


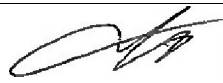
TSSP/130
701143373



**MINISTRY OF DEFENCE,
DEFENCE EQUIPMENT & SUPPORT**

Contract No: TSSP/130 (701143373)
Description: Project VULCAN (Ground Manoeuvre
Synthetic Trainer)

TSSP/130
701143373

Description	Date	Name	Signature	Position
Accepted (DE&S)	19 APRIL 2023	P. ADLET		STSP Commercial Executive
Accepted (ESUKAS)	19/4/2023	B. Rosolli		ESUK A&S Business unit Director

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1. SCHEDULE OF REQUIREMENTS

Name and Address of Company	MINISTRY OF DEFENCE	
Elbit Systems UK Aerospace and Simulation Ltd Cairo House Greenacres Road Waterhead Oldham OL4 3JA	Schedule of Requirements for Project VULCAN (Ground Manoeuvre Synthetic Trainer)	Contract No TSSP/130
Issued With Contract Documents	On 19TH April 2023	Previous Contract No. Not Applicable

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Table 1 – Requirements

Item Number	Description	Delivery Date	Notes to Supplier	Price All £ (ex-VAT)
1	The Contractor shall Design, Test and deliver an acceptable system to provide the Authority with the VULCAN System capability in accordance with the Statement of Requirement (SOR) at Annex A to the Contract and all accompanying appendices	CED + 9 Months	Firm Price	Redacted
1a	The Contractor shall supply and deliver all technical documentation in accordance with Annex K (Contract Data Requirements)	CED + 9 Months	Firm Price	Redacted
2	The Contractor shall Supply (Manufacture, Installation and Site Acceptance) of the VULCAN capability, in accordance with the SOR at Annex A to the Contract, to meet the System Requirements Document (SRD) at Appendix 1 to Annex A of the Contract	CED + 15 Months	Firm Price	Redacted

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3	The Contractor shall supply and deliver Integrated Logistic Support (ILS) including Contractor Logistic Support (CLS) in accordance with Annex A to the Contract.	IOC 0 to 12 Months (Year 1 in Service support)	Firm Price	Redacted
4	The Contractor shall provide Post Design Services in accordance with the Statement of Requirement, at Annex A to the Contract.	IOC 0 to 12 Months (Year 1 in Service support)		
5	The Contractor shall supply and deliver Integrated Logistic Support (ILS) including Contractor Logistic Support (CLS) in accordance with Annex A to the Contract	IOC 13 to 24 Months (Year 2 in Service support)	Firm Price	Redacted
6	The Contractor shall provide Post Design Services in accordance with the SOR at Annex A to the Contract	IOC 13 to 24 Months (Year 2 in Service support)	Fixed Price IAW Condition 4.5 VOP	
7	The Contractor shall provide Integrated Logistic Support (ILS) including Contractor Logistic Support (CLS) in accordance with Annex A to the Contract.	IOC 25 to 36 Months (Year 3 in Service support)	Fixed Price IAW Condition 4.5 VOP	Redacted
8	The Contractor shall provide Post Design Services in accordance with the SOR at Annex A to the Contract	IOC 25 to 36 Months (Year 3 in Service support)	Fixed Price IAW Condition 4.5 VOP	

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9	The Contractor shall supply and deliver Integrated Logistic Support (ILS) including Contractor Logistic Support (CLS) in accordance with Annex A to the Contract.	IOC 37 to 48 Months (Year 4 in Service support)	Fixed Price IAW Condition 4.5 VOP	Redacted
10	The Contractor shall provide Post Design Services in accordance with the SOR at Annex A to the Contract	IOC 37 to 48 Months (Year 4 in Service support)	Fixed Price IAW Condition 4.5 VOP	
11	Change Proposals (including PDS tasks) in accordance with the SOR at Annex A to the Contract	Through life of Contract	Prices in Accordance with the Agreed Contract Rate Card at Appendix 2 to Annex W (and VOP where applicable).	
12	The Contractor shall supply and deliver Integrated Logistic Support (ILS) including Contractor Logistic Support (CLS) in accordance with Annex A to the Contract, to include a Tech refresh at Yr1 of the option and integration of the DVS 2 replacement	IOC + 49 to 108 Months (Year 5 to 9 in Service support)	Fixed Price IAW Condition 4.5 VOP	Redacted
13	The Contractor shall provide Post Design Services in accordance with the SOR at Annex A to the Contract	IOC + 49 to 108 Months (Year 5 to 9 in Service support)	Fixed Price IAW Condition 4.5 VOP	
		TOTAL CONTRACTUAL VALUE		Redacted
Non-Costed Item in accordance with Clause 3.15				
14	Undertake Authority approved repair, refurbishment or replacement of items through accident, misuse or neglect			Limit of Liability Redacted

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Table 2 – Options

Item Number	Description	Delivery Date	Notes to Supplier	Price All £ (ex-VAT)
15	The Contractor shall supply and deliver Integrated Logistic Support (ILS) including Contractor Logistic Support (CLS) in accordance with Annex A to the Contract, to include a Tech refresh at Yr1 of the option and integration of the DVS 2 replacement	IOC + 109 to 168 Months (Year 10-14 in Service support)	Fixed Price IAW Condition 2.6 VOP	Redacted
16	The Contractor shall provide Post Design Services in accordance with the SOR at Annex A to the Contract	IOC + 109 to 168 Months (Year 10-14 in Service support)	Fixed Price IAW Condition 2.6 VOP	

Schedule of Requirement (ScOR) to be delivered in accordance with the Statement of Requirement (SOR) at Annex A and all accompanying appendices.

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1A AGREED FIELDING PLAN

Ser	Type	UIN	Unit	Location	Type/Quantity						Remarks/Assumptions
					PTC	PTC IOS	PTT	PTD	PTA-CR3-M	PTA-S	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)	(l)
1	Trg		ARMCEN CR3	Bovington	6	5	12	6	2	3	Includes RWxY utilisation PTC IOS includes 3 Authoring stations for TDT @ARMCEN (PTD 4 Non Motion & 2 motion)
2	Trg		ARMCEN MIV	Bovington	12	3	-	2	-	-	Incorporated in new AJAX/MIV Bdg. (PTD 2 motion)
3	CR3		RTR	Tidworth	4	2	4	-	2	1	Includes RWxY utilisation PTC Multiples of 4 x Comd/Gnr pair - 4 Tk Tp
4	CR3		QRH	Tidworth	4	2	4	-	2	1	Includes RWxY utilisation PTC Multiples of 4 x Comd/Gnr pair - 4 Tk Tp
5	CR3		DIO	Castlemartin	1	1	4	-	1	1	Support for live fire training.
6	MIV		MIV Trg	Bulford	48	12	-	2	-	-	Requires one Training facility co-located with 1 Mercian &, 5 Rifles MIV Bn. (Ser 8) (PTD 2 non motion)
7	MIV		MIV Trg	Tidworth	48	12	-	4	-	-	Tidworth due to its size and the dispersed location of each MIV Bns requires two training facilities to support both MIV Bns. Will require 2 Bdgs each with 2 PTDs. (Ser 9) (PTD 4 non motion)

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8	MIV		1 Mercian &, 5 Rifles MIV Bns x2	Bulford	12	3	-	-	-	-	1 Mercian &, 5 Rifles will share Training facility
9	MIV		1 Royal Welsh, 1RRF MIV Bns x2	Tidworth	12	3	-	-	-	-	2 Training facilities required to house 1 Royal Welsh & 1RRF (different buildings at Tidworth)
14	MIV		DSEME	Lyneham	4	1	-	-	-	-	Support MIV maintenance training.
15	MIV		LWC-RATD	Warminster Garrison.	8	2	-	-	-	-	Support for RATD tactical training.
16	MIV		14 Sigs (EW)	Innsworth	4	1	-	-	-	--	EW Regts will receive BOXER in 2028.
17			Authoring Stations	Bovington		3					
			21 Sigs (EW)								

	PTC	IOS	PTT	PTD	PTA- CR3- M	PTA- S	
Total	163	47	24	14	7	6	All CR3 & MIV VULCAN assets

2. GENERAL CONDITIONS

2.1 DEFCONS

DEFCON 501 (Edn.10/21) – Definitions and Interpretations

For the purposes of Condition 1(e), reference to 'special conditions of Contract' shall be taken to mean the Narrative Conditions of the Contract.

For the purposes of Condition 1 (v) and Clause 5 of DEFCON 501 (Edn.10/21), the persons designated to act on the behalf of the Authority shall be the Commercial Manager and Project Manager as detailed at Boxes 1 & 2 of DEFFORM 111 (Appendix 1 to the Contract).

DEFCON 503 (Edn.06/22) – Formal Amendments to Contract

For the purposes of Clause 1 of DEFCON 503, the duly authorised representatives are:

- for the Authority, the Commercial Manager identified at Box 1 of the DEFFORM 111(the Appendix 1 to the Contract) or his authorised representative.
- for the Contractor, the Contractor's head of Commercial or his authorised representative.

DEFCON 515 (Edn.06/21) – Bankruptcy and Insolvency

DEFCON 516 (Edn.04/12) – Equality

DEFCON 518 (Edn.02/17) – Transfer

For the purposes of this Contract, this condition is subject to condition 2.8

DEFCON 520 (Edn.08/21) – Corrupt Gifts and Payments of Commission

DEFCON 526 (Edn.08/02) – Notices

For the Purposes of this Contract, Condition 2(e) shall be acceptable as a means of delivery notice.

DEFCON 527 (Edn.09/97) – Waiver

DEFCON 528 (Edn.07/21) – Import and Export Licences

DEFCON 529 (Edn.09/97) – Law (English)

DEFCON 530 (Edn.12/14) – Dispute Resolution (English Law)

DEFCON 531 (Edn.09/21) – Disclosure of Information

DEFCON 532B (Edn.12/22) – Protection of Personal Data (where personal data is being processed on behalf of the Authority)

- For the purpose of this Contract, all personal data identified within DEFFORM 532 (Annex S), shall be subject to this condition.

DEFCON 537 (Edn.12/21) – Rights of Third Parties

- For the purposes of this Contract, DEFCON 537 will be subject to Condition 2.10 of this Contract.

DEFCON 538 (Edn.06/02) – Severability

DEFCON 539 (Edn.01/22) – Transparency

- For the purposes of this Contract all information within this Contract will be subject to this condition excluding the information identified in DEFFORM 539A (Annex M to the Contract).

DEFCON 550 (Edn.02/14) – Child Labour and Employment Law

DEFCON 566 (Edn.10/20) – Change of Control of Contractor

DEFCON 646 (Edn.10/98) – Law and Jurisdiction (Foreign Suppliers)

- The Contractor's attention is drawn to Clause 5 of DEFCON 646. The Contractor shall, within one month of Contract award, notify the Authority's Commercial Manager (see Box 1 of the DEFFORM 111) of the details of its appointed agents in England and Wales.

DEFCON 656B (Edn.08/16) – Termination for Convenience (Contracts £5m and over)

- For the purposes of this Contract, the written notice period required for termination for convenience by the Authority will be at least 60 (sixty) business days.

DEFCON 660 (Edn.12/15) – Official-Sensitive Security Requirements

DEFCON 670 (Edn.02/17) – Tax Compliance

2.2 DEFINITIONS AND INTERPRETATIONS

Notwithstanding, and in addition to, the provisions contained in DEFCON 501 (Definitions & Interpretations), the following expressions shall, in the Contract, have the meaning hereby respectively assigned to them, except where the context requires otherwise.

“Authority's Commercial Manager” means the post named in Box 1 of the Appendix to Contract (DEFFORM 111).

“Authority's Project Manager” means the post named in Box 2 of the Appendix to Contract (DEFFORM 111).

“Authority's Representatives” means the Authority's officers, directors, employees, and advisers or agents.

“Authority” for the purposes of the contract means a Ministry of Defence (MOD) official acting on behalf of the Secretary of State for Defence.

“Background IPR” or “Background Intellectual Property Rights” means all Intellectual Property Rights, including patents for any inventions, not generated in the performance of the work under the Contract

“Build Standard” means the build standards agreed by the Parties as part of the Design Acceptance.

“Business Day” means a standard working day i.e. Monday to Friday with working hrs of 8am till 4.30pm or part thereof.

“Change Proposal” means a proposed change to the Contract, managed in accordance with the process in Condition 2.17 of this Contract.

“Contract Effective Date (CED)” means the date on which the offer of Contract has been accepted by the Contractor.

“Contract Work Breakdown Structure” decomposes the Contract work scope into smaller units and provides the basis for planning, budgeting, scheduling, cost accumulation, reporting (internal and external), and data summation on the Contract.

“Contract” means the agreement concluded between the Authority and the Contractor, including all specifications, plans, drawings, schedules and other documentation, expressly made part of the agreement. In the event of contradiction, precedence shall be given to DEFCON 537 (Rights of Third Parties), followed by the special conditions of contract, followed by the DEFCONs referenced in the Contract (other than DEFCON 537) and then the Statement of Requirements.

“Contractor Commercially Sensitive Information” shall mean the information listed in the Contractor Commercially Sensitive information at Annex M to the Contract being information notified by the Contractor to the Authority which is acknowledged by the Authority as being commercially sensitive information.

“Contractor Logistics Support (CLS)” Please refer to the SOR (Annex A to the Contract) for definition.

“Contract Year” is the period between the anniversary of the CED and the next anniversary of the CED

“Critical Design Review (CDR)” means the formal review to validate the final design of the Project VULCAN System. Details of the Critical Design Review are in the Statement of Requirement, at Annex A to the Contract and all accompanying appendices.

“Contract Deliverable(s) (CD(s))” means all Articles, items, data, reports, plans, and Services to be delivered by the Contractor to the Authority under this Contract.

“Design Acceptance” means the Acceptance of the Contractor’s Design at Critical Design Review of the ITEAP.

“Foreground IPR” or “Foreground Intellectual Property Rights” means all Intellectual Property Rights, including patents, for any inventions generated in the performance of work under the Contract, and patents for any inventions conceived out of the technical requirements of the Contract if these have been first enabled in the performance of work under the Contract.

“Full Operating Capability (FOC)” means the Full Operating Capability of the Project VULCAN Requirements under this Contract.

“Good Industry Practice” means in relation to any part of the performance of the Contract and related circumstances, the exercise of that degree of skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced Contractor engaged in the same type of undertaking under the same or similar circumstances.

“Government Furnished Assets (GFA)” shall have the meaning set out in Condition 6.2 of this Contract.

“Initial Operating Capability (IOC)” means the Initial Operating Capability of the Project VULCAN Requirements under this Contract.

“In-Service” means during the course of the Contract.

“Key Performance Indicators (KPI’s)” means the procedure set out in Annex C to the Contract – Key Performance Indicators.

“Legislation” means in relation to the United Kingdom:

“Narrative Conditions” means the conditions set out in the Contract numbered 2 (two) through to 9 (nine).

“Option Year(s)” means those requirements detailed in Table 2 of the Schedule of Requirements to this Contract which may be enacted by the Authority in adherence to Condition 4.6 (Option Prices) of this Contract.

“Parties” means the Contractor and the Authority.

“Party” means either the Contractor or the Authority.

“Post Design Service (PDS)” Please refer to the SOR (Annex A to the Contract) for definition.

“Prime Contractor” means the “Contractor”, who has responsibility for performance of the Contract.

“Schedule of Requirements (ScOR)” means the Schedule of Requirements at Condition 1 of the Contract.

“ScOR Item(s)” means the item(s) listed in the Schedule of Requirements.

“Statement of Work” means the Contractor’s methodology for carrying out the work under this Contract.

“Sub-Contract” or “sub-Contract” means a sub-Contract of any tier.

“Sub-Contractor” or “sub-Contractor” means a sub-Contractor of the Contractor of any tier.

“Supply Support Plan” means the plan created by the contractor to support the supply of items to Project VULCAN.

“The Contract” means this document TSSP130 Terms and Conditions for the provision of Project VULCAN and all accompanying Annexes and Appendices.

“Transparency Information” shall mean the content of this Contract in its entirety, including from time-to-time agreed changes to the Contract, and details of any payments made by the Authority to the Contractor under the Contract”.

1978.

any Act of parliament.

any enforceable community right within the meaning of section 2 of the European Communities Act 1972, in each case in the United Kingdom

any exercise of the Royal Prerogative; or

any subordinate legislation within the meaning of Section 21 of the Interpretation Act

2.3 SCOPE, DOCUMENTATION & PRECEDENCE

2.3.1 The Contractor shall undertake all work and provide a managed service to meet the Project VULCAN requirement in accordance with the Contract Terms and Conditions and associated Annexes.

2.3.2 The Contractor shall check all Authority supplied documentation and immediately notify the Authority of any discrepancy, inconsistency or error.

2.3.3 Should there be any conflict in the Contract documentation, the order of precedence stated shall be as follows:

- a) Annex A to the Contract (Statement of Requirement) and all supporting documentation and SOR appendices.
- b) Narrative Conditions of the Contract
- c) DEFCONs of the Contract and any documents expressly called up by these.
- d) Appendix 1 to Annex A to the Contract (System Requirements Document).
- e) Appendix 3 to Annex A to the Contract – Integrated Technical Evaluation Assessment Plan (ITEAP).
- f) Any other documents (including annexes) referenced in the Contract.

2.3.4 In the event of any internal conflict in any document, or any conflict between any documents with the same order of precedence, the Authority shall be entitled to give directions as to which part of the relevant document or which document (as the case may be) shall take precedence over which other part or which other document (as the case may be).

2.4 IMPORT AND EXPORT LICENCE

2.4.1 The Contractor shall be responsible for securing any import or export licences necessary to enable him to fulfil his obligations under this Contract. The Authority shall, at the Contractor's request, provide such reasonable assistance as he is able to provide to facilitate the securing of export licences.

2.4.2 The Contractor shall inform the Authority at the earliest opportunity of the route by which he intends to obtain licence approval in order to satisfy delivery requirements under this Contract. In particular, where the Contractor necessarily requires approval from an overseas government (e.g. technical assistance agreement or manufacturing licence agreement), he shall promptly notify the Authority and shall not seek approval for the agreement from the government concerned without first agreeing its contents with the Authority.

2.5 INTERNATIONAL TRAFFIC IN ARMS REGULATIONS (ITAR)

2.5.1 The Contractor shall seek to keep to the minimum the extent to which the deliverables are subject to United States of America (USA) International Traffic in Arms Regulations (ITAR).

2.5.2 Where USA nationals or USA sub-Contractors are utilised by the Contractor, the Contractor shall ensure that Deliverables, information or designs not currently subject to USA ITAR control do not become subject to it.

2.5.3 The Contractor shall inform the Authority of any proposed change to the agreed Manufacturing/Purchasing Plan where the change will add USA ITAR controlled content to the Deliverables and shall not commit to that USA ITAR controlled content without the permission of the Authority. In informing the Authority of the proposed additional USA ITAR controlled content to its Deliverables the Contractor shall inform the Authority of any non-USA ITAR alternatives, and the Contractor's view of the advantages and disadvantages of the solutions.

2.5.4 The equipment which is subject to USA ITAR controlled content is listed in Annex L to the Contract. The Contractor shall not amend in any way the ITAR equipment listed in the Annex, either by the inclusion of additional items subject to USA ITAR control or otherwise, without the express written permission of the Authority.

2.6 SUB-CONTRACTING

2.6.1 For the purposes of this Contract and the work to be performed hereunder, the Contractor, is designated as Prime Contractor and shall accordingly be responsible to the Authority, subject to the provisions of this Contract, for the timely, economic and proper execution of the work under the Contract as described in the Schedule of Requirements (ScOR). The Contractor's responsibilities shall apply equally to work carried out by sub-Contractors in respect of the requirements of the Contract. Nomination of a sub-Contractor does not relieve the Contractor of his responsibilities. The Contractor shall make such arrangements with his sub-Contractor, and they with theirs, to ensure that the sub-Contractor elements are satisfactory and meet the requirements of the Contract.

2.6.2 The Contractor shall ensure that the Terms and Conditions of this Contract are reflected in all Sub-Contracts at whatever level to the extent necessary to enable the Contractor to meet his obligations to the Authority under the Contract.

2.6.3 Where the Contractor proposes to enter into a sub-Contract and/or to materially amend or terminate any existing sub-Contract which is a critical Sub-Contract, the Contractor shall inform the Authority in writing, which shall include sufficient details of the proposed sub-Contract, amendment or reasons for termination to enable the Authority to understand:

- a) the identity of the proposed Sub-Contractor.
- b) the value of the proposed Sub-Contract or amendment and the pricing mechanism on which such value is based.
- c) the proposed Sub-Contractor's or existing Sub-Contractor's current, complete and accurate cost and pricing data.
- d) a description of the supplies or services to be Sub-Contracted.
- e) confirmation that the relevant provisions of this Contract have been flowed down into the proposed sub-Contract or amendment to an existing Sub-Contract.
- f) the reasons for termination and the alternative arrangements proposed to be put in place by the Contractor in relation to the relevant activities.
- g) information to allow the Authority to assess any interest of national security or operational sovereignty.

2.6.4 Notwithstanding any concerns that the Authority may raise regarding changes to critical sub-Contractors, the Contractor shall remain responsible and liable to the Authority at all times for the performance of its obligations under the Contract.

2.6.5 Informing the Authority of the award of a sub-Contract or an amendment to a sub-Contract shall not constitute the Authority's agreement:

- a) to the acceptability of any terms and conditions of the proposed sub-Contract or amendment which could not in the reasonable opinion of the Authority be ascertained from the information provided by the Contractor pursuant to Clause 2.6.3 above; or
- b) relieve the Contractor of any responsibility for performing those aspects of the Contractor's obligations under this Contract which form the subject matter of the proposed sub-Contract or amendment

2.6.6 The obligations of the Contractor under this Contract shall not be affected or reduced in any way by the Authority entering into any agreement directly with a sub-Contractor or proposed sub-Contractor in connection with intellectual property rights or otherwise and/ or by the Authority giving its approval to the pricing or other terms of any sub-Contract or proposed sub-Contractor to the identity of any sub-Contract or proposed sub-Contractor.

2.6.7 The Contractor shall ensure that the sub-Contracts contain provisions which are substantially the same as the provisions in this Contract to the extent relevant to the sub-Contract and necessary to enable the Contractor to fully meet its obligations under this Contract, and the Contractor shall ensure the sub-Contractors comply with such provisions.

2.6.8 Without prejudice to the generality of Clause 2.6.1 above, the Contractor shall as a minimum ensure that the provisions of this Contract specified in Conditions **2.6.8.A** to **2.6.8.G** below are incorporated in all critical Sub-Contracts so as to enable such provision to operate as between the Contractor and each relevant Sub-Contractor (or as between relevant Sub-Contractors of lower tiers as applicable) and be enforced by the Contractor (or relevant Sub-Contractor as applicable):

- a) Intellectual Property Rights.
- b) Sub-Contracting.
- c) Termination.
- d) Variation of Price.
- e) Earned Value Management.
- f) Design Authority.
- g) Security Measures.

2.7 DESIGN AUTHORITY

2.7.1 The Contractor shall be the Project VULCAN Design Authority (PVDA) for all of the Articles delivered under the Contract and shall fulfil this role in accordance with Def Stan 05-10 Part 0 Issue 7. Without prejudice to the generality of the forgoing as the PVDA, the Contractor shall prepare and maintain all design specifications and manufacturing records in accordance with the terms and conditions of the Contract, and provide the appropriate PV sub-system and interface data in the form of a technical data pack which is described in the Contract Data Requirements List at Annex K to the Contract.

2.7.2 Nomination of a Sub-Contractor as a Design Authority does not relieve the Contractor of his responsibilities. The Contractor shall make such arrangements with his Sub-Contractor, and they with theirs, to ensure that the sub-Contracted elements meet the requirements of the Contract.

2.7.3 The Contractor shall make available to the Authority drawings, design data, calculations and reports of tests or demonstrations in accordance with the Contract deliverables articulated within the Statement of Requirement (Annex A to the Contract) so that questions which may affect the safety,

and environmental impact or performance of the completed equipment may be discussed at an early stage. If requested by the Authority, the Contractor shall make arrangements for such tests or demonstrations to be witnessed by the Authority or his authorised representatives at the discretion of the Authority.

2.7.4 The Authority shall have the right, at its sole discretion, to transfer to another party or to take inhouse the role of the PVDA. Reasons for transferring the role include, without limitation:

- a) The Contractor is in breach of its obligations relating to its role as Design Authority.
- b) The Contractor is unwilling to perform the role.
- c) The Contractor is demonstrating poor performance in conducting the role.

2.7.5 The Contractor shall maintain the ability to transfer the role within an agreed timeline with the Authority and shall provide all required assistance to facilitate the transfer. Such transfer shall be on fair and reasonable commercial terms.

2.7.6 Where there is transfer of Design Authority, a Contract amendment as per DEFCON 503 (Formal Amendments to Contract), shall be issued by the Authority to reflect the reduced scope and any change in the risk profile.

2.8 SECURITY MEASURES (WITH SECURITY ASPECTS LETTER)

For the purpose of DEFCON 660 (Official-Sensitive Security Requirements), the “Official-Sensitive Matter” of the Contract shall be as defined in the Authority’s Security Aspects Letter (SAL) at Annex Q to the Contract. Any changes in these classifications will be notified by the Authority with an amendment to the SAL.

2.9 OFFICIAL and OFFICIAL- SENSITIVE SECURITY CONDITIONS

2.9.1 Security Grading

All aspects associated with this Contract are classified OFFICIAL-SENSITIVE. The SAL, issued by the Authority defines the OFFICIAL- SENSITIVE information that is furnished to the Contractor, or which is to be developed by it, under this Contract. The Contractor shall mark all OFFICIAL-SENSITIVE documents which it originates or copies during the Contract clearly with the OFFICIAL-SENSITIVE classification. However, the Contractor is not required to mark information/material related to the Contract which is only OFFICIAL.

2.9.2 Official Secrets Acts

The Contractor's attention is drawn to the provisions of the Official Secrets Acts 1911-1989 in general, and to the provisions of Section 2 of the Official Secrets Act 1911 (as amended by the Act of 1989) in particular. The Contractor shall take all reasonable steps to make sure that all individuals employed on any work in connection with the Contract (including sub-Contractors) have notice that these statutory provisions, or any others provided by the Authority, apply to them and shall continue so to apply after the completion or earlier termination of the Contract.

2.9.3 Protection of OFFICIAL and OFFICIAL- SENSITIVE Information

- a) The Contractor shall protect OFFICIAL and OFFICIAL-SENSITIVE information provided to it or generated by it in accordance with the requirements detailed in this Security Condition and any other conditions that may be specified by the Authority. The Contractor shall take all reasonable steps to prevent the loss or compromise of the information or from deliberate or opportunist attack.
- b) The Contractor shall apply Industry Security Notice (ISN) 2017/01 requirements to every industry owned IT and communication system used to store, process or generate MOD information including those systems containing OFFICIAL and/or OFFICIAL-SENSITIVE information. ISN 2017/01 details Defence Assurance and Risk Tool (DART) registration, IT security accreditation processes, risk assessment and risk management requirements. The ISN is available at:

[MOD ICT security accreditation and the defence assurance risk tool \(DART\)](https://publishing.service.gov.uk/government/publications/mod-ict-security-accreditation-and-the-defence-assurance-risk-tool-dart)
publishing.service.gov.uk

2.9.4 OFFICIAL and OFFICIAL-SENSITIVE INFORMATION

Shall be protected in a manner to avoid unauthorised access. The Contractor shall take all reasonable steps to prevent the loss, compromise, or inappropriate access of the information, or from deliberate or opportunist attack.

2.9.5 All OFFICIAL and OFFICIAL-SENSITIVE MATERIAL

Including documents, media and other material shall be physically secured to prevent unauthorised access. When not in use OFFICIAL and OFFICIAL- SENSITIVE documents/material shall be handled with care. As a minimum, when not in use, OFFICIAL-SENSITIVE material shall be stored under lock and key and in a lockable room, cabinets, drawers or safe and the keys/combinations are themselves to be subject to a level of physical security and control.

2.9.6 Disclosure of OFFICIAL and OFFICIAL-SENSITIVE INFORMATION

Shall be strictly in accordance with the *"need to know"* principle. Except with the written consent of the Authority, the Contractor shall not disclose any of the classified aspects of the Contract detailed in the Security Aspects Letter other than to a person directly employed by the Contractor or sub-Contractor, or Service Provider.

2.9.7 Any samples, patterns, specifications, plans, drawings or any other documents issued by or on behalf of the Authority for the purposes of the Contract remain the property of the Authority and shall be returned on completion of the Contract or, if directed by the Authority, destroyed in accordance with Condition 2.9.28.

2.9.8 Access

Access to OFFICIAL and OFFICIAL- SENSITIVE information shall be confined to those individuals who have a *"need-to-know"*, have been made aware of the requirement to protect the information and whose access is essential for the purpose of his or her duties.

The Contractor shall ensure that all individuals having access to OFFICIAL- SENSITIVE information have undergone basic recruitment checks. Contractors shall apply the requirements of HMG Baseline Personnel Security Standard (BPSS) for all individuals having access to OFFICIAL- SENSITIVE

information. Further details and the full requirements of the BPSS can be found at the Gov.UK website at:

[Government baseline personnel security standard - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/baseline-personnel-security-standard)

2.9.9 Hard Copy Distribution

- a) OFFICIAL and OFFICIAL- SENSITIVE documents shall be distributed, both within and outside company premises in such a way as to make sure that no unauthorised person has access. It may be sent by ordinary post or Commercial Couriers in a single envelope. The words OFFICIAL or OFFICIAL-SENSITIVE shall not appear on the envelope. The envelope should bear a stamp or details that clearly indicates the full address of the office from which it was sent.
- b) Advice on the distribution of OFFICIAL- SENSITIVE documents abroad or any other general advice including the distribution of OFFICIAL- SENSITIVE hardware shall be sought from the Authority.

2.9.10 Electronic Communication, Telephony and Facsimile Services

OFFICIAL information may be emailed unencrypted over the internet. OFFICIAL- SENSITIVE information shall normally only be transmitted over the internet encrypted using either a CESA Commercial Product Assurance (CPA) cryptographic product or a MOD approved cryptographic technique such as Transmission Layer Security (TLS). In the case of TLS both the sender and recipient organisations must have TLS enabled. Details of the required TLS implementation are available at:

<https://www.ncsc.gov.uk/guidance/tls-external-facing-services>

Details of the CPA scheme are available at:

<https://www.ncsc.gov.uk/scheme/commercial-product-assurance-cpa>

2.9.11 Exceptionally, in urgent cases, OFFICIAL-SENSITIVE information may be emailed unencrypted over the internet where there is a strong business need to do so and only with the prior approval of the Authority. The persons designated to act on the behalf of the Authority shall be the Commercial Manager and Project Manager as detailed at Boxes 1 & 2 of DEFFORM 111 (Appendix 1 to the Contract)

2.9.12 OFFICIAL- SENSITIVE information shall only be sent when it is known that the recipient has been made aware of and can comply with the requirements of these Security Conditions and subject to any explicit limitations that the Authority shall require. Such limitations, including any regarding publication, further circulation or other handling instructions shall be clearly identified in the email sent with the material.

2.9.13 OFFICIAL information may be discussed on fixed and mobile telephones with persons located both within the UK and overseas. OFFICIAL- SENSITIVE information may be discussed on fixed and mobile types of telephone within the UK, but not within earshot of unauthorised persons.

2.9.14 OFFICIAL information may be faxed to recipients located both within the UK and overseas, however OFFICIAL- SENSITIVE information may be faxed only to UK recipients.

2.9.15 Use of Information Systems

- a) The detailed functions that must be provided by an IT system to satisfy the minimum requirements cannot all be described here; it is for the implementers to identify possible means of attack and ensure proportionate security mitigations are applied to prevent a successful attack.

2.9.16 The Contractor shall ensure the 10 Steps to Cyber Security are applied in a proportionate manner for each IT and communications system storing, processing or generating MOD UK OFFICIAL or OFFICIAL-SENSITIVE information. The 10 Steps to Cyber Security are available at:

[10 Steps to Cyber Security - NCSC.GOV.UK](https://www.ncsc.gov.uk/10-steps-to-cyber-security)

2.9.17 The Contractor shall ensure competent personnel apply 10 Steps to Cyber Security.

2.9.18 As a rule, any communication path between an unauthorised user and the data can be used to carry out an attack on the system or be used to compromise or ex-filtrate data.

2.9.19 Within the framework of the 10 Steps to Cyber Security, the following describes the minimum-security requirements for processing and accessing OFFICIAL-SENSITIVE information on IT systems.

- a) Physical access to all hardware elements of the IT system is to be strictly controlled. The principle of “*least privilege*” will be applied to System Administrators. Users of the IT System-administrators should not conduct ‘*standard*’ User functions using their privileged accounts.
- b) Identification and Authentication (ID&A). All systems shall have the following functionality:
 - 1) Up-to-date lists of authorised users.
 - 2) Positive identification of all users at the start of each processing session.
- c) Passwords are part of most ID&A, Security Measures. Passwords shall be ‘strong’ using an appropriate method to achieve this, for example including numeric and “special” characters (if permitted by the system) as well as alphabetic characters.
- d) Internal Access Control. All systems shall have internal Access Controls to prevent unauthorised users from accessing or modifying the data.
- e) Data Transmission. Unless the Authority authorises otherwise, OFFICIAL-SENSITIVE information shall be transmitted or accessed electronically (e.g., point to point computer links) via a public network like the Internet, using a CPA product or equivalent as described in condition 2.9.10 above.
- f) Security Accounting and Audit. Security relevant events fall into two categories, namely legitimate events, and violations.
 - 1) The following events shall always be recorded:

- (a) All log on attempts whether successful or failed,
 - (b) Log off (including time out where applicable),
 - (c) The creation, deletion, or alteration of access rights and privileges,
 - (d) The creation, deletion, or alteration of passwords,
- 2) For each of the events listed above, the following information is to be recorded:
 - (a) Type of event,
 - (b) User ID,
 - (c) Date & Time,
- g) Device ID, the accounting records shall have a facility to provide the System Manager with a hard copy of all or selected activity. There shall also be a facility for the records to be printed in an easily readable form. All security records are to be inaccessible to users without a need to know. If the operating system is unable to provide this, then the equipment shall be protected by physical means when not in use i.e., locked away or the hard drive removed and locked away.
- h) Integrity & Availability. The following supporting measures shall be implemented:
 - 1) Provide general protection against normally foreseeable accidents/mishaps and known recurrent problems (e.g., virus power supply variations),
 - 2) Defined Business Contingency Plan,
 - 3) Data backup with local storage,
 - 4) Anti-Virus Software (Implementation, with updates, of an acceptable industry standard Anti-virus software),
 - 5) Operating systems, applications and firmware should be supported,
 - 6) Patching of Operating Systems and Applications used shall be in line with the manufacturers recommended schedule. If patches cannot be applied an understanding of the resulting risk will be documented,
- i) Logon Banners Wherever possible, a "Logon Banner" shall be provided to summarise the requirements for access to a system which may be needed to institute legal action in case of any breach occurring. A suggested format for the text (depending on national legal requirements) could be:

"Unauthorised access to this computer system may constitute a criminal offence"
- j) Unattended Terminals. Users are to be automatically logged off the system if their terminals have been inactive for some predetermined period of time, or systems must activate a password protected screen saver after 15 minutes of inactivity, to prevent an attacker making use of an unattended terminal.
- k) Internet Connections. Computer systems shall not be connected direct to the Internet or 'untrusted' systems unless protected by a firewall (a software based personal firewall is the minimum, but risk assessment and management must be used to identify whether this is sufficient).
- l) Disposal Before IT storage media (e.g., disks) are disposed of, an erasure product shall be used to overwrite the data. This is a more thorough process than deletion of files, which does not remove the data.

2.9.20 Laptops

- a) Laptops holding any MOD supplied or Contractor generated OFFICIAL-SENSITIVE information are to be encrypted using a CPA product or equivalent as described in condition 2.9.10 above.
- b) Unencrypted laptops not on a secure site¹ are to be recalled and only used or stored in an appropriately secure location until further notice or until approved full encryption is installed. Where the encryption policy cannot be met, a risk balance case that fully explains why the policy cannot be complied with and the mitigation plan, which should explain any limitations on the use of the system, is to be submitted to the Authority for consideration. Unencrypted laptops and drives containing personal data are not to be taken outside of secure sites. For the avoidance of doubt the term “drives” includes all removable, recordable media (e.g., memory sticks, compact flash, recordable optical media e.g., CDs and DVDs), floppy discs and external hard drives.
 - 1) Any token, touch memory device or password(s) associated with the encryption package is to be kept separate from the machine whenever the machine is not in use, left unattended or in transit.
- c) Portable Communication and Information Systems (CIS) devices are not to be left unattended in any public location. They are not to be left unattended in any motor vehicles either in view or in the boot or luggage compartment at any time. When the vehicle is being driven the CIS is to be secured out of sight in the glove compartment, boot or luggage compartment as appropriate to deter opportunist theft.

2.9.21 Loss and Incident Reporting

The Contractor shall immediately report any loss or otherwise compromise of any OFFICIAL or OFFICIAL-SENSITIVE information to the Authority.

Accordingly, in accordance with Industry Security Notice 2011/07 as may be subsequently updated at:

[Industry Security Notice 2011-07 \(publishing.service.gov.uk\)](http://publishing.service.gov.uk/Industry-Security-Notice-2011-07)

2.9.22 Any security incident involving any MOD owned, processed, or Contractor generated OFFICIAL or OFFICIAL-SENSITIVE information defined in the Contract Security Aspects Letter shall be immediately reported to the MOD Defence Industry Warning, Advice and Reporting Point (WARP), within the Joint Security Co-ordination Centre (JSyCC). This will assist the JSyCC in formulating a formal information security reporting process and the management of any associated risks, impact analysis and upward reporting to the MOD's Chief Information Officer (CIO) and, as appropriate, the company concerned. The MOD WARP will also advise the Contractor what further action is required to be undertaken.

2.9.23 The Contractor shall use the following JSyCC WARP Contact Details to report any security incidents in accordance with condition 2.9.22:

Email: For those with access to the RLI: [CIO-DSAS-JSyCC Operations](#)

¹ Secure Sites are defined as either Government premises or a secured office on the Contractor premises

Email: For those without access to the RLI: CIO-DSASJSyCCOperations@mod.gov.uk

Telephone: Working Hours: 0306 770 2187

Out of Hours/Duty Officer Phone: 07768 558863

Mail: Joint Security Co-ordination Centre (JSyCC), X007 Bazalgette Pavilion, RAF Wyton, Huntingdon, Cambs, PE28 2EA.

2.9.24 Sub-Contracts

- a) The Contractor may Sub-Contract any elements of this Contract to Sub-Contractors within the United Kingdom providing the Authority are notified. When sub-Contracting to a Sub-Contractor located in the UK the Contractor shall ensure that these Security Conditions shall be incorporated within the Sub-Contract document. The prior approval of the Authority shall be obtained should the Contractor wish to Sub-Contract any OFFICIAL-SENSITIVE elements of the Contract to a Sub-Contractor located in another country. The first page of Appendix 5 (MOD Form 1686 (F1686)) of the Security Policy Framework Contractual Process chapter is to be used for seeking such approval. The MOD Form 1686 can be found at Appendix 5 at:

[Business Continuity – Useful Links \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

- b) If the Sub-Contract is approved, the Contractor shall incorporate these security conditions within the Sub-Contract document.

2.9.25 Publicity Material

Contractors wishing to release any publicity material or display hardware that arises from this Contract shall seek the prior approval of the Authority. Publicity material includes open publication in the Contractor's publicity literature or website or through the media; displays at exhibitions in any country; lectures or symposia; scientific or technical papers, or any other occasion where members of the general public may have access to the information even if organised or sponsored by the MOD, the armed services or any other government department.

2.9.26 Private Venture

Any defence related Private Venture (PV) derived from the activities of this Contract are to be formally assessed by the Authority for determination of its appropriate classification. Contractors are to submit a definitive product specification for PV Security Grading in accordance with the requirement detailed at:

[Private venture security grading and exhibition clearance procedures.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

2.9.27 Promotions and Potential Export Sales

Contractors wishing to promote, demonstrate, sell or export any material that may lead to the release of information or equipment classified OFFICIAL- SENSITIVE (including classified tactics, training or doctrine related to an OFFICIAL- SENSITIVE equipment) are to obtain the prior approval of the Authority utilising the MOD Form 680 process, as identified at:

[MOD Form 680 guidance \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

2.9.28 Destruction

As soon as no longer required, OFFICIAL and OFFICIAL-SENSITIVE information/material shall be destroyed in such a way as to make reconstitution unlikely, for example, by burning, shredding or tearing into small pieces. Advice shall be sought from the Authority when information/material cannot be destroyed or, unless already authorised by the Authority, when its retention is considered by the Contractor to be necessary or desirable. Unwanted OFFICIAL-SENSITIVE information/material which cannot be destroyed in such a way shall be returned to the Authority.

2.9.29 Interpretation/Guidance

- a) Advice regarding the interpretation of the above requirements should be sought from the Authority.
- b) Further requirements, advice and guidance for the protection of MOD information at the level of OFFICIAL-SENSITIVE may be found in Industry Security Notices at:

[Industry Security Notice \(ISN\) - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

2.9.30 Audit

Where considered necessary by the Authority, the Contractor shall provide evidence of compliance with this Security Condition 2.9 and/or permit the inspection of the Contractor's processes and facilities by representatives of the Authority to ensure compliance with these requirements.

2.10 CHANGE OF CONTROL OF CONTRACTING AUTHORITY

2.10.1 The Authority's strategy for the supply of Contractor Logistics Support and Post Design Services for Project VULCAN may be subject to change during the period of this Contract and this could result in the need for the Authority to consider novating the Contract to a third party. If the Authority decides that it needs to consider novating the Contract to a third party, then it will give the Contractor a minimum of twelve (12) months' notice of its intention and will meet the Contractor to discuss the novation within the first three (3) months of this period of notice. The Contractor agrees that it will not unreasonably withhold agreement to any proposed novation to a third party.

2.10.2 During the period of notice, the Parties shall agree a limit of liability that may be required in the event of any incident or event, that is proven to be the fault of either of the new Contracting Authority or the Contractor, which requires a halt to production and delivery of any of the ScOR Items.

2.10.3 Any change of Contracting Authority shall not prejudice the existing rights of the Authority or the Contractor under the Contract nor create or imply any rights of either the Contractor or the Authority additional to those detailed in the existing Contract. The prices recorded within the terms and conditions shall also remain unchanged in the event of a change of control of Contracting Authority.

2.10.4 The Contractor shall not be required to submit any advice or information which would be in breach of either any pre-existing non-disclosure agreement or any regulations governing the supply of information to third parties.

2.10.5 For the purposes of this Condition 'Control' shall mean the power of a person or organisation to manage the Contract in accordance with the Conditions of Contract.

- a) by means of implementing any remedial action required as a result of a breach of the terms and conditions of the Contract.

or

- b) by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating the Contract.

2.10.6 For the purposes of this Contract and only in the event of a change of Contracting Authority, any references to "MOD, the "Authority" and/or the "Secretary of State for Defence" shall equally mean the "Contracting Authority."

2.11 TRANSFERS AND ASSIGNMENTS

- a) In accordance with DEFCON 518 (Transfer), the Contractor shall not assign any part of the Contract to a third party without the Authority's prior agreement in writing.

2.12 DEFAULT & TERMINATION

2.12.1 In this Condition Contractor Default means: -

- a) Any failure by the Contractor to deliver any of the Articles and Deliverables articulated in the Schedule of Requirement, the agreed Statement of Work at Contract Award and all accompanying Appendices within the timescales specified.
- b) Any material breach other than a failure to deliver the Project VULCAN requirement under the Contract.
- c) Any persistent breach of any of the Contractor's obligations under the Contract. For the purposes of the Contract a persistent breach shall be a breach of the Contract by the Contractor as measured by the Key Performance Indicators in Annex C of the Contract other than a breach or event which falls into any of the categories of default set out in Conditions 2.12.1.a, 2.12.1.b, 2.12.1.d. or 2.12.1.e.
- d) Any failure by the Contractor to fully, in the manner and within the timescale specified in the Contract, supply any requirement as identified in the Contract; and
- e) Breach of the requirements of DEFCON 68 (Supply of Data for Hazardous Articles, Materials and Substances), DEFCON 515 (Bankruptcy and Insolvency), DEFCON 518 (Transfer), DEFCON 520 (Corrupt Gifts), and DEFCON 659A (Security Measures).

2.12.2 The Authority shall have the right to terminate this Contract with 10 (ten) business days written notice where a Contractor Default arises in accordance with Condition 2.12.1 above.

2.12.3 The Authority retains the right to issue a notice (Rectification Notice) to the Contractor that will detail any default in accordance with Condition 2.12.1.

2.12.4 If the Authority has elected for a notice (Rectification Notice) in accordance with Condition 2.12.3. within 20 (twenty) business days (or such longer period as the Authority may specify) of the receipt of the notice (Rectification Notice), the Contractor shall make a rectification proposal to the satisfaction of the Authority which shall, as a minimum, specify:

- a) The extent to which the Contractor proposes to rectify the Contractor Default.
- b) Details of all measures the Contractor proposes to take to rectify the Contractor Default, and
- c) The timescale within which the Contractor proposes to rectify the Contractor Default.

2.12.5 If the Authority receives the Contractor's rectification Proposal under Clause 2.12.4 within 20 (twenty) business days (or such longer period as the Authority may specify) of the receipt by the Contractor of the notice (Rectification Notice), the Authority shall consider the proposal and may accept, reject, or amend the proposal.

2.12.6 If the Authority accepts or amends the Contractor's rectification Proposal under 2.12.5, the Contractor shall rectify the Contractor Default in accordance with the proposal as accepted, and the Contractor shall take such action without imposing any additional charge on the Authority.

2.12.7 The Authority shall have the right (but not the obligation) to terminate the Contract by providing notice in writing, if,

- 1) The Contractor fails to make a rectification proposal in accordance with Clause 2.12.4 or fails to implement the rectification proposal under Clause 2.12.6, within the timescale and in the manner agreed in the rectification proposal, or
 - 2) The Contractor does not take the remedial action as the Authority has specified in accordance with Condition 2.12.5; or
 - 3) The Authority and the Contractor cannot agree a mutually acceptable rectification proposal.
 - 4) The Authority does not deem it appropriate to request a rectification plan in accordance with Clause 2.12.5.
- a) The termination of the Contract shall be without prejudice to the rights, obligations and liabilities of the Parties which have accrued or become due prior to the date of termination.
- b) In addition to the Authority's rights of termination under other Conditions/clauses, the Contract or any part thereof may be terminated by the Authority at any time subject to three months' notice in writing to the Contractor. Where appropriate, the Authority may require the Contractor to furnish a report covering work to be done to the date of termination, with such recommendations as may be possible to make at that stage. The Authority's liability shall be confined to payment, within the provisions of the Contract, for work done to the date of termination
- c) No reasonable delay by the Authority in exercising any entitlement to terminate the Contract nor anything said by any representative of the Authority shall amount to a waiver of the Authority's right to terminate the Contract except where such waiver is confirmed by written notice by the Authority's Commercial Manager.

2.13 PROCEDURE ON TERMINATION OF THE CONTRACT

2.13.1 If the Authority terminates the Contract in full or in part in accordance with Condition 2.12 (Default & Termination) above, the Authority shall be entitled, without prejudice to any other right or remedy which he may have, to:

- a) Make any alternative arrangements for the carrying out of what were, prior to termination, the Authority's requirements under the Contract, or the part thereof which has been terminated; and
- b) Recover from the Contractor any cost so incurred to the extent that it exceeds the amount which would have been incurred by the Authority in the event of proper Contractual performance. Such costs shall be reasonable, and representative of the demonstrable losses suffered by the Authority.

2.14 PARENT COMPANY GUARANTEE

2.14.1 Where the Contractor has provided a Parent Company Guarantee, the Parent Company Guarantee shall remain in place for the duration of the Contract.

2.14.2 Should there be any change in control of the Contractor in accordance with DEFCON 566 (Change of Control of Contractor), the Parent Company Guarantee and the liabilities, undertakings and guarantees therein shall be adopted in full by the new parent company of the Contractor. Where the change in control means there is no parent company to adopt the Parent Company Guarantee, the Parties shall agree a mutually acceptable alternative which meets the intent of the Parent Company Guarantee.

2.15 AMENDMENTS TO CONTRACT

2.15.1 In addition to the terms of DEFCON 503 (Formal Amendments to Contract) only, the Authority's Commercial Manager (or his authorised representative) detailed at Box 1 of DEFFORM 111 shall be authorised to vary the terms and conditions of the Contract, including specifications, standards of drawings which form part of the Contract.

2.16 DISPUTE RESOLUTION

2.16.1 Any dispute or difference or question arising out of or in relation to this Contract between the Contractor and the Authority shall be resolved in accordance with this Condition 2.16 and DEFCON 530 (Dispute Resolution (English Law)) shall be deemed to be amended to the extent it is inconsistent with this Condition 2.16.

2.16.2 If any dispute, difference, or question arises out of the performance of this Contract, then the Parties concerned shall attempt to resolve it between themselves in good faith and to the mutual satisfaction of both Parties in a timely and expeditious manner.

2.16.3 Any dispute, difference or question shall be referred firstly to the decision of the Training and Simulation Systems Portfolio (TSSP) Senior Commercial Manager and the Senior Commercial Manager (or equivalent) of the Contractor or such other persons as the Parties may respectively designate for this purpose from time to time by notice to the other.

2.16.4 If within 30 (thirty) business days the Parties have failed to reach agreement then the dispute, difference or question shall be referred to the decision of the TSSP Team Leader and the Programme Manager of the Contractor or such other persons as the Parties may respectively designate for this purpose from time to time by notice to the other.

2.16.5 If within 30 (thirty) business days after referral of any dispute, difference or question under Clause 2.16.4 above, the Authority and the Contractor have failed to reach agreement, then subject as expressly provided in this Contract, the Parties may seek to resolve the dispute through the use of any Alternative Dispute Resolution ("ADR") procedure on which they may agree. If the Parties choose not to use an ADR procedure, or if the ADR procedure does not resolve the Dispute within a reasonable timescale to the satisfaction of both Parties, the dispute shall be referred to arbitration in accordance with DEFCON 530 (Dispute Resolution (English Law)).

2.16.6 For the purposes of DEFCON 530 (Dispute Resolution (English Law)), any arbitration shall take place under the rules of the London Court of International Arbitration (the LCIA Rules) in London in English.

2.16.7 It is agreed between the Parties that the arbitration process and anything said, done or produced in or in relation to the arbitration process (including any awards) shall be confidential as between the Parties, except as may be lawfully required in judicial proceedings relating to the

arbitration or otherwise. No report relating to anything said, done or produced in or relation to the arbitration process may be made beyond the tribunal, the Parties, their legal representatives and any person necessary to the conduct of the proceedings, without the concurrence of all Parties to the arbitration.

2.16.8 Neither Party shall be entitled to suspend performance of the Contract merely by reason of the reference of any dispute to the procedures set out in this Condition or to arbitration.

2.16.9 Clause 2.16.8 shall be subject to the right for the Authority to withhold payment of the whole or any part of the Contract Price where the Authority, in good faith, disputes that the Contractor has satisfactorily completed any part of the Contract provided that the Authority shall only be entitled to withhold that part of the Contract Price which relates to the disputed performance.

2.17 CONTRACT CHANGE PROCEDURE

2.17.1 This Condition describes the procedure to be used for implementing changes to the Contract.

2.17.2 Changes may include, but shall not be limited, to the following:

- a) Changes to Deliverables.
- b) Flexing of funding to facilitate the curtailment or expansion of activities being undertaken.
- c) Introduction of new work as a result of the identification of new technologies or the work of other programmes.
- d) Removal of work that is unnecessary to achieve Contract outcomes or for which better value for money can be achieved through a decision to allocate the cost of that work to other Contract outcomes.

2.17.3 Changes to Contract requirements may be proposed by the Authority, or by the Contractor. For Contractor initiated changes the Contractor shall be responsible for the preparation and submission of a Change Proposal. For Authority, initiated changes, the Authority shall submit in writing, details of the change required and the reason for the change.

2.17.4 For any change identified by either Party as an urgent change, both Parties shall use reasonable endeavours to meet and agree the urgent change as soon as reasonably practicable.

2.17.5 Any Change Proposal submitted by the Contractor shall contain sufficient information to enable the Authority to make a decision on whether or not to proceed on the proposed change.

2.17.6 Should the Contractor have insufficient information about the impact of the proposed change they may propose that the Authority allocate funds in order that the Contractor can undertake a study to investigate the potential impact of the proposed change.

2.17.7 Where a study is required, the Contractor shall not proceed until authority to proceed with the study has been provided by the Authority's Commercial Manager in writing.

2.17.8 For proposed Contractual changes, the Change Proposal submissions shall include a breakdown of all costs and other factors affected by the proposed change. These shall include, but not be limited to:

- a) Breakdown of all pricing of the proposed change
- b) Programme Schedules
- c) Statements of Work
- d) Deliverables.
- e) System Requirements.
- f) Commonality.
- g) Any other input that may result

2.17.9 The price shall not only include those cost changes directly relating to the change itself but also any consequential cost changes that may arise elsewhere under the Contract. The Authority shall not be liable for any consequential costs that were not identified prior to approval of the Change Proposal Form concerned.

2.17.10 Where a change has originated from the Authority, the Contractor shall provide in response a proposal in accordance with Condition 2.17.8. No preparation costs shall be allowable for a Contractor originated Change Proposal Form.

2.17.11 Any changes initiated by the Contractor which are necessary to ensure compliance with the requirements of the Contract shall be the liability of the Contractor.

2.17.12 In accordance with DEFCON 127 (Price Fixing Condition for Contracts of Lesser Value) or DEFCON 643 (Price Fixing (Non-qualifying contracts)), the price submitted in the Change Proposal supported by details of the rationale used to determine the proposed costs, including a detailed breakdown (embracing all levels of the supply chain). If required, the Contractor shall also provide the Authority with full visibility of the costs of any part of the original work to which the proposed change relates.

2.17.13 All labour rates used shall be those set out in Appendix 1 to Annex P to the Contract.

2.17.14 Work in connection with any proposed change shall not commence until the Authority's Commercial Manager (see Box 1 of DEFFORM 111) or his authorised representative formally offers the change as a Contract amendment in accordance with the requirements of Condition 2.15 (Amendments to Contract). Any work undertaken or costs incurred in advance of the acceptance of any Change Notice will be entirely at the Contractor's own risk. Once a proposed change has been agreed and a Contract amendment to incorporate it has been accepted by the Contractor, then the Contractor shall implement the change in accordance with the duly amended terms and conditions of the Contract.

2.17.15 The Authority reserves the right to reject or not take forward any proposed change contained in a Change Proposal Form. In the case of rejection or non-adoption the Authority shall give the Contractor reasons for that rejection.

2.18 DURATION

2.18.1 The Contract shall commence on the Contract Effective Date and shall unless terminated earlier by the Authority expire at 23:59hrs on 18th April 2033:

- a) all work required against the ScOR Items, and all related Deliverables have been completed and accepted by the Authority in accordance with Appendix 3 of Annex A (ITEAP).
- b) all of the Authority's options set out in ScOR Items have expired if exercised.

2.18.2 The Authority has the unilateral irrevocable right to take up options highlighted in ScOR by informing the Contractor of its intent 3 (three) months prior to Contract expiry date. The terms and conditions of this Contract shall survive in the event that an option is taken up and will result in the extension of the duration of this Contract.

2.18.3 Timely delivery of all Deliverables in the ScOR (Section 1) in accordance with the Fielding Requirement Table 1a (Section 1) is of special importance to the Authority.

2.19 CONTRACTOR'S PERSONNEL

2.19.1 Key personnel identified in the agreed Statement of Work shall have the appropriate qualifications and competences for this Contract.

2.19.2 The Contractor shall take all reasonable steps to avoid changes of key personnel assigned for work under the Contract. Except whenever changes are unavoidable or of a temporary nature caused by sickness or other circumstances, the Contractor shall give notice of at least 1 (one) calendar month, in writing, to the Authority and the provisions of this Condition shall apply to the replacement personnel. The Authority shall have the right, in its sole discretion, to reject any replacement personnel proposed by the Contractor.

2.20 AUTHORITY'S REPRESENTATIVES

2.20.1 The Authority may engage organisations to assist it with the Contract. In such circumstances these parties (known as "Authority's Representatives") shall be deemed to be approved representatives of the Authority to whom the Contractor shall co-operate fully and provide all reasonable assistance to them in performing the roles and responsibilities assigned to them by the Authority.

2.20.2 Any Contract placed by the Authority for the services mentioned in Clause 2.20.1 above shall include suitable provisions for the protection of the confidentiality of any information released under the said Contract.

2.21 CAPITAL FACILITIES

2.21.1 The Contractor shall provide all resources necessary for the purposes of carrying out the requirements of this Contract other than those under Section 6 – Loans, or those agreed as GFA at Annex L to the Contract.

2.22 TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYMENT) TUPE

2.22.1 The TUPE conditions relating to the provision of Employee Information at Contract expiry are specified at Annex V to the Contract terms and conditions.

2.23 SUSTAINABLE PROCUREMENT – BEST PRACTICE

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

2.24 LANGUAGE

2.24.1 All correspondence delivered under this contract shall be written in English. Similarly, all meetings shall be conducted in the English Language.

2.25 COMMERCIAL CONFIDENCE

2.25.1 All personnel employed by the Contractor, on this Contract, will in accordance with DEFCON 531 (Disclosure of Information) be required to treat as OFFICIAL SENSITIVE- COMMERCIAL any Government owned or third-party information to which they might have access during their engagement on the Contract. The Contractor shall not, by virtue of the Contract gain any rights in such information.

2.26. TASKING PROCEDURES FOR ADDITIONAL WORK (BESPOKE TASKING)

Minor Tasks

2.26.1 For additional work called for under ScOR Line Items 4, 6, 8, 10, 11, 13 & 15 with the estimated value of which is less than £50,000 (Fifty thousand pounds) per task, the following procedure shall apply:

- a. A sequentially numbered Tasking Approval Form (TAF) (as attached at ANNEX X), approved by the Authority's Project Manager and Commercial Officer summarising the work required, shall be issued to the Contractor.
- a) Within 10 (ten) business days from receipt of an appropriately approved Tasking Order, the Contractor shall forward their firm priced proposal for the work which shall detail the capabilities the Contractor will deliver through the Tasking Order, the deliverables the Contractor proposes to provide and an installation programme with timescales where appropriate. In the event of a unique task, the schedule for receipt shall be mutually agreed between the Contractor and the Authority. The Contractor shall also forward the firm price quotation for the work, in accordance with the provisions of DEFCON 643 (Price Fixing – Non-Qualifying Contracts) supported by full breakdown of costs under the headings of direct labour including the associated workforce hour/Wages rates (as listed in Appendix 2 to Annex W), materials, bought out parts/proprietary items, PVR&D, sub-contract costs, overheads and profit etc.

- b. Approved Tasking Forms shall be returned to the Contractor, detailing the Firm price and shall be the authority to proceed with the work. Following completion of the task, the Contractor shall complete part 4 of the Tasking form to show that the work has been undertaken, and forward this to the Authority's Project Manager for approval.
- c. For the purposes of administration, the Agreement shall be amended periodically, in accordance with the provisions of DEFCON 503 (Formal Amendments to Contract), to reflect the Minor tasks brought under the Agreement in the preceding period. Any Amendments raised shall incorporate any new TAFs into ANNEX Y, no later than 4 (four) months after each Task Order's formal issuance.

2.26.2 Any work undertaken on a Minor task without prior approval from the Authority, shall be undertaken at the Contractor's risk.

Major Tasks

2.26.3 For additional work called for under Schedule of Requirements Line Items 4, 6, 8, 10, 11, 13 & 15 estimated to exceed £50,000 DEFCON 643 (Price Fixing) and the following procedure shall apply:

- a. The Commercial Officer named in the DEFFORM 111 shall write to the Contractor outlining the Authority's requirement.
- b. Within 5 (five) business days from receipt of the request, except where the Contractor notifies the Commercial Officer in writing (and thereafter the parties shall determine a mutually agreed date), the Contractor shall submit a date for which the proposal will be submitted to the Authority. On this date the Contractor shall submit the proposal for the work intended to be undertaken to meet the requirement, together with a Firm price quotation supported by full breakdown of costs under the headings of, if applicable:
 - Direct Labour including the associated workforce hour/Wages rates (in accordance with those detailed in Appendix 2 to Annex W)
 - Materials,
 - Bought out Parts/Proprietary items,
 - PVR&D,
 - Sub-Contract costs
 - Overheads and Profit etc.
 - Statement of Requirements
 - Draft Project Schedule
 - Key Milestones
 - GFA list
 - Training and installation – Concept
 - Options - listed separately
 - Contractor Logistics Support including concept and pricing
 - Compliance with SRD provided by MOD.
 - Full breakdown of hours – clearly identifiable to justify pricing and cost drivers
 - Costed Risk Register
 - Assumptions and Exclusions
 - Payment profile

2.26.4 The Contractor shall not undertake any work on a Major Task until authorised to do so. Costs associated with any work undertaken prior to their acceptance of a formal written amendment to the Agreement shall be the liability of the Contractor.

2.26.5 The Authority reserves the right to seek competitive tenders for additional work called for under ScOR Line Items 4, 6, 8, 10, 11, 13 & 15 as effective competitive procurement will continue to be an important tool for achieving best value for money.

2.26.6 In the event the Authority invokes the right to seek competitive tenders, the Contractor will be entitled to participate in the competitive procurement activity, subject to the provisions therein.

3. SPECIFICATIONS, PLANS, ETC

3.1 DEFCONS

DEFCON 16 (Edn.06/21) – Repair and Maintenance Information

- For the Purpose of this Contract, Repair and Maintenance information identified within the relevant DEFFORM 315 (Annex K to the Contract) will be provided upon request.

DEFCON 21 (Edn.01/58) - Drawings, Specifications and Manufacturing Data

DEFCON 21 (Edn.06/21) – Retention of Records

- For the purpose of this Contract, the Contractor shall provide information in pursuant of this condition in accordance with Annex K to the Contract (DEFFORM 315)

DEFCON 68 (Edn.10/22) – Supply of Data of Hazardous Articles, Materials and Substances

- For the purpose of this Contract, Annex H to the Contract (DEFFORM 68) shall be used to document all Safety Data Sheet (SDS) relating to any article provided under this Contract.

DEFCON 82 (Edn.06/21) – Special Procedure for Initial Spares

- For the purpose of this Contract, Annex A (DEFFORM 82A) shall be used to document all Advanced Spares relating to any article provided under this Contract.

DEFCON 117 (Edn.07/21) – Supply of Documentation for NATO Codification Purposes

- For the purpose of this Contract, all items purchased on behalf of the Authority by the Contractor for the delivery of the PROJECT VULCAN requirement will be codified as specified in DEFCON 117.

DEFCON 595 (Edn.03/19) – Automatic Test Equipment Data Requirements

DEFCON 601 (Edn.04/14) – Redundant Materiel

DEFCON 602A (Edn.04/23) – Quality Assurance (With Deliverable Quality Plan)

DEFCON 606 (Edn.07/21) – Change and Configuration Control Procedure

DEFCON 607 (Edn.05/08) – Radio Transmissions

DEFCON 612 (Edn.06/21) – Loss of Or Damage to the Articles

DEFCON 624 (Edn.08/22) – Use of Asbestos

DEFCON 627 (Edn.11/21) – Quality Assurance - Requirement for a Certificate of Conformity

DEFCON 637 (Edn.05/17) – Defect Investigation and Liability

DEFCON 644 (Edn. 07/18) – Marking of Articles

DEFCON 645 (Edn.12/21) – Export Potential

DEFCON 658 (Edn.10/22) – Cyber

- For the purpose of the Contract, the Cyber Risk Assessment of this Contract is **VERY LOW**

DEFCON 659A (Edn.09/21) – Security Measures

DEFCON 687A (Edn.06/21) – Provision of A Shared Data Environment Service

- For the purpose of this Contract, the project description for Schedule 1 can be found in the PROJECT VULCAN SRD Appendix 1 of Annex A).

DEFCON 687B (Edn.06/21) – Shared Data Environment System Transfer Arrangements

3.2 PERFORMANCE OF WORK

3.2.1 For the entire duration of the Contract, all work under this Contract shall be carried out in accordance with the Statement of Requirement at Annex A to the Contract and in accordance with the delivery schedule of the ScOR of the Contract (Section 1).

3.2.2 The Authority requirements under this Contract include any work which is necessary to satisfy the System Requirements Document (Appendix 1 to Annex A to the Contract) and all work which (although not mentioned in this Contract) is necessary for the completion of the Contract.

3.2.3 The Contractor shall not make any alteration to the Statement of Requirement (Annex A to the Contract) unless agreed in writing with the Authority's Project Manager and confirmed by a Contract amendment in accordance with Condition 2.15 – Amendments to Contract.

3.2.4 Except as expressly provided in and without prejudice to the Authority's obligations under Condition 6.2 (Supply of GFA), the Contractor shall be responsible for obtaining all information and data necessary for the carrying out of its obligations under the Contract.

3.2.5 Unless otherwise expressly specified in the Statement of Requirement (Annex A to the Contract), the Contractor shall not, unless agreed in writing by the Authority, specify or use any materials or equipment which:

- a. Do not conform with British Standards or Codes of Practice where such exist or such other equivalent standards or requirements applicable at the relevant time to projects for armoured military vehicles; and/or
- b. Are generally known to the military engineering industry to be deleterious to health and safety, the performance, physical integrity or the durability of armoured military vehicles or damaging to the environment in the circumstances in which they are specified or used.

3.3 RISK & OPPORTUNITY

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

- a) particular risks and their impact; or
- b) risk reduction measures, contingency plans and remedial actions

3.3.2 This shall not in any way limit or exclude the Contractor's obligations under this Contract and shall be entirely without prejudice to the Authority's rights, privileges and powers under this Contract.

3.3.3 The risks identified as a result of any risk assessment questionnaire and risk assessment process generally remain the risks of the Contractor and are not assumed by the Authority except to the extent that the Authority expressly and unequivocally accepts those risks under the Contract. Any risk assessment questionnaire released was or will be issued by the Authority solely on this basis.

3.4 RISK MANAGEMENT PROCESS

3.4.1 The Contractor shall produce and manage the risk reports and processes in accordance with the Statement of Requirement at Annex A to the Contract, and in accordance with the MDAL / Risk / Opportunity Template (Appendix 8 of Annex A to the Contract). The Risk & Opportunity Register shall be maintained by the Contractor for the duration of the Contract and shall include all risks in the supply chain including those of their sub-Contractors.

3.4.2 The Contractor shall maintain the joint Risk & Opportunity Register using the appropriate risk management tool and shall make the Risk & Opportunity Register available to the Authority electronically.

3.5 QUALITY ASSURANCE

3.5.1 All work under the Contract shall be carried out in accordance with the provisions in Condition 3.5.

3.5.2 The Contractor is responsible for ensuring:

- a) The quality of the Articles and material supplied conforms to Contract requirements.
- b) The quality planning and management activities conform to Contract requirements; and
- c) Sub-Contractor controls conform to Contract requirements including providing reasonable access to the sub-Contract premises for the Authority's Quality Assurance Representative (QAR).

3.5.3 The Contractor shall hold Quality Management System certification ISO 9001:2015, with the appropriate scope, which accords with the scope of the Contract requirements, issued by a third-party certification body.

3.5.4 The Contractor shall maintain ISO 9001 certification, with the appropriate scope for the duration of the Contract.

3.5.5 The following quality standards and requirements shall apply, and the Contractor's Quality Management System shall deliver compliance with these standards and requirements:

- a) AQAP2110 Edition D Version 1 – NATO QA Requirements for Design/Development and Production.
- b) A Certificate of Conformity shall be provided in accordance with DEFCON 627 (Quality Assurance)
- c) AQAP2210 Edition A Version 2 – NATO Supplementary Software Quality Assurance Requirements to AQAP2110 or AQAP 2310 shall apply.

- d) A Deliverable Quality Plan is required reference DEFCON 602A (Quality Assurance) 3 (three) months Post contract award and will become Appendix 25 to Annex A.
- e) Concessions shall be managed in accordance with Def Stan 05-061 Part 1 Issue 6 – Quality Assurance Procedural Requirements – Concessions.
- f) Any contractor working parties shall be provided in accordance with Def Stan 05-061 Part 4 Issue 3 – Quality Assurance Procedural Requirements – Contractor Working Parties.
- g) Processes and controls for the avoidance of counterfeit materiel shall be established and applied in accordance with Def Stan 0-135, issue 2 – Avoidance of Counterfeit Materiel.

3.6 STANDARDS OF PERFORMANCE

3.6.1 Without prejudice to Clauses 3.2.1 and 3.2.2, the Contractor shall perform its obligations under this Contract in accordance with:

- a) all applicable Laws.
- b) Good Industry Practice.
- c) the requirements of the Authority's Quality Assurance Requirements stipulated in Condition 3.5 (Quality Assurance).
- d) all applicable safety and environmental requirements.
- e) the requirements of the Safety and Environmental Case stipulated in Condition 3.9 (Safety and Environmental Case).

3.6.2 Without prejudice to Clause 3.6.1, the Contractor shall also undertake all its duties and obligations under this Contract (including without prejudice to the generality of the foregoing with regards to design and project management) with all the skill, care and diligence to be expected of a professional Contractor who has held himself out as competent and experienced in fulfilling projects of a similar nature, size, scope, complexity and value as those the subject of this Contract; and

3.6.3 The Contractor shall give all notices, pay all taxes, duties and fees, and obtain and maintain all permits, licences and approvals, as required by Legislation in relation to the design, execution and completion of the work required by the Contract. The Contractor shall comply with all such permits, licences and approvals including the discharging of all conditions of the same.

3.7 CONFIGURATION CONTROL

3.7.1 The Contractor shall conduct configuration management in accordance with Def Stan 05-057 Issue 7 dated 28 July 2018 and in accordance with the Configuration Management Plan at Appendix 13 of Annex A to the Contract. The Contractor shall ensure that the Authority's Project Manager (or his authorised representative) has full and free access to the Contractor's records of the configuration items and the configuration process.

3.8 NON-WAIVER

3.8.1 Notwithstanding any other provision in this Contract, the Contractor's obligations under this Contract shall not be prejudiced, waived or released by the Authority or the Authority's Project Manager formally or informally verifying or expressing reasonable satisfaction with any design, drawing or data or if the Authority or the Authority's Project Manager at any stage provides any advice or makes or fails to make any suggestion in relation to any design, drawing or data.

3.8.2 Without prejudice to Clause 3.8.1, the obligation and liabilities of the Contractor under this Contract may only be varied by a Contract amendment in accordance with Condition 2.15 and shall not be released, diminished or in any other way affected by:

- a) any enquiry or inspection into any relevant matter which may be made or carried out by or on behalf of the Authority.
- b) the Authority or its representatives reviewing and/or commenting on a reviewable document and/or witnessing the testing of equipment or the failure to review and/or comment on such document and/or the failure to witness any such test, trial or demonstration.
- c) the carrying out of the user trials (including commenting on any non-compliances with the Contractor during or after user trials have been carried out, or the omission of the Authority and/or the Authority's Project Manager to comment on any non-compliances with the Contract during or after the user trials have been carried out) or the failure to carry out the user trials.
- d) any certificate or statement for payment or any interim or final payment or other payment or advance against the contract price or issue of any certificate, statement or notice under this Contract.
- e) any admission, approval, consent, comment, sanction, acknowledgement, confirmation, notification, rejection, acceptance or advice made or given by or on behalf of the Authority, the Authority's Project Manager, or any third party or, in any case the absence thereof.
- f) the appointment of, or failure to appoint, any person to inspect or otherwise report in respect of the work required under the Contract or the design thereof, or by any act or omission of any such person, whether or not such act or omission might give rise to any independent liability of such person to the Authority, the Authority's Project Manager, or any third party.

3.9 SAFETY & ENVIRONMENTAL CASE

3.9.1 The Contractor shall ensure that the Project VULCAN Capability complies with the Health and Safety at Work Act 1974 and corresponding regulations, Environmental Protection Act 1990, the Environment Act 2021 and other relevant statutory provisions and any additional requirements arising from international treaties and protocols to which the UK is a signatory.

3.9.2 The Contractor shall ensure that their employees comply with relevant Authority regulations when working on Government Establishments.

3.9.3 In the interests of safety and environmental issues there should be a free flow of information. To the extent that the Contractor is in possession of, and is able to provide, such information, the Contractor shall immediately communicate directly to the Authority all information affecting safety and environmental issues.

3.9.4 INDEPENDENT SAFETY AUDITORS, ADVISORS, AND ASSESSORS

The Contractor shall provide access to records, including Sub-Contractor records, for contract purposes; to enable the Authority appointed Independent Safety Auditor to carry out safety audits and other assessment activities to meet the Authority's safety requirements.

3.9.5 HEALTH AND SAFETY MANAGEMENT

The Contractor shall:

- a) Comply with the requirements of JSP 375 as published 09/13 and updated 01/21: The MoD Health and Safety Handbook.
- b) Comply with any other local site health and safety regulations in addition to statutory regulations where the system is sited, as directed by the head of establishment or their authorised representative.
- c) Comply with the requirement of DSA02.DLSR. LSSR & DSA03.DLSR. LSSR
- d) Comply with the requirement of Def Stan 00.056 (Safety)
- e) Comply with the requirement of Def Stan 00.051 (Environmental)

3.9.6 Accidents occurring to the Contractor's representatives or agents in connection with the Contract which are required to be reported in accordance with the Health and Safety at Work Act 1974 and Reporting of Injuries Disease and Dangerous Occurrences Regulations 1995, shall be reported to the Authority. The Contractor will supply such other information as the Authority may request.

3.9.7 The Contractor shall be responsible for the observance by himself and his work people of all safety precautions necessary for the protection of himself, his work people and any other persons, including all precautions required to be taken by any Act of Parliament, or of any regulation, or by law of any local or other authority

3.10 LONG LEAD ITEMS

3.10.1 Should the Contractor identify any Long Lead Items which he believes are required to meet the Contract timescales for the Design and Manufacture Phase, then details, including name of materials, cost, lead time, and the date required to meet production timeframes shall be provided to the Authority's Commercial Manager 10 (Ten) business days after the Contract Effective Date.

3.10.2 The Authority shall consider the Contractor's request for any Long Lead Items. Regardless of whether the Authority authorises the procurement of any Long Lead Items the Contractor shall remain responsible for meeting the requirements of the Contract including but not limited to the Delivery Schedule at Table 1 of the ScOR.

3.10.3 If any Long Lead Items are approved by the Authority, then any changes to the Contract which are required shall be made in accordance with Condition 2.17 – Contract Change Procedure.

3.10.4 The Contractor shall be responsible for all additional costs associated with the need to alter or replace Long Lead Items as a result of design changes to the Articles or to the Long Lead Items, unless such additional costs are agreed as a result of a Contract amendment in accordance with Condition 2.15.

3.11 SPARES

3.11.1 The Contractor shall comply with DEFCON 82 (Special Procedure for Initial Spares) and will ensure the availability of the spares identified in the Supply Support Plan (CD52 of SOR) by Initial Operation Capability (IOC) for each Project VULCAN System.

3.11.2 In consideration of the award of the Contract, the Contractor guarantees the availability of spare parts and components of his own manufacture for the life of the Project VULCAN System, subject to the Authority providing appropriate funding during this period. Insofar as items of other manufacturers are incorporated in the Project VULCAN System, the Contractor shall use reasonable endeavours to obtain similar guarantees, but where this is not possible, he will make every reasonable effort to seek a suitable alternative for the Authority if the original spare part or component is no longer available.

3.12 OBSOLESCENCE

3.12.1 The Contractor shall be responsible, for the duration of the Contract (including in-service support), for ensuring the continued supply and maintainability of all articles, software and hardware under this Contract whether they are of the Contractor's own design or those of any of his Sub-Contractors. When the Obsolescence Management List (OML) is declared and agreed with the Authority no later than Critical Design Review acceptance, this OML shall include a projected obsolescence date for all items including but not limited to software and hardware in the OML.

3.12.2 The Contractor shall be accountable and responsible for the management and cost of obsolescence in accordance with the Obsolescence Management Requirements, within the Statement of Requirement at Annex A to the Contract, for the duration of the Contract.

3.12.3 The Contractor shall be responsible for identifying any Article or part of an Article which it believes may become obsolete and shall notify the Authority of such pending obsolescence as soon as reasonably practicable together with its proposed course of action to alleviate such obsolescence. Within any case the Contractor shall notify the Authority within 5 (five) business days. The Contractor shall be responsible, at its own expense, for recommending and implementing its proposed course of action and in doing so it shall take full account of the principles of obsolescence management set out in the Obsolescence Management Requirements within the Statement of Requirement at Annex A. The Contractor shall consult with the Authority on the course of action when alternative solutions are available.

3.12.4 Should the Contractor propose an alternative component of a similar design or a modification to an Article as a solution to non-availability due to obsolescence or otherwise, he shall submit a Change Proposal form to the Authority in accordance with Condition 2.17 (Contract Change Procedure) and obtain the Authority's approval to proceed with the implementation of his proposed solution in accordance with Condition 3.7 (Configuration Control). Such approval shall not be unreasonably withheld or delayed. Where the proposed solution does not involve a configuration change (Fit, Form and Function) then, until Critical Design Review Acceptance of the system, the Contractor shall be entitled to adopt its solution.

3.12.5 The Build Standard shall be defined at Critical Design Review Acceptance. The Contractor shall be responsible for the consequential cost of any changes necessary under this Contract as a result of non-availability of an Article (or component) due to obsolescence or otherwise, including without limitation, any cost incurred by the Authority to test and evaluate an alternative component or modification of all in-service Articles to ensure a common Build Standard, changes to the spares list, any plans, publications, support and test equipment, packaging, training, and any other consequential costs incurred by the Authority. Where there is no change in the configuration as the alternative component has the same form, fit and function as the original component, there shall not be a requirement go through configuration management control.

3.13 INTEGRATED LOGISTICS SUPPORT (ILS)

3.13.1 The Contractor shall be responsible for complying and delivering against the ILS requirements in the SRD, SOR, Initial R&M Case and the Authority's ILS Plan. (ANNEX A and Annex A Appendices 1, 6 & 8,)

3.14 NOTICE OF ACCIDENT

3.14.1 The Authority and Contractor will give immediate notice to each other by telephone and confirm in writing if the equipment is involved in an accident resulting in injury to persons or damage to property. In giving that notification the Authority and Contractor, both recognise that no admission of liability, offer, promise of payment or indemnity can be agreed without formal notification to the Authority's Commercial Manager.

3.15 ACCIDENT, MISUSE & NEGLECT (AM&N)

3.15.1 Where accidental, negligent or deliberate damage to the VULCAN System has been caused by an Authority Related Party and this has been agreed in writing by such party, then the cost of any required repair, replacement or refurbishment shall be for the Authority's account and shall be calculated and paid in accordance with the procedure set out in Annex D - Milestone Payment Plan

4. PRICE

4.1 DEFCONS

DEFCON 127 (Edn.08/21) – Price Fixing Condition for Contracts of Lesser Value

- For this Contract, this condition applies to Contract amendments and tasks under the value of £250,000

DEFCON 513 (Edn.04/22) – Value Added Tax and Other Taxes

DEFCON 643 (Edn.12/21) – Price Fixing (Non-qualifying contracts)

- For this Contract. This condition shall apply to Contract amendments and tasks above £250,000.

DEFCON 647 (Edn.05/21) – Financial Management Information

- For this Contract, this condition shall apply in conjunction with Earned Value Management requirements of the Contract.

DEFCON 649 (Edition 12/21) - Vesting

- For this Contract, this condition shall apply in conjunction with deliverables in Table 1 of the ScOR and Milestone Payment Plan at Annex D to the Contract.

4.2 PRICING OF ITEMS ON THE SCHEDULE OF REQUIREMENTS

4.2.1 Firm prices for items 1,1a,2,3 and 5 shall be set out in the ScOR. All other prices shall be as set out in the Schedule of Requirement and adjusted in accordance with Condition 4.5 (Variation of Price) below.

4.2.2 The prices shall include all costs of the Contractor satisfying his obligations under these Items in accordance with the terms and conditions of the Contract. The prices are inclusive of all royalties, licences, and taxes (excluding Value Added Tax).

4.3 PRICING OF CHANGES TO THE REQUIREMENT

4.3.1 Where a change in requirement as detailed in the Contract Change Procedure at Condition 2.17 necessitates an adjustment to an agreed price under the Contract, or a new price to be added to the Contract, the Contractor shall submit to the Authority within 10 (ten) business days (or such other period of time as agreed with the Authority) of the request the following information in support of the price quoted:

- a) A firm price quotation, utilising the agreed labour, overhead and profit rates detailed at Appendix 1 of Annex P to the Contract (Pricing Rates for any Changes to the Contract), for the work required to be carried out under the proposed amendment. The quotation should provide to the Authority full visibility of the build-up of the price. This information, which shall contain sufficient detail as to allow the Authority accurately to assess the extent to which the price quoted for the revised requirement is fair and reasonable.

4.3.2 All price changes shall be subject to DEFCONs 643 (Price Fixing (Non-qualifying contracts)), 647 (Financial Management Information) and 127 (Price Fixing Condition for Contracts of Lesser Value) as appropriate.

4.3.3 The Contractor agrees to the information in Condition 4.7 (Open Book Accounting) being used to provide equality of information to the Authority in pricing any changes to the Contract.

4.3.4 Timely pricing of a proposed amendment is essential to the efficient execution of the Contract. The Contractor shall make all reasonable endeavours to supply information and negotiate within 30 (thirty) business days of the provision of the change by the Authority. The price within the Contractor's proposal shall be a fair and reasonable price, and the Contractor shall adopt a system of parallel working with the Authority (and his representatives) when preparing his quotation.

4.3.5 Unless otherwise agreed at Clause 4.3.6 below, no work under the proposed amendment shall commence until a price has been agreed.

4.3.6 Where, under exceptional circumstances, it is necessary for work to commence prior to an agreed price, the Authority may agree a maximum price limiting the Authority's liability.

4.3.7 The Authority, may at its own discretion, use an independent contractor to aid with the assessment of pricing.

4.3.8 In the event that a change to the requirement is anticipated to be above £5m EX VAT. The Contractor shall price the change in accordance with the principles of Single Source Contract Regulations 2014.

4.4 IMPORT DUTY

4.4.1 With respect to Clause 16 of DEFCON 528 (Import and Export Licences), Notification to the Authority shall occur within 10 (ten) business days by issue of an updated DEFFORM 528.

4.5 VARIATION OF PRICE

4.5.1 The prices stated in the ScOR for Items 6,7,8,9,10 11 and 12 should be Fixed at February 2023 price levels. The prices do not include provision beyond this date for increases or decreases in the market price of the Articles being purchased. Any such variation shall be calculated in accordance with the following formula: $V = P(a + b(O_i/O_o)) - P$ Where:

V represents the variation of price

P represents the FIXED price as stated in the ScOR

O represents the indices "HQTI - Top Level Services Producer Price Index (SPPI))

O_o represents the quarterly average of the Price Index for the base period February 2022 to February 2023

O_i represents the quarterly average of the Price Index across the previous year prior to the period for which variation is being added

a represents the Non-Variable Element (NVE) of 10% or 0.1

b represents the Variable Element of 90% or 0.9

$$a+b=1$$

The Indices referred to in Clause 4.5.1 above shall be taken from the following Tables:

a) HQTl - Top Level Services Producer Price Index (SPPI)

4.5.2 Indices published with a 'B' or 'F' marker, or a suppressed value, in the last 3 years are not valid for Variation of Price clauses and shall not be used. Where the price index has an 'F' marker or suppression applied to it during the term of the Contract, the Authority and the Contractor shall agree an appropriate replacement index or indices. The replacement index or indices shall cover, to the maximum extent possible, the same economic activities as the original index or indices.

4.5.3 In the event that any material changes are made to the indices (e.g. a revised statistical base date) during the period of the Contract and before final adjustment of the final Contract price, then the re-basing methodology outlined by the Office for National Statistics (ONS, the series providers) to match the original index to the new series shall be applied.

4.5.4 In the event the agreed index or indices cease to be published (e.g. because of a change in the Standard Industrial Classification) the Authority and the Contractor shall agree an appropriate replacement index or indices, which shall cover to the maximum extent possible the same economic activities as the original index or indices. The methodology outlined by the Office for National Statistics used for rebasing indices (as in Clause 4.5.3 above) shall then be applied.

4.5.5 Notwithstanding the above, any extant index / indices agreed in the Contract shall continue to be used as long as it is / they are available and subject to ONS revisions policy. Payments calculated using the extant index / indices during its / their currency shall not be amended retrospectively as a result of any change to the index or indices.

4.5.6 The Contractor shall notify the Authority of any significant changes in the purchasing / manufacturing plan on the basis of which these provisions were drawn up and agreed, or of any other factor having a material bearing on the operation of these provisions such as to cause a significant divergence from their intended purpose, in order that both parties may consider whether any change in this provision would be appropriate.

4.5.7 Prices shall be adjusted taking into account the effect of the above formula as soon as possible after publication of the relevant indices or at a later date if so agreed between the Authority and the Contractor. Where an index value is subsequently amended, the Authority and the Contractor shall agree a fair and reasonable adjustment to the price, as necessary.

4.5.8 Claims under this Condition shall be submitted to the Bill Paying Branch, certified to the effect that the "requirements of this Clause 4.5 have been met.

4.6 OPTION PRICES

4.6.1 The Contractor hereby grants to the Authority the following irrevocable options to purchase further quantities of ScOR Items 15 and 6

5 in accordance with the terms and conditions set out in this Contract, it being agreed that the Authority has no obligation to exercise such options. The decision point to invoke the options shall be as follows:

a) Decision Point for Option Years 11-15 In Service Support shall be IOC+ 103 Months.

4.6.2 In Service Option Prices shall be Fixed, and subject to VoP. Should the Authority exercise the option then Firm Prices shall be agreed between the Contractor and the Authority using this mechanism in Contract Condition 4.5.

4.6.3 The Authority shall have the right to exercise the options 6 (six) months before the expiry of the contract.

4.7 OPEN BOOK ACCOUNTING

4.7.1 For any proposed Contract amendment, the Contractor shall at all times maintain full, current and accurate financial and accounting records relating to the performance of its obligations under this Contract amendment. Such records shall include, without limitation:

- a) direct labour and indirect labour costs
- b) direct material and sub-Contract costs, including the full cost of purchasing or sourcing Articles.
- c) overhead costs analysed to identify appropriate categories.
- d) payment details to suppliers and Sub-Contractors.
- e) capital expenditure.
- f) such other information as the Authority may reasonably require.

4.7.2 For any proposed Contract amendment, the Contractor shall provide open book data to the Authority, including access to the original competitive bid pricing information and current financial and accounting records insofar as such information is relevant to the change, in order that the Authority can ascertain a fair and reasonable price for the amendment.

4.7.3 The open book data at Clause 4.7.2 shall include Tier 1 sub-Contractors' information. Where the Contractor is unable to obtain open book data from a sub-Contractor not based in the United Kingdom, then the Contractor shall obtain agreement with the sub-Contractor for an audit to be completed by authorities in their respective country.

4.7.4 Subject to 5 (five) business days' notice, the Contractor shall provide any facilities that the Authority may reasonably require for the Authority or its nominated representatives to visit the Contractor's offices and the offices of its Sub-Contractors (or any place where such records are held) to examine such records maintained under this Condition.

4.7.5 Without prejudice to the Contractor's obligations under DEFCON 659A (Security Measures) and DEFCON 660 (Official-Sensitive Security Requirements), the Contractor shall retain the records referred to in this Condition 4.7 for the period of at least 6 (six) years from the respective start dates of the Contract amendments.

5. INTELLECTUAL PROPERTY RIGHTS

5.1 DEFCONS

DEFCON 14 (Edn.11/22) – Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs.

DEFCON 15 (Edn.06/21) – Design Rights and Rights to Use Design Information.

For this Contract, this condition shall apply in conjunction with the Contract Data Requirements (Annex K).

DEFCON 90 (Edn.06/21) – Copyright.

DEFCON 91 (Edn.06/21) – Intellectual Property Rights in Software.

This DEFCON shall only apply to software developed under the Contract and subject to the agreed IPR plan (Appendix 1 to Annex W - Software IPR Matrix). Pre-existing Software of a Sub-Contractor shall be licenced to the Contractor and the Authority. Pre-existing Software of the Contractor shall be licensed to the Authority under separate licences in the form of DEFFORM 701.

DEFCON 632 (Edn.11/21) - Third Party Intellectual Property - Rights and Restrictions.

For this Contract, DEFCON 632 does not apply to software that is subject to DEFFORM 701.

DEFCON 703 (Edn.06/21) – Intellectual Property Rights - Vesting in the Authority.

For this Contract, DEFCON 703 will apply to all Software GFA with IPR vesting in the Authority. To the extent that the software deliverables will not be exploitable due to security or export control considerations then DEFCON 703 shall apply. Including but not limited to any modifications to hardware/software provided as GFA then DEFCON 703 shall apply in accordance with Guidelines for industry No 10, Part A, Paragraph 16.

5.2 COMMERCIAL EXPLOITATION

5.2.1 The Contractor shall, subject to security considerations that will be assessed by the Authority, have the right to sell any Articles developed under the Contract. Prior to any sale of the Articles developed under the Contract, the Contractor shall agree with the Authority the levy payable and conclude a Commercial Exploitation Agreement in the form of Annex B to the Contract.

5.3 MARKING OF DELIVERABLES

5.3.1 This Condition 5.3 shall apply in addition to and notwithstanding DEFCON 90 (Copyright). All deliverable materials, documents and or works, including progress reports, shall be marked in accordance with the relevant Intellectual Property Rights (IPR) provision against which they are delivered under this Contract. Failure to do so shall be valid grounds for the rejection by the Authority of any such Deliverable.

5.3.2 In the event that any deliverable by the Contractor or his sub-Contractor or any tier is identified incorrectly as containing or comprising Background Intellectual PR or otherwise subject to third party rights (and such Intellectual Property Rights are Foreground IPR) then the Authority shall nevertheless be entitled to exercise its rights in relation to Foreground IPR.

5.3.3 In the case of single ownership of the IPR (including copyright, design right and the information) in any deliverable document, the body text shall be marked to indicate Background IPR and Foreground IPR and a key relating to such marking shall be provided by the Contractor.

5.3.4 In the case of any Deliverable document comprising or containing more than one copyright work, or the inclusion of any third party Background IPR (including copyright or design right), the copyright work, the work in which design right subsists and/or the Background IPR shall be further marked to indicate the individual owners of each IPR (including design right) and/or copyright work including the relevant section, part, paragraph, diagram and or drawing and a key relating to such marking shall be provided by the Contractor.

5.4 DEFFORM 701

5.4.1 Any deliverable software identified as “not generated” under the Contract, shall be subject to the conditions contained in Annex N to the Contract (Software License Agreement – DEFFORM 701).

5.5 TRANSPARENCY

5.5.1 Notwithstanding any other term of this Contract, including DEFCON 531 (Disclosure of Information) where applicable, the Contractor gives its consent to the Authority to publish the content of this Contract in its entirety, including from time-to-time agreed changes to the Contract, and details of any payments made by the Authority to the Contractor under the Contract (“the Transparency Information”) to the general public. The Contractor shall assist and cooperate with the Authority to enable the Authority to publish the Transparency Information.

5.5.2 Before publishing the Transparency Information to the general public in accordance with Clause 5.5.1 above, the Authority may redact any information that would be exempt from disclosure if it was the subject of a request for information under the Freedom of Information Act 2000 (“the Act”) or the Environmental Information Regulations 2004 (“the Regulations”), including the Contractor Commercially Sensitive Information at Annex M to the Contract.

5.5.3 The Authority may consult with the Contractor before redacting any information from the Transparency Information in accordance with Clause 5.5.2 above. The Contractor acknowledges and accepts that its representations on redactions during consultation may not be determinative and that the decision whether to redact information is a matter in which the Authority shall exercise its own discretion, subject always to the provisions of the Act or the Regulations.

5.5.4 For the avoidance of doubt, nothing in this Condition shall affect the Contractor's rights at law.

5.6 CONFIDENTIALITY

Notwithstanding any other term of this Contract, the Contractor shall ensure all information released to sub-Contractors and any third parties for the performance of this Contract shall be in accordance with DEFCON 531 (Disclosure of Information) and Condition 2.8 of this Contract. An endorsed confidentiality agreement (Annex I to the Contract) will be submitted to the commercial representative of the Authority identified in Appendix 1 to this Contract (DEFFORM 111) before any information is transferred or released from the Contractor to sub-Contractors and third parties.

6. LOANS

6.1 DEFCONS

DEFCON 23 (Edn.06/21) – Special Jigs, Tooling and Test Equipment

DEFCON 76 (Edn.11/22) – Contractor's Personnel at Government Establishments

DEFCON 608 (Edn. 07/21) – Access and Facilities to be Provided by The Contractor

DEFCON 611 (Edn.12/22) – Issued Property

DEFCON 694 (Edn.07/21) – Accounting for Property of the Authority

6.2 SUPPLY OF GOVERNMENT FURNISHED ASSETS (GFA)

6.2.1 GFA to be issued in aid of this Contract are categorised as:

a) Government Furnished Equipment (GFE)

1. Contract Support Item (CSI) – is the issue of a material to the Contractor without charge for a specific period and purpose in support of the Contract. The Contract Support Item remains the property of the Authority throughout the loan period and should be returned unchanged except for fair wear and tear.
2. Contract Embodiment Item (CEI) – is material issued without charge to a Contractor for embodiment in an Article that is under manufacture, modification, conversion or repair under the Contract. Embodiment Item may comprise fully developed/ production items or materiel that is itself the subject of a separate and parallel development to that of equipment which it supports.

b) Government Furnished Facilities (GFF)

1. GFF are those facilities which the Authority has agreed it will make available for the purpose of the Contract at no charge to the Contractor.

c) Government Furnished Information (GFI)

1. GFI takes the form of either Authority owned information or third party owned information being provided to the Contractor, by the Authority, to facilitate performance of the Contract.

d) Government Furnished Resources (GFR)

1. The allocation of Authority personnel to support the Contract. The employee's employment status is not affected by their allocation to support the Contract.
- 2.

6.2.2 The Authority shall make available to the Contractor free of charge, those items of GFA in aid of the work to be carried out under this Contract which are listed in Annex L.

6.2.3 The Authority's point of contact for arranging access to or issue of the GFA as detailed in Annex L is the Project Manager of the Authority identified in Appendix 1 to this Contract (DEFFORM 111)

6.2.4 The Contractor shall comply with the latest version of Def-Stan 05-99, Issue 1 Managing GFA in Industry. It shall be the Contractor's responsibility to ensure that all GFA is held in suitable conditions.

6.2.5 All GFA shall be held on the loan terms detailed in Conditions 6.2 and 6.3 of the Contract and the category of loan as per Annex L and shall be used solely in aid of the work to be carried out under this Contract. All such loans issued shall be recorded by the Contractor or, where appropriate, his sub-Contractor accordingly. In the event of any dispute between the Contractor and the Authority on any definition of the GFA detailed or referenced within Annex L to the Contract, the Authority's decision shall be final.

6.2.6 The Contractor shall comply with DEFCON 611 (Issued Property) and notify the Authority of any defects, deficiencies or discrepancies found in the GFA listed in Annex L.

6.2.7 The Authority shall endeavour to provide the Contractor with timely notification should any GFA in Annex L not be available. Should the Authority not be able to provide GFA as prescribed in Annex L, then the Authority and the Contractor shall use their respective reasonable endeavours to minimise the impact of any non-availability. In the event that any non-availability has an impact on the programme or cost the Contractor shall promptly provide written notification to the Authority in accordance with Condition 7.5 (Extension of Time) in the timescale set out in Condition 7.5.2. If the Contractor does not provide such proposals within the required period, then he shall be deemed to have waived any claim for an extension of time / or an adjustment to the Contract Price.

6.2.8 Save for in accordance with Condition 3.10 any claim for extension of time/adjustments to the Contract Price shall be in accordance with Condition 7.5 – Extension of Time. The Contractor shall establish to the reasonable satisfaction of the Authority that such additional expenditure cost or extension of time was directly due to the Authority's failure to provide GFA and that the Contractor has taken all reasonable measures, in conjunction with the Authority, to limit the consequences of the non-availability of GFA.

6.2.9 Full particulars, including the issue and return date, detailed description, build standards and quantity of GFA shall be populated at or prior to the Contract Effective Date. In the event that the requirements at Annex L to the Contract are not specified at the Contract Effective Date, then they shall be populated no later than 6 months (or such lesser period as may be agreed by the Authority on a case-by-case basis) before the GFA is required. The Authority shall accept no liability to provide the GFA until the full particulars have been agreed between the Authority and the Contractor and are fully populated in Annex L of the Contract.

6.2.10 The Contractor shall be responsible for the return of the GFA listed in Annex L.

6.2.11 The use of GFA shall not relieve the Contractor of any of his responsibilities for the proper performance of the Contract. It is the Contractor's responsibility to determine that the GFA is fit for the Contractor's purpose.

6.2.12 Should agreed dates for the provision of GFA be subsequently revised due to the Contractor's programme changes, the Authority will endeavour to supply GFA to meet the revised dates. The Authority will however not be under any obligation to provide GFA outside of the dates(s) agreed for that item in Annex L unless a change has been agreed by the Authority via the Contract Change Procedure in Condition 2.17.

6.2.13 Interface requirements for GFI

- a) The Authority has issued the Contractor with Interface Control Documents (ICDs) for interfacing equipment. If required by an ICD design authority, the Contractor shall agree an

appropriate confidentiality agreement with the ICD design authority to protect the information being provided.

- b) The Contractor shall Contract with the ICD design authorities for all mandatory installation setting-to-work and testing, and such optional testing or design work as the Contractor deems to be required.
- c) For any ICDs controlled under International Trade in Arms (ITAR), the Contractor shall ensure that they have the appropriate commercial mechanisms in place between them and the Design Authority to facilitate access to technical assistance, sublicensing, ITAR and Intellectual Property Rights controlled information.
- d) It is the Contractor's responsibility to fund any support required from an ICD Design Authority.

6.2.14 Contract Embodiment Items (CEI)

6.2.14.1 It is the responsibility of the Contractor to:

- a) Embody articles loaned to the Contractor under CEI terms in Annex L of this Contract.
- b) Ensure that installation, setting-to-work, trials and maintenance are properly performed and, hence, that guarantees given to the Authority by the CEI provider are not invalidated.
- c) Inform the Authority where the performance of the CEI, limits the Project VULCAN System design against the requirements of the System Requirements Document.
- d) Coordinate and arrange all attendance by CEI provider's representatives to execute or oversee work in connection with the unpacking, installation, setting-to-work, maintenance, or trials of the CEI provided.

6.2.14.2 Place a sub-Contract on the CEI provider, as appropriate, to:

- a) undertake such installation, setting-to-work, tests, trials and inspection work that the Contractor requires the CEI provider to perform.
- b) attend and advise, as agreed between the Contractor and the CEI provider during installation, setting-to-work, tests, trials and inspections.
- c) assist the preparation of quality assurance, safety or environmental documentation.

6.2.15 Additional GFA

6.2.15.1 The Authority is under no obligation to provide any GFA which is not included in Annex L to the Contract. In the event that the Contractor identifies GFA additional to that detailed at Annex L

that he requires to enable him to perform this Contract he may submit a written request to the Authority.

6.2.15.2 Additional GFA may be supplied by the Authority on loan, providing that they are reasonable for the Authority to provide, are available during the requested periods of use, and that the Contractor can demonstrate that the GFA is relevant to the Contract and cannot be reasonably procured/supplied elsewhere by the Contractor. Any additional GFA which is agreed by the Authority will be added to the contract-by-contract amendment in accordance with Condition 2.15 (amendments to the Contract).

6.2.15 Maintenance

6.2.16.1 The Contractor shall be responsible for all the maintenance of all GFE issued under this Contract. The Contractor shall ensure that any maintenance is in compliance with the manufacturer's instructions. The cost of the maintenance shall be included in the Contract Price, and no additional charge is to be made to the Authority.

6.2.16.2 The Contractor shall ensure that any maintenance on GFE does not invalidate any warranty provided by the equipment manufacturer.

6.2.16.3 The Contractor shall not modify any GFE without the written approval of the Authority's Commercial Manager (See Box 1 of DEFFORM 111).

6.2.16.4 For any GFE that requires calibration the Authority shall issue fully calibrated and certified. The Contractor shall be responsible for any further calibration required during the duration of the loan.

6.2.17 Return of GFE

6.2.17.1 On completion of the agreed period of loan of any GFE, the Contractor shall seek return/disposal instructions from the Authority's Commercial Manager (see Box 1 of DEFFORM 111). Any request for disposal/return instructions for Authority owned equipment shall be accompanied by a copy of the loan equipment register. At completion of the Contract, the GFE shall be in the same condition that it was issued, subject to fair wear and tear.

6.3 SPECIAL JIGS AND TOOLS

6.3.1 Special Jigs and Tools are those specifically required for the services to be provided under the Contract as distinct from "tools of the trade" which the Contractor is expected to already hold or provide from his own resources. All such Special Jigs and Tools are held under the terms of DEFCON 23 (Special Jigs, Tooling and Test Equipment). Details of the Special Jigs & Tools issued for work under this Contract will be captured within Annex L.

6.3.2 Items held under DEFCON 23 (Special Jigs, Tooling and Test Equipment) terms on existing Contracts may be used in the performance of this Contract.

6.4 LIMITATION OF CONTRACTOR'S LIABILITY

6.4.1. Limitations on Liability

6.4.1.1 Unlimited liabilities

6.4.1.1.1 Neither Party limits its liability for:

- (i) death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable).
- (ii) fraud or fraudulent misrepresentation by it or its employees.
- (iii) breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or
- (iv) any liability to the extent it cannot be limited or excluded by law.

6.4.1.1.2 The financial caps on the Contractor's liability set out in Clause 6.4.1.1.4 below shall not apply to the following:

- (i) for any indemnity given by the Contractor to the Authority under this Contract.
- (ii) the Contractor's indemnity in relation to DEFCON 91 (Intellectual Property in Software) and DEFCON 632 (Third Party IP - Rights and Restrictions).
- (iii) the Contractor's indemnity in relation to TUPE at ANNEX V – Transfer of Undertakings (Protection of Employment) TUPE
- (iv) breach by the Contractor of DEFCON 532B (Protection of Personal Data and Data Protection Legislation).

6.4.1.1.3 The financial caps on the Authority's liability set out in Clause 6.4.1.1.5 below shall not apply to the following:

- (i) for any indemnity given by the Authority to the Contractor under this Contract, including but not limited to all DEFCONS listed in this document
- (ii) the indemnity given by the Authority in relation to TUPE at ANNEX V – Transfer of Undertakings (Protection of Employment) TUPE shall be unlimited.

6.4.1.1.4 Financial limits. Subject to Clauses 6.4.1.1.1 and 6.4.1.1.2 and to the maximum extent permitted by Law:

Throughout the Term of the contract, the Contractor's total liability in respect of losses that are caused by Defaults of the Contractor shall in no event exceed:

- (a) in respect of DEFCON 76 (Contractor's Personnel at Government Establishments) **Redacted** in aggregate.
- (b) in respect of DEFCON 514 (Material Breach) **Redacted** in aggregate.
- (c) in respect of DEFCON 611 (Issued Property) **Redacted** in aggregate; and

- (d) in respect of DEFCON 612 (Loss of or Damage to The Articles) £5M) in aggregate.
- (ii) without limiting Clause 6.4.1.1.4.1 and subject always to Clauses 6.4.1.1.1, 6.4.1.1.2 and 6.4.1.1.4.(iii), the Contractor's total liability throughout the Term in respect of all other liabilities (but excluding any Service Credits paid or payable in accordance Annex C to T&C's – Key Performance Indicators) whether in contract, in tort (including negligence), arising under warranty, under statute or otherwise under or in connection with this Contract shall be (£5M) in aggregate.
- (iii) on the exercise of any and, where more than one, each option period or agreed extension to the Term, the limitation of the Contractor's total liability (in aggregate) set out in Clauses 6.4.1.1.4(i) and 6.4.1.1.4(ii) above shall be fully replenished such that on and from each such exercise or extension of the Term, the Authority shall be able to claim up to the full value of the limitation set out in Clauses 1.4.1 and 1.4.2 of this Contract.
- 6.4.1.1.5. Subject to Clauses 6.4.1.1.1, 6.4.1.1.3 and 6.4.1.1.6, and to the maximum extent permitted by Law the Authority's total liability (in aggregate) whether in contract, in tort (including negligence), under warranty, under statute or otherwise under or in connection with this Contract shall in respect of all liabilities (taken together) be limited to the Charges paid by the Authority in the relevant Contract Year in respect of any and all claims in that Contract Year.
- 6.4.1.1.6. Clause 6.4.1.1.5 shall not exclude or limit the Contractor's right under this Contract to claim for the Charges.
- 6.4.1.1.7 Consequential loss. Subject to Clauses 6.4.1.1.1, 6.4.1.1.2 and 6.4.1.1.8, neither Party shall be liable to the other Party or to any third party, whether in contract (including under any warranty), in tort (including negligence), under statute or otherwise for or in respect of:
- (i) indirect loss or damage.
 - (ii) special loss or damage.
 - (iii) consequential loss or damage.
 - (iv) loss of profits (whether direct or indirect).
 - (v) loss of turnover (whether direct or indirect).
 - (vi) loss of business opportunities (whether direct or indirect); or
 - (vii) damage to goodwill (whether direct or indirect),
- even if that Party was aware of the possibility of such loss or damage to the other Party.
- 6.4.1.1.8. The provisions of Clause 6.4.1.1.7 shall not restrict the Authority's ability to recover any of the following losses incurred by the Authority to the extent that they arise as a result of a Default by the Contractor:

- (i) any additional operational and administrative costs and expenses arising from the Contractor's Default, including any costs paid or payable by the Authority:
 - (a) to any third party.
 - (b) for putting in place workarounds for the Contractor Deliverables and other deliverables that are reliant on the Contractor Deliverables; and
 - (c) relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default
 - (ii) any or all wasted expenditure and losses incurred by the Authority arising from the Contractor's Default, including wasted management time.
 - (iii) the additional cost of procuring and maintaining in place transitional assistance and replacement deliverables for the remainder of the Term and any option period or agreed extension to the Term (including legal and other consultants' fees, re-procurement project costs, other expenses associated with such exercise and any increase in the fees for the replacement services over and above the Contract Price that would have been payable for the relevant Contractor Deliverables).
 - (iv) any losses arising in connection with the loss, destruction, corruption, inaccuracy or degradation of Authority data, or other data or software, including, to the extent the Authority data, other data or software can be recovered or reconstituted, the fees, costs and expenses of reconstituting such Authority data, data or software.
 - (v) damage to the Authority's physical property and tangible assets, including damage under DEFCON 76 (Contractor's Personnel at Government Establishments) and 611 (Issued Property).
 - (vi) costs, expenses and charges arising from, or any damages, account of profits or other award made for, infringement of any third-party Intellectual Property Rights or breach of any obligations of confidence.
 - (vii) any additional costs incurred by the Authority in relation to the Authority's contracts with a third party (including any compensation or interest paid to a third party by the Authority) as a result of the Default (including the extension or replacement of such contracts).
 - (viii) any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; or
 - (ix) any savings, discounts or price reductions during the Term and any option period or agreed extension to the Term committed to by the Contractor pursuant to this Contract.
- 6.4.1.1.9. Invalidity. If any limitation or provision contained or expressly referred to in this Clause [1] is held to be invalid under any Law, it will be deemed to be omitted to that extent, and if any Party becomes liable for loss or damage to which that limitation or provision applied, that liability will be subject to the remaining limitations and provisions set out in this Clause [1].

- 6.4.1.1.10 Third party claims or losses. Without prejudice to any other rights or remedies the Authority may have under this Contract (including but not limited to any indemnity claim under DEFCONs 91 (Intellectual Property Rights In Software), and 632 (Third Party Intellectual Property - Rights and Restrictions) or at Law), the Authority shall be entitled to make a claim under this Contract against the Contractor in respect of any losses incurred by the Authority which arise out of a claim made against the Authority by a third party under any contract with that third party provided that such third party claim:
- (i) arises naturally and ordinarily as a result of the Contractor's failure to provide the Contractor Deliverables or failure to perform any of its obligations under this Contract; and
 - (ii) is a type of claim or loss that would have been recoverable under this Contract if the third party were a party to this Contract (whether as the Authority or the Contractor), such claim to be construed as direct losses for the purpose of this Contract.
- 6.4.1.1.11 No double recovery. Neither Party shall be entitled to employ such rights and remedies available to it so as to seek to recover more than once in respect of the same loss, but the Authority shall be entitled to use (singly or together) such rights and remedies available to the Authority so as to recover the full extent of any recoverable losses suffered or incurred, including any remedies the Authority may have against any guarantor.

7. DELIVERY/ACCEPTANCE

7.1 DEFCONS

DEFCON 129 (Edn.02/22) – Packaging (For Articles other than Munitions)

DEFCON 129J (Edn.(18/11/16) – The Use of Electronic Business Delivery Form

DEFCON 507 (Edn 07/21) – Delivery

DEFCON 514 (Edn.08/15) – Material Breach

DEFCON 524 (Edn.12/21) – Rejection

DEFCON 525 (Edn.10/98) – Acceptance

DEFCON 621B (Edn.10/04) - Transport (If Contractor Is Responsible for Transport)

7.2 DELIVERABLES

7.2.1 The acceptance procedures that apply to the Deliverables in Table 1 of the ScOR are set out in Appendix 3 of Annex A to the Contract (ITEAP).

7.2.2 The Deliverables are required to be provided in accordance with the timescales at Table 1 of the ScOR of the Contract.

7.2.3 The Contractor shall inform the Authority as soon as he becomes aware of any event or reasons likely to result in failure to meet the delivery schedule, at Table 1 of the ScOR.

7.2.4 The Contractor shall pack the Articles of ScOR in accordance with the terms of the Contract and if no specific terms are agreed, the Contractor shall pack the Articles to such standard as may be reasonable to protect the Articles from the normal hazards of transport to the point of delivery.

7.2.5 Unless otherwise provided for in the Contract, all containers (including packing cases and boxes) used by the Contractor shall be non-returnable and included in the Contract Price.

7.3 FITNESS FOR PURPOSE

7.3.1 For the purpose of Section 14(3) of the Sale of Goods Act 1979 (as amended) and the Condition regarding fitness for purpose, which is implied by that section within this Contract, the Parties agree that in relation to any Deliverable to be provided under this Contract, a Deliverable will be deemed fit for purpose if:

- a) It meets the requirements for Design Acceptance and is delivered and accepted in accordance with the agreed acceptance process.
- b) It complies with all applicable laws and standards.
- c) It is suitable for the incorporation or installation of any GFA as defined in Annex L with effect from the Contract Effective Date.

- d) The Deliverable is a part or spare or other component where the incorporation of that part or spare or component does not prevent any other Deliverable meeting the requirements of 7.3.1.a, 7.3.1.b, or 7.3.1.c above.

7.4 FORCE MAJEURE

7.4.1 The Contractor shall not be in breach of this Contract, nor liable for late or non-performance of any of its obligations under this Contract, if such delay or failure result from a “Force Majeure Event”. For the purposes of this Contract a Force Majeure Event is defined as one of the following:

- a) Extreme acts of nature;
- b) War
- c) Hostilities.

7.4.2 The Contractor shall immediately notify the Authority in writing on the occurrence of a Force Majeure Event. including details of the Force Majeure Event, its effect on the Contractor’s obligations under this Contract, and the actions proposed to mitigate its effect.

7.4.3 The Contractor and Authority shall meet to discuss the effects and agree appropriate action at a location most advantageous to achieving the timeliest solution.

7.4.4 The Contractor shall be entitled to an appropriate extension of time for performing such obligations provided always that the Contractor has used, to the satisfaction of the Authority, all reasonable endeavours, both to mitigate the effects of the Force Majeure Event, and to facilitate the continued performance of its obligations under this Contract.

7.4.5 The maximum extension of time granted under this Condition for any ScOR Item shall be limited to 6 (six) months.

7.5 EXTENSION OF TIME

7.5.1 Subject to Condition 3.7 the Contractor may be entitled to an extension of time to the delivery schedule in Table 1 of the ScOR to the Contract on a fair and reasonable basis in the event of a material delay as a direct result of the following causes, namely:

- a) a delay in the supply of GFA under Contract Condition 6.2 (Supply of Government Furnished Assets).
- b) any other act or default on the part of the Authority or of the servants or agents of the Authority or other Contractors the Authority has employed on Contracts, the performance of which is directly related to and in support of the Contract.

7.5.2 In the event that the Contractor considers itself entitled to an extension to the delivery schedule in Table 1 of the ScOR to the Contract the Contractor shall:

- a) within 10 (ten) business days of becoming aware of the event or circumstance, notify in writing the Authority’s Commercial Manager describing the event or circumstance.

- b) within a further 10 (ten) business days, or such other period as the Parties agree, submit full supporting particulars for the claim including all records, rates, programmes, including evidence of the criticality of the delay by reference to the current programme and a revised programme taking into account the extension of time claimed and other information necessary or which the Authority or the Authority's Commercial Manager may reasonably require to substantiate the Contractor's claims under this Condition 7.5 (Extension of Time); and
- c) At the same time as providing the information above demonstrate to the Authority that:
 - 1) the relevant event listed in Conditions 7.5.1.a to 7.5.1.b was the direct cause of the delay.
 - 2) the Contractor has taken all reasonable and practicable steps (without incurring substantial additional expenditure) to prevent or minimise such delay, and has continued to perform the balance of its obligations which were unaffected by the delay and used all reasonable endeavours to resume full performance of its obligations as soon as reasonably practicable.
 - 3) the delay could not reasonably be expected to be mitigated or recovered by the Contractor acting in accordance with Good Industry Practice.
 - 4) the delay has not been caused by or contributed to by the negligence of the Contractor or a breach by the Contractor of its obligations under this Contract; and
 - 5) the affected activity is on the critical path.

7.5.3 In the event that the Contractor fails to give notice of a claim (including providing full supporting particulars of such claim in accordance with Condition 7.5.2. within an additional period of 10 (ten) business days over and above 7.5.2.1, or such other period as the Parties agree, the delivery dates at Table 1 of the ScOR shall not be extended, and the Contractor shall not be entitled to claim additional costs in accordance with Clause 7.5.7 and the Authority shall be discharged from all liability in connection with the claim.

7.5.4 Where the Contractor claims an extension of time under this Condition 7.5 (Extension of Time) and/or additional costs under Clause 7.5.7 the Authority's Commercial Manager shall within a reasonable time following receipt of the Contractor's notice under Clause 7.5.2 and/or Clause 7.5.7 (as the case may be) first consider (in his sole discretion) whether to implement a Contract Change in order to vary the delivery date which is the subject of the Contractor's claim under this Condition 7.5 (Extension of Time).

7.5.5 In the event that the Authority's Commercial Manager decides not to implement a Contract change in accordance with Condition 2.17 – Contract Change Procedure, he shall consult with the Contractor in an endeavour to reach agreement as to whether or not the event or circumstance is described in Conditions 7.5.1.a to 7.5.1.b and the extent of any extension of time and/or additional cost (if applicable). If agreement is not reached within a reasonable time, the Authority's Commercial Manager shall, except in relation to a disagreement in respect of any additional costs claimed by the Contractor, make a determination on a fair and reasonable basis and within a reasonable time taking due regard of all relevant circumstances. The Authority's Commercial Manager shall provide notice to the Contractor of such agreement or determination with supporting

particulars. In the event of a disagreement only in respect of additional costs, the matter shall be resolved through the Dispute Resolution Procedure at Condition 2.16.

7.5.6 Notwithstanding that the Contractor has not provided notice or supporting particulars as required under this Condition 7.5, the Authority may in its absolute discretion award a fair and reasonable extension of time to the delivery dates.

7.5.7 Where the Contractor is granted an extension of time to the delivery dates as a result of an event described in Conditions 7.5.1.a or 7.5.1.b (as the case may be) and the Contractor has incurred additional costs as a direct result of such event, the Contractor shall, except and to the extent that the same is addressed in a Change pursuant to Condition 2.17 (Contract Change Procedure) and subject to the requirements of Condition 7.5, be entitled to claim for their costs in addition to the Contract Price provided that all such costs have been reasonably and properly incurred as a direct consequence of the event described in Conditions 7.5.1.a to 7.5.1.b (as the case may be). Details of any such additional costs claimed by the Contractor shall be included in the notice provided by the Contractor under Clause 7.5.2..

7.5.8 In respect of any costs in addition to the Contract Price claimed by the Contractor in accordance with Clause 7.5.7, the Contractor shall comply with the requirements of open book accounting set out in Condition 4.7 (Open Book Accounting) and the following pricing principles in respect of the pricing of any such costs:

- a) the rates used for the pricing of any additional costs shall be the rates set out in Annex W and the PDS rate card
- b) the profit rate shall be no greater than the profit rate derived from the Government Profit Formula.
- c) there will be no tiering of risk or profit within the Contractor's organisation such that the risk premium in respect of a risk and/or a margin in respect of a purchased item will only be imposed once and the Contractor shall minimise the tiering of risk or profit in respect of any other sub-Contract of any tier.

7.6 KEY PERFORMANCE INDICATORS (KPIs)

7.6.1 The Contractor shall meet all of the stated KPIs outlined in Annex C to Contract Conditions.

7.6.2 Performance against the KPIs should be captured and fed back to the Authority in accordance with Annex C to the Contract Conditions.

7.6.3 It is a fundamental condition of this Contract that the contractual KPI requirements are met in full.

7.6.3.1 Prior to authorisation of payment of D&M phase payments in respect of each milestone being reported as successfully achieved. The Authority will review the Contractor's EVM in accordance with the SOR and Annex C to ensure satisfactory performance against the KPI requirements.

7.6.3.2. Prior to authorisation of payment of in-service payments in respect of each Training Event and/or Training Phase, the Authority will review the Contractor's Management Information Schedule (Appendix 1 to Annex C) to ensure satisfactory performance against the KPI requirements.

7.6.4 If the Contractor fails to meet the agreed KPI, the Authority shall be entitled to reduce the total payment value in accordance with the Performance Deductions detailed at Annex C to the Contract Conditions.

7.6.5 The Contractor shall maintain records that should be identified with each payment claim and subject to audit by the Authority.

7.7 ACCEPTANCE

7.7.1 For the purposes of this Contract 'acceptance' will be defined as confirmation and approval of the milestone by the Authority, as outlined in Annex D to Contract Conditions

8. PAYMENTS / RECEIPTS

8.1 DEFCONS

DEFCON 5J (Edn.(18/11/16) Unique Identifiers

DEFCON 35 (Edn.06/21) Progress Payments

DEFCON 522 (Edn.11/21) – Payment and Recovery of Sums Due

DEFCON 534 (Edn.06/21) – Sub-Contracting and Prompt Payment

8.2 PAYMENT

8.2.1 Payment for milestones, as detailed at Annex D, will be made upon achievement of each relevant milestone. Claims for payment shall be submitted to the Authority via Contract Purchasing and Finance (CP&F) and will be authorised providing they have been completed in accordance with the acceptance criteria detailed at Annex D.

8.2.2 The Contractor shall be paid quarterly in arrears as detailed in the Payment Plan at Annex E to the Contract.

8.2.3 The Contractor shall have rendered, to the satisfaction of the Authority's Project Manager, complete performance of his contractual obligations in accordance with the ScOR and the Contract Terms and Conditions in their entirety against which the claim is being sought, during the period to which the Payment applies

8.2.4 All Payments will be in accordance with Annex C and D of the Contract. Invoices shall be submitted to the Authority's Project Manager for endorsement and returned to the Contractor. The Contractor shall then claim payment via CP&F.

9. CONTRACT ADMINISTRATION

9.1 DEFCONS

DEFCON 604 (Edn.06/14) – Progress Reports

DEFCON 609 (Edn.07/21) – Contractor's Records

DEFCON 620 (Edn.06/22) – Contractor Change Control Procedure

DEFCON 625 (Edn.06/21) – Co-Operation on Expiry of Contract

- For the purposes of this Contract, this condition will be subject to any arrangements or conditions agreed to by both parties in the Exit Management Plan (Annex E to TSSP/130).

DEFCON 642 (Edn.07/21) – Progress Meetings

9.2 REPORTS AND MANAGEMENT

9.2.1 Meetings

- a) The Contractor shall facilitate management meetings and render reports as to the progress of the Contract and in such form and at such frequency as detailed in the Statement of Requirement (Annex A to the Contract).
- b) The Contractor shall ensure that appropriate personnel attend the meetings. The Contractor shall provide secretariat support to all meetings which shall include organising the meeting concerned, proposing and agreeing the agenda with the Authority's Project Manager (identified at Box 2 of the DEFFORM 111 Appendix to the Contract), preparation of draft minutes, and final copies and co-ordinating the preparation of reports as required in accordance with Clause 9.2.3.
- c) The location of each meeting shall be as agreed with the Authority's Project Manager.
- d) The Contractor shall attend and provide secretariat support at Progress Meetings. These meetings may be concerned either with progress in relation to the delivery of the Project VULCAN System and/or in relation to the overall performance of the Contract.
- e) The Report shall include, but not be limited to the following: -
 - 1) Overall Progress Assessment.
 - 2) Annex F – De&S Project Controls Guide
 - 3) Performance of the Authority in terms of Performance Indicators (KPIs).
 - 4) Key dates approaching.
 - 5) Updated Risk Registers and intentions to deal with key risks.
 - 6) Failures and corrective actions.
 - 7) Critical Path Assessment.
 - 8) Intentions to bring activities back on-line if behind schedule.

9.2.2 Minutes

- a) The Contractor shall document and agree with the Authority the key 'points of note' and actions prior to the closure of a review, working group or meeting. In the event that the time taken to document the key 'points of note' and actions would unduly delay the closure of a review, working group or meeting, the Contractor shall provide a draft record of actions within 5 (five) business days.
- b) The Contractor shall draft minutes or key 'points of note (including actions)', as agreed with the Authority's Project Manager, for all the above meetings and submit them for approval by the Authority's Project Manager within 5 (five) business days of the meeting, and shall issue a final version, 5 (five) business days following approval of the draft minutes or 'points of note (including actions)' by the Authority.

9.2.3 Reports

9.2.3.1 Unless otherwise requested the Contractor shall provide 1 (one) electronic copy of each report 7 (seven) business days prior to the meeting to which they relate. The format and scope may change over the duration of the Contract but must be agreed with the Authority's Project Manager identified at Box 2 of DEFFORM 111- Appendix 1 to the Contract.

9.2.4 All costs incurred by the Contractor in connection with these meetings, and all other meetings in connection with this Contract, shall be deemed to be included in the Contract Price.

9.3 RELATIONSHIP MANAGEMENT PLAN

9.3.3.1 The Contractor and the Authority shall maintain the Relationship Management Plan, at Annex T to the Contract, throughout the duration of the Contract, and this shall be reviewed at 6 (six) monthly intervals in order to improve the relationship wherever possible.

9.4 EARNED VALUE MANAGEMENT SYSTEM (EVMS)

9.4.1 The Contractor shall implement and maintain an Earned Value Management System (EVMS) to be used in the management of the Contract in accordance with the Statement of Requirement (Annex A to the Contract). The EVMS for this Contract shall comply with the Level 4 Contract Requirements in the DE&S Project Controls Guide, at Annex F to the Contract, and compliance shall be maintained for the duration of the Contract.

9.4.2 The Contractor shall make available to the Authority the reports in accordance with the EVMS Plan. The reports shall be made available to the Authority on a monthly basis and report current and cumulative project status information.

9.4.3 The Contractor shall report all variances which exceed the thresholds agreed between the Contractor and Authority. Reports on variances shall clearly state:

- a) The cause of the variance and the potential impact of the variance on the overall project cost and schedule.

- b) All corrective actions taken and scheduled to mitigate the variance.
- c) State the new risks associated with this course of action that have been identified.

9.5 EXIT STRATEGY

9.5.1 Exit Period

9.5.1.1 The Exit Period shall commence on the earlier of:

- a) 9.5.1.1 Six (6) Calendar Months prior to the expiry date of the Contract; or
 - b) 9.5.1.2 on receipt of a notice of termination for Contractor default in accordance with clause 2.12.
- or
- c) 9.5.1.3 Any other notice of termination given by the Authority.
 - d) The Exit Period shall be for no less than three (3) calendar months following its commencement in accordance with 9.5.1.1.

9.5.2 Exit Plan

9.5.2.1 The Contractor shall, six (6) months after Contract award, create the Disposal and Exit Plan and maintain thereafter. Prior to this, the Contractor's draft Disposal and Exit Plan shall apply.

9.5.2.2 The Contractor shall comply with the Contractor's Disposal and Exit Plan for the Exit Period to ensure that the Contractor can at all times satisfy its obligations following the termination or expiry of the Contract.

9.5.2.3 The Contractor shall review and when necessary update the Exit Plan twelve (12) Months prior to the end of the Term in accordance with the provisions of the Exit Plan and shall ensure that it is able to implement the Exit Plan throughout the Term in accordance with its terms. All such updates must be approved by the Authority.

9.5.2.4 The Contractor shall promptly comply with all reasonable instructions from the Authority with regards to the implementation of the Exit Plan, including co-operating with any Replacement Contractor and in relation to transfer of Contractor Personnel.

9.5.2.5 All costs incurred in developing, updating and implementing the Exit Plan shall be payable by the Contractor.

9.5.2.6 On expiration of the Contract, at any time and for whatever reason, the Authority shall not be liable for additional charge(s) other than those the Contract conditions that apportion liability to the Authority in respect of the winding up of the Contract, for the handover by the Contractor, to any successor Contractor or the Authority, of all the data relevant to the performance of this work by that successor Contractor.

9.5.3 Obligation to Assist

9.5.3.1 Following termination or expiry of this Contract, the Contractor shall continue to implement the Exit Plan during the Exit Period to ensure the orderly and efficient transition of all activities

undertaken or to be undertaken by the Contractor and Sub-Contractors under this Contract to the Authority. The Contractor and Sub-Contractors shall co-operate with all reasonable instructions of the Authority in connection with this transition.

9.5.3.2 The Contractor shall also provide any reasonable assistance requested by the Authority to allow the Services to continue without interruption following the expiry date or termination date and to satisfy the obligations under Sub-clause 9.5.3.1.

9.5.3.3 The Contractor shall also make key personnel reasonably available, during the Exit Period, to the Authority and / or any replacement Contractor, in order to affect the orderly and timely transfer of provision of the Services.

9.5.3.4 Within the Exit Period the Contractor shall make available to either a successor Contractor or the Authority, in a format which they would expect were they the successor, the following:

- a) Any Intellectual Property Rights (IPR) acquired throughout the Contract duration as a direct result of meeting this requirement or GFA (foreground IPR).
- b) All GFA as identified at Annex L to the Contract.
- c) All reports, databases, software etc produced over the period of the Contract.

9.5.3.5 The Contractor shall include a handover provision within the Exit Period, for any successor contractor or the Authority to be directly briefed by the present Contractor, in all matters that the successor contractor or Authority may raise as relevant to the past and/or future performance of work under the Contract. The handover will be carried out at a location most advantageous to its purpose, agreeable by the Contractor and Authority and proving value for money. The handover should take no longer than 10 (ten) business Days although they may not necessarily be in succession.

9.5.4 Re-Competition Data

9.5.4.1 During the term of this Contract on reasonable notice the Contractor shall provide to the Authority the following information for the purpose of actual or potential re-competition of, and managing transition to any potential Replacement Contractor of the provision of, the Project VULCAN Requirement or similar to the Project VULCAN Requirement (in whole or in part):

- a) details of the Project VULCAN Requirement (including the scope currently provided and potential new requirement or material changes that are in the contemplation of both of the Parties).
- b) without prejudice to the timetable for, and provisions relating to, delivery of information relating to potential transferring employees.
- c) the Management Information, less the Commercially Sensitive Information, from Contract Award (CA) to the end of the Exit Period; and
- d) such other information as the Authority may reasonably request.

9.5.5 Continued Performance

9.5.5.1 Save as expressly specified in the Exit Plan, the Contractor shall at all times during the Exit Period continue to perform its obligations, including in respect of the achievement of the KPI's set out in Annex C, in accordance with the provisions of this Contract.

9.5.6 In the event that either the Authority or the Contractor notifies the other Party of its intention to terminate the Contract prematurely, hereinafter 'the Notification', or in accordance with either DEFCON 514 (Material Breach), DEFCON 656B (Termination for Convenience (Contracts £5m and

over)) and Condition 2.12, where solely the Authority may decide to terminate the Contract, or in accordance with DEFCON 518 (Transfer), where the Contractor shall inform the Authority of its intention to transfer Contractual obligations to a replacement Contractor and where the Authority may decide to terminate the Contract, it shall be the responsibility of both Parties to ensure that appropriate management and all supply chain responsibilities transfer to the Authority (or the Replacement Contractor), in a practicable manner in accordance with Annex E to the Contract (Exit Management Plan). The provisions of DEFCON 625 (Co-operation on Expiry of Contract) shall apply, in addition to the specific requirements of this Condition.

9.5.7 On such "Notification", the Authority shall determine which GFA it requires to be returned, in accordance with DEFCON 611 (Issued Property) and the timing and other requirements of such return. The Authority shall determine the Contracting arrangements (if any) it intends to adopt with the Contractor for continuing support (if required).

9.5.8 At the time of termination, the Parties agree to enter into negotiations at the earliest practicable opportunity to resolve the terms of the termination.

9.5.9 The Parties agree that Condition 9.5 will continue to apply, in the event the Contract is novated to a third party and will make provision for its inclusion in a novated Contract.

9.5.10 In cases of contradiction, ambiguity or dispute between the provisions of this Condition and DEFCON 514 (Material Breach) and/or DEFCON 656B (Termination for Convenience (Contracts £5m and over)), the DEFCONs shall take precedence.

9.6 PROGRESS MEETINGS

9.6.1 The Contractor shall attend meetings in accordance with the Statement of Requirements at Annex A to the Contract.

9.9.2 Other meetings are to be held at a convenient and mutually agreed time and location in association with the requirement

9.7 GOVERNANCE

9.7.1 The Authority and the Contractor shall both appoint a Project Manager who shall have overall responsibility for the delivery, management and oversight of the Project VULCAN Requirement. Details of the Authority's Project Manager can be found in Box 2 of DEFFORM 111 attached.

9.7.2 The Contractor's Project Manager to the Contract shall be responsible for the day-to-day delivery and management of the Project VULCAN Requirement raising any issues to the personnel identified in Clause 9.7.1

9.8 PUBLICITY

9.8.1 The Contractor shall not issue or otherwise publish any publicity or advertising material or provide any information to journalists concerning this Contract without the Authority's express consent.

9.9 MANAGEMENT INFORMATION

9.9.1 For the purposes of the Contract, the progress reports detailed in the Management Information Schedule at Annex C to the Contract, shall be delivered to the PM (Box 2, DEFFORM 111 at Appendix 1 to the T&C's of the Contract.

9.9.2 Management Information (MI)

9.9.2.1 The Contractor shall deliver to the Authority the MI, as described in Appendix 1 of Annex C to the Contract.

9.9.2.2 The provision of the MI shall be measured in accordance with the provisions set out in Annex C to the Contract (KPI Annex)

9.9.2.3 Any reports or plans provided by the Contractor to the Authority in accordance with this Agreement, including but not limited to the financial information [Condition 4.7 of the Contract], request for change [Condition 4.3 of the Contract], Financial Management Reporting Annex F to the Contract, Quality [Condition 3.5 of the Contract] and List of Deliverables [Annex A to the Statement of Requirements] shall also, for the purposes of the provisions of KPI Schedule [Annex C to the Contract], be treated as if it were MI.

9.9.3 Acceptance

9.9.3.1 Subject to paragraph 9.9.2.1, the Authority shall review the MI within 15 (fifteen) business days of receipt and inform the Contractor as to whether the Authority has accepted the submitted MI.

9.9.3.2 Where the Authority does not accept the submitted MI, it shall notify the Contractor in writing of:

- a) the reason for the MI not being accepted.
- b) the amendments required; and
- c) the additional information required.

9.9.3.3 The Contractor shall resubmit the MI, responding to the amendment(s) and / or additional information requirements within 5 (five) business days of being notified by the Authority.

9.9.4 Changes to the MI

9.9.4.1 Amendments to the format, structure or logic of the MI may be proposed by either the Authority or the Contractor, including due to changes in the underlying assumptions or circumstances, accounting methodology, legislative changes or identification of errors or outdated information.

9.9.4.2 Where the Authority proposes an amendment to the format, structure or logic of the MI, the Authority shall notify the Contractor in writing of:

- a) details of the precise amendment being proposed: and
- b) the rationale for the proposed amendment with supporting evidence and documentation.

9.9.4.3 The Contractor shall respond to the amendment(s) proposed by the Authority promptly, and in any event within 5 (five) business days, notifying the Authority, in writing, as to the expected

impact of the proposed amendment on the MI and any other MI and, where relevant, any impact on the Services.

9.9.4.4 The Contractor shall not pass on to the Authority any costs associated with the implementation of proposed amendments to the MI.

9.9.4.5 The Authority will review the Contractor's assessment of the expected impact of the proposed amendment and will inform the Contractor whether the Contractor is to proceed with the amendment to the MI.

9.9.4.6 Amendments to the format, structure or logic of the MI proposed by the Contractor shall not be carried out without the express prior written agreement of the Authority. In relation to each such proposed amendment, the Contractor shall provide the Authority in writing with:

- a) details of the precise amendment being proposed.
- b) the rationale for the proposed amendment with supporting evidence and documentation; and
- c) the expected impact of the proposed amendment on the MI, any other MI and, where relevant, any impact on the Services.

9.9.4.7 The Authority may request any further information from the Contractor prior to deciding whether it accepts or rejects amendments to the MI proposed by the Contractor and the Contractor shall provide such information as soon as reasonably practicable.

9.9.4.8 The Authority will consider the Contractor's proposed amendment and shall notify the Contractor as to whether it is agreed within a reasonable time. If the Authority does not consent to the proposed amendment, the MI will not be amended.

9.9.4.9 In relation to all approved amendments to the MI, the Contractor shall maintain full version control including, but not limited to keeping a change control log that records:

- a) the version of the MI before an amendment is made and the version of the MI that contains the amendment.
- b) the nature and impact of each amendment at a level of detail sufficient to enable an adequately qualified individual to understand each amendment and replicate it to produce the same results.
- c) the rationale for the amendment with supporting evidence and documentation.
- d) the impact of the amendment including a detailed reconciliation and explanation by reference to inputs to or the logic or the presentation of the MI that gives rise to a change in the outputs of the MI.
- e) the role of the persons who have made and authorised each amendment.
- f) updating the MI Version Log; and
- g) updating any other MI as applicable to ensure consistency.

9.9.5 MI Configuration Control

9.9.5.1 The Authority shall maintain a single reference version of the MI. In case of any unexplained difference between the MI provided by the Contractor and the reference version of the MI held by the Authority, the Authority's reference version of the MI shall take precedence.

9.9.5.2 Subject to Clause 9.9.5.1, when a revised version of an element of MI has been delivered to the Authority and accepted in accordance with this Clause 9.9.5, it shall become the reference version of the MI held by the Authority and shall be provided as an update to any previous versions of the MI and shall constitute the definitive, binding version of the MI.

9.9.6 Supporting Information

9.9.6.1 The Authority may at any time require the Contractor to submit information to support or substantiate any aspect of the MI, including any other supporting documentation