000 for each and every third party property damage claim (personal injury claims to be paid in full).

9. APPLICABLE FIGURE FOR PURPOSES OF PARAGRAPH 7.2 (INSURANCE CLAIMS) OF SCHEDULE 3

9.1 Not applicable.

PART B: PROFESSIONAL INDEMNITY INSURANCE

1. INSURED

1.1 The Supplier.

2. INTEREST

2.1 To indemnify the Insured for all sums which the Insured shall become legally liable to pay (including claimants' costs and expenses) as a result of claims first made against the Insured during the Period of Insurance by reason of any negligent act, error and/or omission arising from or in connection with the provision of the Services.

3. LIMIT OF INDEMNITY

3.1 Not less than £1,000,000 or 125% of the annual Charges (whichever is the greater) that are payable by the Authority to the Supplier under the Call-Off Contract in the twelve (12) months following the Commencement Date (and any subsequent twelve (12) month period thereafter) in respect of any one occurrence and in the aggregate per annum.

4. TERRITORIAL LIMITS

4.1 Coverage must extend to cover all aspects of delivery of the Services by the Supplier to the Authority as described in Annex 1 - Statement of Requirement.

5. PERIOD OF INSURANCE

5.1 From the date of this Call-Off Contract and renewable on an annual basis unless agreed otherwise by the Authority in writing (a) throughout the term of the Call-Off Contract or until earlier termination of the Call-Off Contract and (b) for a period of 6 years thereafter.

6. COVER FEATURES AND EXTENSIONS

6.1 Retroactive cover to apply to any claims made policy wording in respect of this Call-Off Contract or retroactive date to be no later than the commencement date of the Call-Off Contract.

7. PRINCIPAL EXCLUSIONS

7.1 War and related perils

7.2 Nuclear and radioactive risks

8. MAXIMUM DEDUCTIBLE THRESHOLD

8.1 Not to exceed £5,000 each and every claim.

9. APPLICABLE FIGURE FOR PURPOSES OF PARAGRAPH 7.2 (INSURANCE CLAIMS) OF SCHEDULE 3

9.1 Not applicable.

PART C: UNITED KINGDOM COMPULSORY INSURANCES

10. GENERAL

10.1 The Supplier shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance and motor third party liability insurance.

Annex 6 – Supplier Code of Conduct

(APPENDIX 1A AND 1B OF THE FRAMEWORK AGREEMENT REFERS)
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FCDO Supply Partner Code of Conduct

Principles

FCDO aims to create an inclusive culture of best practice with the delivery partners with whom it engages and which receive UK taxpayers' funds. All Supply Partners should adhere to the overarching principles of the Supply Partner Code of Conduct (hereafter "the Code").

Overarching Principles for Supply Partners

- ✓ **Act responsibly and with integrity**
- ✓ **Be transparent and accountable**
- ✓ **Seek to improve value for money**
- ✓ **Demonstrate commitment to poverty reduction and FCDO priorities¹**
- ✓ **Demonstrate commitment to wider HMG priorities²**

FCDO Supply Partner responsibilities

Supply Partners and their subcontractors (delivery chain partners) should ensure they have read and understood the Code and their required compliance level and seek clarification from FCDO where necessary. In particular, it is important that the Supply Partners and their subcontractors (delivery chain partners) understand any risks and have systems in place to manage them. The 3 compliance levels are:

Compliance Level 1 - Supply Partners with an individual contract value of £1m or above, or two or more contracts/grants with FCDO with a combined value of £5m or above;

Compliance Level 2 - Supply Partners with an individual contract value below £1m, or two or more contracts /grants with FCDO with a value of less than £5m;

Compliance Level 3 - Supply Partners with an individual Contract value, or component of a Contract/Grant, with a value below the EU contracting threshold. At this level Supply Partners are required to adhere to the overarching Code principles and recognise, mitigate and manage risks. These Supply Partners will not be monitored against the contractual KPIs.

Scope

This Code forms part of FCDO's standard contractual terms and conditions and full compliance and annual verification via a signed declaration, to be found at Annex 1b, is mandatory for contracted Supply Partners. Adherence to the Code at the appropriate level is also a requirement for FCDO direct and delivery chain Supply Partners in receipt of funding. FCDO will monitor Supply Partners in six priority areas as set out below using a set of Key Performance Indicators (KPIs) as referenced in Annex 1a and 1b.

1. Value for Money and Governance Key Performance Indicators KPI 1 a - c

¹ <https://www.gov.uk/government/organisations/department-for-international-development/about#priorities>

² <https://www.gov.uk/government/organisations/hm-treasury/about#priorities>

Value for Money and financial transparency is an essential requirement of all FCDO commissioned work. All Supply Partners must seek to maximise development results, whilst driving cost efficiency, throughout the life of commissioned programmes. This includes budgeting and pricing realistically and appropriately to reflect delivery requirements and levels of risk over the life of the programme. It also includes managing uncertainty and change to protect value in the often challenging environments that we work in.

Supply Partners must demonstrate that they are pursuing continuous improvement and applying stringent financial management and governance to reduce waste and improve efficiency in their internal operations and within the delivery chain. FCDO expects Supply Partners to demonstrate openness and honesty and to be realistic about capacity and capability at all times, accepting accountability and responsibility for performance along the full delivery chain, in both every-day and exceptional circumstances.

Specific requirements include:

- ✓ Provision of relevant VfM and governance policies and a description of how these are put into practice to meet FCDO requirements (e.g. Codes on fraud and corruption, due diligence);
- ✓ A transparent, open book approach, which enables scrutiny of value for money;
- ✓ Strict adherence to all UK and in-country government tax requirements;
- ✓ Processes for timely identification and resolution of issues and for sharing lessons learned which might be requested by FCDO at any time.

2. Ethical Behaviour
Key Performance Indicators KPI 2 a- f

FCDO Supply Partners and their delivery chain partners act on behalf of the UK government and interact globally with country governments, other aid donors and their delivery partners, many stakeholders including citizens and directly and indirectly with aid beneficiaries. These interactions must therefore meet the highest standards of ethical and professional behaviour in order to uphold the reputation of the UK government.

Arrangements and relationships entered into, whether with or on behalf of FCDO, must be free from bias, conflict of interest or the undue influence of others. Particular care must be taken by Supply Partner and delivery chain staff who:

- a) are directly involved in the management of a programme or procurement of services; or
- b) who engage with i) frontline FCDO staff ii) other deliverers of aid iii) beneficiaries (of aid)

Where those in a) and b) could be susceptible to undue negative or detrimental influence.

Supply Partners and their delivery chain partners must declare to FCDO where there may be instances or allegations of previous unethical behaviour by an existing or potential staff member or where there is a known or suspected conflict of interest. Where a potential or existing staff member has been employed by FCDO or the Crown in the preceding two years Supply Partners and their delivery chain partner must provide proof of compliance with the HMG approval requirements under the Business Appointment Rules.

Supply Partners and their delivery chain partners must have the following policies and procedures in place:

- ✓ Development and proof of application and embedding of a Staff Recruitment, Management and Retention policy (which must address circumstances where there may be potential or actual conflict of interest and embedding of a Whistleblowing Policy)
- ✓ Ongoing monitoring of potential or existing personal, business or professional conflict of interest and their mitigation and management
- ✓ Ethical training for every staff member and staff updates in ethical working practices suitable to the development sector (e.g. UN Global Compact principles) including awareness of modern day slavery and human rights abuses

- ✓ Procedures setting out how, staff involved in FCDO funded business, can immediately report all suspicions or allegations of aid diversion, fraud, money laundering or counter terrorism finance to the FCDO Counter Fraud and Whistleblowing Unit (CFWU) at reportingconcerns@FCDO.gov.uk or on +44(0)1355 843551

3. Transparency and Delivery Chain Management

Key Performance Indicators KPI 3 a – f

FCDO requires full delivery chain transparency from all Supply Partners. All direct Supply Partners and their delivery chain partners must adhere to wider HMG policy initiatives including the support and capacity building of micro, small and medium sized enterprises (MSMEs), prompt payment, adherence to human rights and modern slavery policies and support for economic growth in developing countries.

FCDO recognises the critical value that downstream delivery partners contribute. Direct Supply Partners must engage their delivery chain partners in a manner that is consistent with FCDO's treatment of its direct Supply Partners. This includes, but is not limited to: appropriate pricing of services; fiduciary and financial risk management processes; applying transparent and responsive measures where delivery chain partners underperform against the KPI areas; taking a zero tolerance approach to tax evasion, corruption, bribery and fraud in subsequent service delivery or in partnership agreements. Direct Supply Partners must cascade the principles of the Code throughout their delivery chain to ensure FCDO ethical behaviour standards are embedded and maintained.

Specific requirements for direct Supply Partners include:

- ✓ Provide assurance to FCDO that the policies and practices of their delivery chain Supply Partners and affiliates comply with the Code;
- ✓ Maintaining and sharing with FCDO up-to-date and accurate records of all downstream partners in receipt of FCDO funds and/or FCDO funded inventory or assets. This should map how funds flow from them to end beneficiaries and identify risks and potential risks along the delivery chain;
- ✓ Ensuring delivery chain partner employees are expressly notified of the FCDO 'reporting concerns' mail box³ found on FCDO's external website and of the circumstances in which this should be used;
- ✓ Publication of FCDO funding data in accordance with the International Aid Transparency Initiative (IATI)⁴
- ✓ Supply Partners shall adhere to HMG prompt payment policy and not use restrictive exclusivity agreements with sub-partners.

4. Environmental issues

Key Performance Indicators KPI 4 a – b

FCDO Supply Partners must be committed to high environmental standards, recognising that FCDO's activities may change the way people use and rely on the environment, or may affect or be affected by environmental conditions. Supply Partners must demonstrate they have taken sufficient steps to protect the local environment and community they work in, and to identify environmental risks that are imminent, significant or could cause harm or reputational damage to FCDO.

Commitment to environmental sustainability may be demonstrated by:

³ <https://www.gov.uk/government/organisations/departments-for-international-development/about#reporting-fraud>

⁴ <http://www.aidtransparency.net/>

- ✓ Formal environmental safeguard policies in place;
- ✓ Publication of environmental performance reports on a regular basis
- ✓ Membership or signature of relevant environmental Codes, both directly and within the delivery chain such as conventions, standards or certification bodies (e.g. the Extractive Industries Transparency Initiative⁵).

5. Terrorism and Security

Key Performance Indicators KPI 5 a – d

FCDO Supply Partners must implement due diligence processes to provide assurance that UK Government funding is not used in any way that contravenes the provisions of the Terrorism Act 2000, and any subsequent regulations pursuant to this Act.

FCDO Supply Partners must maintain high levels of data security in accordance with the Data Protection Act 1998 and any subsequent regulations pursuant to this Act, or new Act and with the General Data Protection Regulation (Directive 95/46/EC).

Specific requirements:

- ✓ Development and proof of application and embedding of a comprehensive Terrorism and Security Policy
- ✓ Development and proof of application and embedding of personal data processing processes within a Data Protection Policy
- ✓ FCDO Supply Partners must safeguard the integrity and security of their IT and mobile communications systems in line with the HMG Cyber Essentials Scheme⁶. Award of the Cyber Essentials or Cyber Essential Plus badges would provide organisational evidence of meeting the UK Government-endorsed standard;
- ✓ All FCDO Supply Partners who manage aid programmes with a digital element must adhere to the global Principles for Digital Development⁷, which sets out best practice in technology-enabled programmes
- ✓ Ensure that FCDO funding is not linked to terrorist offences, terrorist activities or financing.

6. Safeguarding, Social Responsibility and Human Rights

Key Performance Indicators: KPI 6 a – d

Safeguarding, social responsibility and respect for human rights are central to FCDO's expectations of its Supply Partners. Supply Partners must ensure that robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within complex delivery chain environments funded by FCDO. These practices include sexual exploitation, abuse and harassment; all forms of child abuse and inequality or discrimination on the basis of race, gender, age, religion, sexuality, culture or disability. Supply Partners must place an emphasis on the control of these and further unethical and illegal employment practices, such as modern day slavery, forced and child labour and other forms of exploitative and unethical treatment of workers and aid recipients. FCDO will expect a particular emphasis on the management of these issues in high risk fragile and conflict affected states (FCAS), with a focus on ensuring remedy and redress if things go wrong.

Specific requirements:

- ✓ Development and proof of application and embedding of a Safeguarding Policy;
- ✓ Delivery of Social Responsibility, Human Rights and Safeguarding training throughout the delivery chain;

⁵ <https://eiti.org/>

⁶ <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

⁷ <http://digitalprinciples.org/>

- ✓ Compliance level 1 Supply Partners must be fully signed up to the UN Global Compact⁸;
- ✓ Practices in line with the International Labour Organisation (ILO) 138⁹ and the Ethical Trading Initiative (ETI) Base Code¹⁰ are to be encouraged throughout the delivery chain;
- ✓ Policies to embed good practice in line with the UN Global Compact Guiding Principles 1 & 2 on business and human rights throughout the delivery chain are required, as detailed in Annex 2;
- ✓ Compliance level 1 Supply Partners to submit a Statement of Compliance outlining how the organisation's business activities help to develop local markets and institutions and further how they contribute to social and environmental sustainability, whilst complying with international principles on Safeguarding and Human Rights labour and ethical employment, social inclusion and environmental protection;
- ✓ Overarching consideration given to building local capacity and promoting the involvement of people whose lives are affected by business decisions.

⁸ <https://www.unglobalcompact.org/what-is-gc/mission/principles>

⁹ http://ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138

¹⁰ <http://www.ethicaltrade.org/eti-base-code>