

This notice in TED website: <http://ted.europa.eu/udl?uri=TED:NOTICE:64117-2018:TEXT:EN:HTML>

**United Kingdom-Yeovil: Aircraft engines
2018/S 029-064117**

Contract notice

Services

Directive 2009/81/EC

Section I: Contracting authority/entity

I.1) Name, addresses and contact point(s)

Ministry of Defence, Helicopters, Merlin Project Team
100 Centenary House, Leonardo Helicopters Box 146, Lysander Road
Contact point(s): Nathan Gibson
BA20 2YB Yeovil
United Kingdom
Telephone: +44 1935702810
E-mail: nathan.gibson669@mod.gov.uk

Internet address(es):

General address of the contracting authority/entity: www.mod.gov.uk

Further information can be obtained from: The above mentioned contact point(s)

Specifications and additional documents (including documents for competitive dialogue and a dynamic purchasing system) can be obtained from: The above mentioned contact point(s)

Tenders or requests to participate must be sent to: The above mentioned contact point(s)

I.2) Type of the contracting authority

Ministry or any other national or federal authority, including their regional or local sub-divisions

I.3) Main activity

Defence

I.4) Contract award on behalf of other contracting authorities/entities

The contracting authority is purchasing on behalf of other contracting authorities: no

Section II: Object of the contract

II.1) Description

II.1.1) Title attributed to the contract by the contracting authority:

Merlin and Apache AH Mk1 Engine Support

II.1.2) Type of contract and location of works, place of delivery or of performance

Services

Service category No 3: Defence services, military defence services and civil defence services

Main site or location of works, place of delivery or of performance: Somerset, Cornwall and Isles of Scilly

NUTS code UKK23,UKK3

II.1.3) Information on framework agreement

II.1.4) Information on framework agreement

II.1.5) Short description of the contract or purchase(s):

Aircraft engines. Aircraft Engine Support. The Authority has a requirement for the technical support, maintenance, modification and minor additional technical and engineering support of both the UK Ministry of Defence Merlin and Apache AH Mk1 Helicopter engines (including associated Engine Accessory Units).

II.1.6) **Common procurement vocabulary (CPV)**

34731100

II.1.7) **Information about subcontracting**

The tenderer has to indicate in the tender any share of the contract it may intend to subcontract to third parties and any proposed subcontractor, as well as the subject-matter of the subcontracts for which they are proposed

The tenderer has to indicate any change occurring at the level of subcontractors during the execution of the contract

II.1.8) **Lots**

This contract is divided into lots: no

II.1.9) **Information about variants**

Variants will be accepted: yes

II.2) **Quantity or scope of the contract**

II.2.1) **Total quantity or scope:**

The requirement shall include on-aircraft technical support, off-aircraft engine testing, supply of engine spares and maintenance and repair of engines and accessories to ensure the Merlin and Apache AH Mk1 Helicopter fleets receive the required levels of engine support. The requirement for support to the Apache AH Mk1 fleet shall be for a period of 5 years from April 2019 with Contract Options to extend by up to 2 years. The requirement for support to the Merlin fleet shall be from 1.4.2019 to March 2030 with Contract options to extend to 2040.

It is not anticipated that the requirement for the Merlin and Apache AH Mk1 fleet solutions will be split. Innovative and variant proposals will be welcomed and considered and evaluated against the methodology used for all bids under this requirement.

Estimated Value of Requirement: Between 1 100 000 000 GBP and 1 400 000 000 GBP (inclusive of options) including all applicable VAT, taxes and duties.

If a bidder requests any Government Furnished Equipment, Facilities, Information or other property (collectively "GFA") (including but not limited to the supply of services and/or technical support in relation to the RTM-322 Engines the Authority currently has in-service) there will be a compensatory reduction in the available budget equivalent to the costs of such GFA and the Authority shall add those costs to the bid price for evaluation, comparison and award purposes.

Interested companies are required to complete a Dynamic Pre-Qualification Questionnaire (DPQQ) to provide the Authority with information to evaluate the company's capacities and capabilities against the selection criteria.

The Authority will use the DPQQ response to create a shortlist of tenderers who:

- a) are eligible to participate;
- b) fulfill any minimum economic, financial, professional and technical standards; and
- c) best meet in terms of capacity and capability the selection criteria set out below.

It is envisaged that a minimum number of 2 and a maximum number of 6 companies will be invited to tender by the Authority based upon the DPQQ response weighted scores.

Selection Criteria:

As detailed in the DPQQ.

Relevant Dates:

- 1) Deadline for Expression of Interest: 30 calendar days from issue of Contract Notice;
- 2) Proposed/Estimated ITN Issue Date: 60 working days from issue of Contract Notice;
- 3) Proposed/Estimated Tender Return Date: 120 working days from issue of Contract Notice;
- 4) Proposed Issue Date of Contract: March 2019;
- 5) Proposed Completion Date of Contract: 2040 (including Contract Options).

Estimated value excluding VAT:

Range: between 1 100 000 000 and 1 400 000 000 GBP

II.2.2) Information about options

Options: yes

Description of these options: Options to extend the engine support for the Apache AH Mk1 by up to 2 years and for the Merlin by up to 10 years.

II.2.3) Information about renewals

This contract is subject to renewal: no

II.3) Duration of the contract or time limit for completion

Section III: Legal, economic, financial and technical information

III.1) Conditions relating to the contract

III.1.1) Deposits and guarantees required:

The Authority may require a Parent Company Guarantee at its sole discretion.

III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions governing them:

III.1.3) Legal form to be taken by the group of economic operators to whom the contract is to be awarded:

III.1.4) Other particular conditions to which the performance of the contract is subject, in particular with regard to security of supply and security of information:

The contracting authority considers that this contract is unlikely to be suitable for economic operators that are small or medium enterprises (SMEs). However, any selection of tenderers will be based solely on the criteria set out for the procurement, and the contract will be awarded on the basis of the most economically advantageous tender. Suppliers interested in working with the MOD should register on its Supplier Information Database (SID), available at www.contracts.mod.uk. The SID is a catalogue of potential suppliers available to all MOD procurement staff, and is the main supplier database used by MOD. Please note that the registration and publication of a company profile on the SID does not mean or imply that the supplier has in any way been vetted or approved by the MOD. Suppliers wishing to compete for a contract opportunity must respond to any specific call for competition by submitting a separate expression of interest in accordance with the instructions in the contract notice.

From 2.4.2014 the Government introduced its new Government Security Classifications Policy (GSC) to replace the previous Government Protective Marking Scheme. A key aspect of this is the reduction in the number of security classifications used. All suppliers to the Department are encouraged to make themselves aware of the changes as it may impact on this Requirement. The link below to the Gov.uk website provides information on the new GSC.

<https://www.gov.uk/government/publications/government-security-classifications>

Contract HELSS/0102 is subject to DEFCON 658 (Edn 10/17) (Cyber) and Def Stan 05-138 (Cyber Security for Defence Suppliers). A Cyber Risk Assessment has been carried out by the Project Team and a risk level of Very Low has been identified (Reference: RAR-ETVD299U). In order for a supplier to demonstrate their compliance MOD has created Octavian (<https://supplier-cyber-protection.service.gov.uk/>). This is an online tool that enables

suppliers to complete a supplier assurance questionnaire (SAQ). Further information on compliance to the Defence Cyber Protection Partnership can be found via the link <https://www.gov.uk/government/collections/defence-cyber-protection-partnership>

The Authority reserves the right to amend any condition related to security of information to reflect any changes in national law or government policy. If any contract documents are accompanied by instructions on safeguarding classified information (e.g. a Security Aspects Letter), the Authority reserves the right to amend the terms of these instructions to reflect any changes in national law or government policy, whether in respect of the applicable protective marking scheme, specific protective markings given, the aspects to which any protective marking applies, or otherwise.

III.1.5) **Information about security clearance:**

III.2) **Conditions for participation**

III.2.1) **Personal situation**

Criteria regarding the personal situation of economic operators (that may lead to their exclusion) including requirements relating to enrolment on professional or trade registers

Information and formalities necessary for evaluating if the requirements are met: As per the Pre Qualification Questionnaire.

Criteria regarding the personal situation of subcontractors (that may lead to their rejection) including requirements relating to enrolment on professional or trade registers

Information and formalities necessary for evaluating if the requirements are met: As per the Pre Qualification Questionnaire.

III.2.2) **Economic and financial ability**

Criteria regarding the economic and financial standing of economic operators (that may lead to their exclusion)

Information and formalities necessary for evaluating if the requirements are met: As per the Pre Qualification Questionnaire.

Minimum level(s) of standards possibly required: As per the Pre Qualification Questionnaire.

Criteria regarding the economic and financial standing of subcontractors (that may lead to their rejection)

Information and formalities necessary for evaluating if the requirements are met: As per the Pre Qualification Questionnaire.

Minimum level(s) of standards possibly required: As per the Pre Qualification Questionnaire.

III.2.3) **Technical and/or professional capacity**

Criteria regarding the technical and/or professional ability of economic operators (that may lead to their exclusion)

Information and formalities necessary for evaluating if the requirements are met:

As per the Pre Qualification Questionnaire.

Minimum level(s) of standards possibly required

As per the Pre Qualification Questionnaire.

Criteria regarding the technical and/or professional ability of subcontractors (that may lead to their rejection)

Information and formalities necessary for evaluating if the requirements are met:

As per the Pre Qualification Questionnaire.

Minimum level(s) of standards possibly required

As per the Pre Qualification Questionnaire.

III.2.4) **Information about reserved contracts**

III.3) **Conditions specific to services contracts**

III.3.1) **Information about a particular profession**

Execution of the service is reserved to a particular profession: no

III.3.2) **Staff responsible for the execution of the service**

Legal persons should indicate the names and professional qualifications of the staff responsible for the execution of the service: no

Section IV: Procedure

IV.1) **Type of procedure**

IV.1.1) **Type of procedure**

Negotiated

IV.1.2) **Limitations on the number of operators who will be invited to tender or to participate**

Envisaged minimum number 2 and maximum number 6

Objective criteria for choosing the limited number of candidates: As per the Pre Qualification Questionnaire.

IV.1.3) **Reduction of the number of operators during the negotiation or dialogue**

IV.2) **Award criteria**

IV.2.1) **Award criteria**

The most economically advantageous tender in terms of the criteria stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document

IV.2.2) **Information about electronic auction**

An electronic auction has been used: no

IV.3) **Administrative information**

IV.3.1) **File reference number attributed by the contracting authority:**

HELSS/0102

IV.3.2) **Previous publication(s) concerning the same contract**

no

IV.3.3) **Conditions for obtaining specifications and additional documents or descriptive document**

Payable documents: no

IV.3.4) **Time limit for receipt of tenders or requests to participate**

14.3.2018 - 12:00

IV.3.5) **Date of dispatch of invitations to tender or to participate to selected candidates**

IV.3.6) **Language(s) in which tenders or requests to participate may be drawn up**

English.

Section VI: Complementary information

VI.1) **Information about recurrence**

This is a recurrent procurement: no

VI.2) **Information about European Union funds**

The contract is related to a project and/or programme financed by European Union funds: no

VI.3) **Additional information:**

Advertising Regime OJEU: This contract opportunity is published in the Official Journal of the European Union (OJEU), MoD Defence Contracts Bulletin and www.contracts.mod.uk

Suppliers must read through this set of instructions and follow the process to respond to this opportunity. The information and/or documents for this opportunity are available on <https://www.contracts.mod.uk/delta> You must register on this site to respond, if you are already registered you will not need to register again, simply use your existing username and password. Please note there is a password reminder link on the homepage. Suppliers must log in, go to your Response Manager and add the following Access Code: F6Y34AN5AZ. Please ensure you follow any instruction provided to you here. The deadline for submitting your response(s) is 14.3.2018 12:00. Please ensure that you allow yourself plenty of time when responding to this invite prior to the closing date and time, especially if you have been asked to upload documents. If you experience any difficulties please refer to the online Frequently Asked Questions (FAQ's) or the User Guides or contact the MOD DCO Helpdesk by emailing - support@contracts.mod.uk or call 0800 282 324. GO Reference: GO-201828-DCB-11868687.

VI.4) **Procedures for appeal**

VI.4.1) **Body responsible for appeal procedures**

Ministry of Defence, Helicopters, Merlin Project Team
100 Centenary House, Leonardo Helicopters Ltd, Box 146
BA20 2YB Yeovil
United Kingdom
E-mail: nathan.gibson669@mod.gov.uk
Telephone: +44 1935702810

Body responsible for mediation procedures

Ministry of Defence, Helicopters, Merlin Project Team
As above
As above
United Kingdom

VI.4.2) **Lodging of appeals**

Precise information on deadline(s) for lodging appeals: 30 calendar days from issue of this contract notice.

VI.4.3) **Service from which information about the lodging of appeals may be obtained**

VI.5) **Date of dispatch of this notice:**

8.2.2018

Merlin and Apache AH Mk1 Engine Support

1. Part 1: Form A: Organisation and Contact Details

1.1. Organisation Details

1.1.1. Full name of organisation tendering (or of organisation acting as lead contact where a consortium bid is being submitted).

1.1.2. Address line 1

1.1.3. Address Line 2

1.1.4. Address Line 3

1.1.5. Town

1.1.6. County

1.1.7. Post Code

1.1.8. Company or Charity Registration Number

1.1.9. Please provide your Data Universal Numbering System (DUNS) number. If your organisation does not have a DUNS number, please obtain a DUNS number from Dun & Bradstreet (which is free of charge) and provide the Duns number to the Authority no later than 15 working days after the closing date for return of this PQQ.

1.1.10. VAT Registration Number

1.1.11. Name of immediate parent company

1.1.12. Name of ultimate parent company

1.1.13. Type of organisation

- (i) a public limited company.
- (ii) a limited company.
- (iii) a limited liability partnership.
- (iv) other partnership.
- (v) sole trader.
- (vi) other (please specify).

1.1.14. If other, please specify.

1.2. Contact Details

1.2.1. Name

1.2.2. Address Line 1

1.2.3. Address Line 2

1.2.4. Address Line 3

1.2.5. Town

1.2.6. County

1.2.7. Post Code

1.2.8. Country

1.2.9. Telephone Number

1.2.10. Mobile Number

1.2.11. Email

1.3. Consortia and Sub-Contracting

1.3.1. Please confirm the following:

- a) Your organisation is bidding to provide the services required itself.
- b) Your organisation is bidding in the role of Prime Contractor and intends to use third parties to provide some services.
- c) The Potential Provider is a consortium.

1.3.2. If your answer is (b) or (c) please indicate by confirming the relevant company/organisation name, the composition of the supply chain, indicating which member of the supply chain (which may include the Potential Provider solely or together with other providers) will be responsible for the elements of the requirement.

1.4. For completion by non-UK businesses only

1.4.1. Registration with professional body - Is your business registered with the appropriate trade or professional register(s) in the EU member state where it is established (as set out in Schedule 3 of the DSPCR) under the conditions laid down by that member state).

1.4.2. If “yes”, please provide a copy of the certificate of registration or similar record.

1.4.3. Is it a legal requirement in the State where you are established for you to be licensed or a member of a relevant organisation in order to provide the requirement in this procurement?

1.4.4. If yes, please provide details of what is required and confirm that you have complied with this.

2. Part 1: Form B - Grounds for Mandatory Rejection

2.1. Please state 'Yes' or 'No' to each question.

2.1.1. a) Conspiracy within the meaning of section 1 or section 1A of the Criminal Law Act 1977 or article 9 or 9A of the Criminal Attempts and Conspiracy (Northern Ireland) Order 1983, or in Scotland the Offence of conspiracy, where that conspiracy relates to participation in a criminal organisation as defined in Article 2 of Council Framework Decision 2008/841/JHA.

2.1.2. b) Involvement in serious organised crime or directing serious organised crime within the meaning of section 28 or 30 of the Criminal Justice and Licensing (Scotland) Act 2010.

2.1.3. c) Corruption within the meaning of section 1 of the Public Bodies Corrupt Practices Act 1889 or section 1 of the Prevention of Corruption Act 1906*.

2.1.4. d) The offence of bribery.

2.1.5. e) Bribery within the meaning of section 1, 2 or 6 of the Bribery Act 2010.

2.1.6. f) Bribery or corruption within the meaning of section 68 and 69 of the Criminal Justice (Scotland) Act 2003.

2.1.7. g) Fraud, where the offence relates to fraud affecting the financial interests of the European Communities as defined by Article 1 of the Convention relating to the protection of the financial interests of the European Union*, within the meaning of:

- (i) the offence of cheating the Revenue;
- (ii) the offence of conspiracy to defraud;
- (iii) fraud or theft within the meaning of the Theft Act 1968* the Theft Act (Northern Ireland) 1969*, the Theft Act 1978* or the Theft (Northern Ireland) Order 1978*;
- (iv) fraud within the meaning of section 2, 3 or 4 of the Fraud Act 2006;
- (v) in Scotland, the offence of fraud;
- (vi) in Scotland, the offence of theft;
- (vii) fraudulent trading within the meaning of section 458 of the Companies Act 1985, article 451 of the Companies Act (Northern Ireland) Order 1986 or section 993 of the Companies Act 2006;
- (viii) fraudulent evasion within the meaning of section 170 of the Customs and Excise Management Act 1979 or section 72 of the Value Added Tax Act 1994*;
- (ix) an offence in connection with taxation in the European Union within the meaning of section 71 of the Criminal Justice Act 1993;
- (x) destroying, defacing or concealing of documents or procuring the execution of a valuable security within the meaning of section 20 of the Theft Act 1968* or section 19 of the Theft Act (Northern Ireland) 1969* or making, adapting, supplying or offering to supply articles for use in frauds within the meaning of section 7 of the Fraud Act 2006;
- (xi) in Scotland the offence of uttering; or
- (xii) in Scotland, the criminal offence of attempting to pervert the course of justice.

2.1.8. h) Money laundering within the meaning of section 93A, 93B, or 93C of the Criminal Justice Act 1988, section 45, 46 or 47 of the Proceeds of Crime (Northern Ireland) Order 1996 or the Money Laundering Regulations 2003 or money laundering or terrorist financing within the meaning of the Money Laundering Regulations 2007*.

2.1.9. i) Terrorist offences or offences linked to terrorist activities, as defined in Articles 1 and 3 of Framework Decision 2002/475/JHA*.

2.1.10. j) An offence in connection with proceeds of drug trafficking within the meaning of section 49, 50 or 51 of the Drug Trafficking Act 1994.

2.1.11. k) In Scotland, the offence of incitement to commit any of the crimes described in Regulation 23(1).

2.1.12. l) Any other offence within the meaning of Article 39(1) of the Defence and Security Procurement Directive 2009/81/EC as defined by the national law of any member State.

3. Part 1: Form C - Grounds for discretionary rejection

3.1. Please state 'Yes' or 'No' to each question.

3.1.1. a) Being an individual, is a person in respect of whom a debt relief order has been made or is bankrupt or has had a receiving order or administration order or bankruptcy restrictions order or debt relief restrictions order made against him or has made any composition or arrangement with or for the benefit of creditors or has made any conveyance or assignment for the benefit of creditors or appears unable to pay or to have no reasonable prospect of being able to pay, a debt within the meaning of Section 268 of the Insolvency Act 1986, or Article 242 of the Insolvency (Northern Ireland) Order 1989, or in Scotland has granted a trust deed for creditors or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of his estate, or is the subject of any similar procedure under the law of any other State.

3.1.2. b) Being a partnership constituted under Scots law, has granted a trust deed or become otherwise apparently insolvent, or is the subject of a petition presented for sequestration of its estate.

3.1.3. c) Being a company or any other entity within the meaning of section 255 of the Enterprise Act 2002 has passed a resolution or is the subject of an order by the court for the company's winding up otherwise than for the purpose of bona fide reconstruction or amalgamation, or has had a receiver, manager or administrator on behalf of a creditor appointed in respect of the company's business or any part of the company's business or is the subject of similar procedures under the law of any other State?

3.2. Please state 'Yes' or 'No' to each question

3.2.1. a) Been convicted of a criminal offence relating to the conduct of its business or profession, including, for example, any infringements of any national or foreign law on protecting security of information or the export of defence or security goods.

3.2.2. b) Committed an act of grave misconduct in the course of its business or profession, including a breach of obligations regarding security of information or security of supply required by the contracting authority in accordance with Regulation 38 or 39 of the DSPCR during a previous contract.

3.2.3. c) Been told by a contracting authority, that the Potential Provider does not to possess the reliability necessary to exclude risks to the security of the United Kingdom*.

3.2.4. d) Failed to fulfil obligations relating to the payment of social security contributions under the law of any part of the United Kingdom or of the member State in which it is established.

3.2.5. e) Failed to fulfil obligations relating to the payment of taxes under the law of any part of the United Kingdom or of the member State in which it is established.

4. PART 1: FORM D - Economic and Financial Standing

4.1. Financial Information

4.1.1. What was your overall turnover in each of the last two financial years?

4.2. Please provide the information indicated below

4.2.1. A copy of your audited accounts for the most recent two years or for the period that is available if trading for less than two years.

4.2.2. A statement of your turnover, profit & loss account and cash flow for the most recent year of trading.

4.2.3. A statement of your cash flow forecast for the current year and a bank letter outlining the current cash and credit position.

4.2.4. Alternative means of demonstrating financial status if trading for less than a year.

4.3. Insurance

4.3.1. Employer's liability insurance is a legal requirement (except for businesses employing only the owner / close family members) and this should be at least £5 million. Please confirm that you have this in place.

5. PART 1: FORM E - Technical and Professional Ability

5.1. Experience and Contract Examples

5.1.1. Customer Organisation (name)

5.1.2. Contact Name

5.1.3. Contact Telephone Number

5.1.4. Contact Email Address

5.1.5. Contract Start Date

5.1.6. Contract Completion Date

5.1.7. Contract Value

5.1.8. Brief description of contract (max 150 words) including evidence as to your technical capability in this market.

5.2. Experience and Contract Examples

5.2.1. If you cannot provide at least one example, please briefly explain why (100 words max)

5.3. Electronic Trading

5.3.1. Do you possess the technical equipment and know-how to conduct electronic trading with the Authority by being already connected to the CP&F system?

5.3.2. If you answered "No" to the above question, please confirm that you possess the technical ability to take all necessary measures to connect to the CP&F system if the Authority decides to award the Contract to you?

5.4. Mandatory Selection Criterion for the Government's Cyber Essentials Scheme

5.4.1. Your organisation currently has a current and valid Cyber Essentials certificate, which has been awarded by one of the government approved Cyber Essentials accreditation bodies within the last 12 months

5.4.2. Your organisation does not currently have a current and valid Cyber Essentials certificate which has been awarded by one of the government approved Cyber Essentials accreditation bodies BUT you are working towards gaining it, and will be in a position to confirm that you have been

awarded a current and valid Cyber Essentials certificate by one of the government approved accreditation bodies by the Commencement Date of the Contract.

5.4.3. Your organisation does not have a current and valid Cyber Essentials certificate which has been awarded by one of the government approved Cyber Essentials accreditation bodies, but you can demonstrate (or will be able to demonstrate by the Commencement Date of the Contract) that your organisation meets the technical requirements prescribed by the Cyber Essentials Scheme, as detailed in the following link:

<https://www.cyberstreetwise.com/cyberessentials/files/requirements.pdf> and that you can provide evidence of verification by a technically competent and independent third party (which has taken place within the last 12 months) that your organisation demonstrates current compliance with Cyber Essentials technical requirements.

5.4.4. Please confirm you are working with your proposed supply chain to ensure where appropriate that they either have a Cyber Essentials certificate, are working towards obtaining one or that they can demonstrate and provide evidence that they have the technical requirements prescribed by the Cyber Essentials Scheme as detailed in the link above, and that you will have this in place by the Commencement Date of each of your supplier Contracts. (Answer ‘No’ if this does not apply, i.e. there is no supply chain).

5.4.5. If you have any comments you wish to offer in support of your answers, for example if you want to explain why not every member of your supply chain holds the appropriate level of certification, you can provide them here. The Authority may, at its discretion, consider your comments when determining whether it will pass or fail your answers. Note: You are not obliged to provide any comments; the option to provide them is to allow you to offer the rationale for your answers where you feel it necessary to do so.

6. PART 2: FORM F: Project Questions

6.1. Project Related Questions

6.1.1. Please provide details of the Potential Provider’s experience encompassing (technical expertise, tools, material, technical equipment and facilities) available to perform the contract.

6.1.2. Please provide evidence that your Quality System is certified to AQAP 2105, 2110 and 2120 (or will achieve certification with 3 months of Contract award)

6.1.3. Please provide details of Design Approved Organisation Scheme (DAOS) approval for relevant Engine propulsion systems and associated equipment or provide details on how you expect to achieve DAOS approval for these types within 6 months of Contract Award. As a minimum, the Potential Providers will be expected to satisfy the requirements of RA 5850 – Military Design Approved Organization (MRP 21 Subpart J).

6.1.4. Please provide details of Manufacture Approved Organisation Scheme (MAOS) approval for relevant Engine propulsion systems and associated equipment or EASA/CAA BCAR equivalent or provide details on how you expect to achieve MAOS approval within 6 months of Contract Award. As a minimum, bidders will be expected satisfy the requirements of the RA 4800 series - Military Maintenance Approved Organization.

7. PART 2: FORM G: Defence and Security Questions

7.1. Security Information (1)

7.1.1. Company name

7.1.2. Facility Security Clearances

7.2. Security of Information (2)

7.2.1. If a Potential Provider or subcontractors do not possess the required FSC, it is to state whether:

- a) the Company has applied for and waiting for a FSC; or has previously applied unsuccessfully for a FSC; or has not applied for FSC but is willing to apply for FSC; and
- b) the Company is also prepared to take all necessary security measures to obtain an FSC under their relevant national rules.

7.2.2. The time limit for acquiring FSC is March 2019. Please confirm your understanding that FSC or provisional status must be in place before this date.

7.3. Security of Supply (1)

7.3.1. The Potential Provider is to describe how it will manage the supply chain to mitigate any risks to the performance of the contract and satisfy any additional needs the Authority may have as a result of crisis arising from identified sources of supply (in particular those that are outside the European Union) which the Potential Provider has as its disposal or on which it will significantly rely.

7.4. Intellectual Property Rights

7.4.1. The Potential Provider is to state its internal rules with regard to Intellectual Property (IP), in particular with regard to its business approach to dealing with intellectual property to include its ability to: • Protect and maintain the confidentiality of IP both provided by the Authority and generated by the Potential Provider • Acquire and maintain access to the IP including technology transfer to or from a parent company or a subsidiary company or a subcontractor or third party located outside the UK or EU on which the Potential Provider will significantly rely to meet the Authority's requirement; • Grant licence rights or assign IP to the Authority as necessary to meet the Authority's requirement.

8. PART 2: FORM H: Earned Value Management

8.1. Level 3 Contract Requirements for Earned Value Management

8.1.1. Has the contractor previously implemented an Earned Value Management System to a recognised standard (e.g. ANSI EIA 748). Describe the organisation's tools and processes that facilitate it. If EVM has not been previously utilised or is not to a recognised standard please outline how you would establish your company as an EVM capable supplier to a recognised standard and over what timescale.

9. PART 2: FORM I: Tax Compliance

9.1. Supplier's Tax Compliance

9.1.1. The Potential Provider must state whether from 1 April 2013 it has experienced any Occasions Of Tax Non-Compliance (OOTNC) by answering "Yes" or "No" to 1(a) or 1(b) below: a. the Potential Provider's tax affairs have given rise to a criminal conviction for tax related offences which is unspent, or to a penalty for civil fraud or evasion; and / or b. any of the Potential Provider's tax returns submitted on or after 1 October 2012 has been found to be incorrect as a

result of: - HMRC (or equivalent tax authority) successfully challenging the supplier under the General Anti-Abuse Rule (GAAR) or the “Halifax” abuse principle and all appeal avenues are completed; or - a tax authority in a jurisdiction in which the Potential Provider is established successfully challenging it under any tax rules or legislation that have an effect equivalent or similar to the GAAR or the “Halifax” abuse principle; or - the failure of an avoidance scheme which the supplier was involved in and which was, or should have been, notified under the Disclosure of Tax Avoidance Scheme (DOTAS) or any equivalent or similar regime in a jurisdiction in which the supplier is established.

9.1.2. If you answer “Yes” to 1(a) or 1(b) above, you must also provide details of the OOTNC and any mitigating factors that you consider relevant and wish the Authority to take into consideration. This could include: a. the date and brief description of the OOTNC, the tax to which it applied, and the type of “non-compliance”, e.g. GAAR, the “Halifax” abuse principle. If the OOTNC relates to a DOTAS, the number of the relevant scheme; b. if the OOTNC relates to non-UK tax laws or administrative provisions, a full explanation of the OOTNC and the relevant non-UK tax law or administrative provisions; c. the date of the original non-compliance, the date of any judgement against the supplier, or date when the tax return was amended; d. any fine, penalty or criminal conviction applied; e. any corrective action undertaken by the supplier to date or planned corrective action to be taken, including changes in financial, accounting, audit or management procedures since the OOTNC; and f. any changes in personnel or ownership since the OOTNC

10. PART 2: FORM J: Sustainable Procurement

10.1. Suppliers Ability and Commitment for Sustainable Procurement

10.1.1. Please describe the Company’s environmental management system and how it integrates with other organisational management systems? Please provide copies of any relevant certificates provide details of how the Company has implemented its environmental management system for other relevant contracts and whether accreditation was gained (e.g. ISO 14001, ISO 14064, EMAS or equivalent)?

11. PART 2: FORM K: Equality in Contracting

11.1. Enter Subsection's name here

11.1.1. In the last three years has any finding of unlawful discrimination been made against your organisation by any court or industrial or employment tribunal or equivalent body?

11.1.2. In the last three years has your organisation been the subject of a formal investigation by the Equality and Human Rights Commission or an equivalent body on grounds of alleged unlawful discrimination?

12. Signature

12.1. Confirmation

12.1.1. Part 1

- Form A
- Form B
- Form C
- Form D

12.1.2. Part 2

- Form E
- Form F
- Form G

12.2. Form Completed By

12.2.1. Name

12.2.2. Date

12.2.3. Signature on behalf of the Potential Provider



FOI Act Exemption Section 40

[Redacted contact information]



GE Aviation Systems Ltd
Bishops Cleeve
Cheltenham
GL52 8SF

Defence Equipment & Support
Helicopters Operating Centre
100 Centenary House
Leonardo Helicopters
Lysander Road
YEOVIL
BA20 2YB

FAO:

[Redacted] FOI Act Exemption Section 40

DATE: 30 Nov 2018 Reference:
HELSS/0102

Dear Jon,

INVITATION TO NEGOTIATE (ITN) REFERENCE NO: HELSS/0102

1. You are invited to tender for Merlin & Apache Engines Future Support (MAEFS) in competition in accordance with the attached documentation.
2. The requirement is for the procurement of in-service support for the Authority's Merlin and Apache Mk1 Helicopter fleets' engines to meet its requirements as expressed in the Statement of Requirements (SOR) as at Schedule A of the ITN.
3. Funding has been approved. The budget is [Redacted]. FOI Act Exemption Section 21
4. The anticipated date for the contract award decision is April 2020, please note that this is an indicative date and may change.
5. You must submit your Tender to arrive no later than 10am 30th May 2019. You must attach the enclosed Tender Return Label (DEFFORM 28) to the outer packaging of your Tender when you submit it to the Authority.
6. Please confirm receipt of this invitation to the Commercial Officer stated in the above address.

Yours faithfully

Garry D Coe
Helicopters Commercial Team Leader

LIST OF SUPPLIERS INVITED TO SUBMIT A TENDER FOR ITN No. HELSS/0102

Supplier Name	Supplier Address & Phone Number	Supplier Point of Contact
SAFRAN Helicopter Engines UK Ltd	Concorde Way Segensworth North Fareham Hants PO15 5RL Tel: [REDACTED]	[REDACTED] [REDACTED] FOI Act Exemption Section 40
GE Aviation Systems Ltd	Bishops Cleeve Cheltenham GL52 8SF Tel: [REDACTED]	[REDACTED] [REDACTED] [REDACTED]

Invitation To Negotiate for the Provision of Merlin and Apache Engines Future Support (MAEFS)

Reference Number: HELSS/0102

1. CONTENTS

1.1. This invitation consists of the following documentation:

1.2. **DEFFORM 47** – Invitation To Negotiate. The DEFFORM 47 sets out the key requirements that Tenderers need to meet in submitting a valid Tender. It also sets out the conditions relating to this competition. For ease it is broken into:

Section A – Introduction.

- a. DEFFORM 47 Definitions
- b. Purpose
- c. ITN Documentation and ITN Material
- d. Tender Expenses
- e. Material Change of Control from Supplier Selection
- f. Contract Conditions
- g. Consultation with Credit Reference Agencies
- h. Other Information

Section B – Key Tendering Activities

Section C – Instructions on Preparing Tenders

- a. Tenders for Selected Contractor Deliverables
- b. Construction of Tenders
- c. Validity
- d. Multiple and Variant Bids

Section D – Tender Evaluation

- a. Appendix A – Technical Criteria
- b. Appendix B - Commercial Criteria
- c. Appendix C – Commercial Compliance Matrix
- d. Appendix D - Financial Workbook

Section E – Instructions on Submitting Tenders

Section F – Conditions of Tendering

- a. Conforming to the Law
- b. Bid Rigging and Other Illegal Practices
- c. Conflicts of Interest
- d. Government Furnished Assets
- e. Standstill Period
- f. Publicity Announcement
- g. Sensitive Information
- h. Reportable Requirements
- i. Specific Conditions of Tendering

1.3. DEFFORM 47 Annex A – Tender Submission Document (Offer)

1.4. Appendix 1 to DEFFORM 47 Annex A (Offer) – Information on Mandatory Declarations

SCHEDULE OF REQUIREMENTS

Statement of Requirement – Statement of Requirement (SOR) as at Schedule A

Contract Conditions - as per attached

DEFFORM 111 – Appendix to Contract - Addresses and Other Information

Tenderer's Commercially Sensitive Information Form (DEFFORM 539A)

DEFFORM 28 – Tender Return Label

SCHEDULE A - Statement of Requirement

SCHEDULE B - Government Furnished Articles

SCHEDULE C - Price

SCHEDULE D - Payment

SCHEDULE E - Governance

SCHEDULE F - Contract Performance

SCHEDULE G – Integrated Logistics Support (ILS)

SCHEDULE H – Baseline Assumptions

SCHEDULE I – Quality, Safety, Regulatory Articles and DEFSTANS

SCHEDULE J - Additional Services

SCHEDULE K - Exit Strategy Management Plan

SCHEDULE L - Disposals

SCHEDULE M - Implementation Plan

SCHEDULE N - TUPE

SCHEDULE O - Specimen Commercial Exploitation Agreement

SCHEDULE P - Earned Value Management System Reporting Requirements

SCHEDULE Q – Contractor Deliverables

SECTION A – INTRODUCTION

DEFFORM 47 DEFINITIONS

- A1. “The Authority” means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, (referred to in this document as "the Authority"), acting as part of the Crown.
- A2. “Tenderer” means the economic operator or group of operators in the form of a consortium, including sub-contractors, who have been invited to submit a response to this Invitation to Tender. Where “you” is used, this means an action on you the Tenderer.
- A3. “Invitation to Tender” (ITN) refers to the first document that the Authority sends out to potential Tenderers that initiates a tender response, competitive dialogue or negotiation.
- A4. A “Tender” is the offer that you are making to the Authority.
- A5. “Contractor Deliverables” means the works, goods and / or the services, including packaging (and Certificates(s) of Conformity supplied in accordance with any Quality Assurance (QA) requirements, if specified) and any associated technical data which the contractor is required to provide under the contract in accordance with the Schedule of Requirements, but excluding incidentals outside the Schedule of Requirements such as progress reports.
- A6. “Schedule of Requirements” (Schedule A to ITN) means that part of the contract which identifies, either directly or by reference, the Contractor Deliverables to be supplied or carried out, the quantities involved and the price or pricing terms in relation to each Contractor Deliverable.
- A7. The “Statement of Requirement” details the technical requirements and acceptance criteria of the Contractor Deliverables. The Statement of Requirement is attached at Annex to this DEFFORM 47.
- A8. “Conditions of Tendering” means the conditions set out in the DEFFORM 47 that govern the competition.
- A9. “Contract Conditions” means the attached Terms & Conditions that will govern any resultant contract.
- A10. A “Third Party” is any person who is not an employee of the Authority or Tenderer, as defined at A2.

PURPOSE

A11. The purpose of this ITN is to invite you to propose a solution / best price to meet the Authority’s requirement. This documentation explains and sets out the:

- a. tender process and timetable for the next stages of the procurement;
- b. instructions and conditions that govern this competition;
- c. information you must include in your Tender and the required format;
- d. administrative arrangements for the receipt and evaluation of Tenders; and

e. Contract Conditions that shall apply in the event that the Authority awards a contract following this competition.

A12. The sections in this ITN and associated documents are structured in line with a generic tendering process and do not indicate importance / precedence.

A13. This ITN has been issued to all potential Tenderers chosen during the supplier selection stage, listed on page 2 of this DEFFORM 47.

A14. The requirement was advertised by the Authority in the Official Journal of the European Union (OJEU) dated 10 February 2018 with reference to the requirement for Aircraft Engines following the Negotiated Procedure under the Defence and Security Public Contracts Regulations 2011.

ITN DOCUMENTATION AND ITN MATERIAL

A15. ITN Documentation means any information in any medium or form (for example drawings, handbooks, manuals, instructions, specifications and notes of pre-tender clarification meetings), issued to you, or to which you have been granted access, by the Authority for the purposes of responding to this ITN. ITN Material means any other material (including patterns and samples), equipment or software issued to you, or to which you have been granted access, by the Authority for the purposes of responding to this ITN. ITN Documentation, ITN Material and any Intellectual Property Rights (IPR) in them shall remain the property of the Authority or other Third Party owners and is released solely for the purposes of enabling you to submit a Tender. You must:

- a. take responsibility for the safe custody of the ITN Documentation and ITN Material and for all loss and damage sustained to it while in your care;
- b. not copy or disclose the ITN Documentation or any part of it to anyone other than the bid team involved in preparing your Tender, and not use it except for the purpose of responding to this ITN;
- c. seek written approval from the Authority if you need to provide access to any ITN Documentation or ITN Material to any Third Party;
- d. abide by any reasonable conditions imposed by the Authority in giving its approval under sub-paragraph A15.c, which at a minimum will require you to ensure any disclosure to a Third Party is made by you in confidence. Alternatively, due to IPR issues for example, the disclosure may be made, in confidence, directly by the Authority;
- e. accept that any further disclosure of ITN Documentation or ITN Material (or use beyond the original purpose), or further use of ITN Documentation or ITN Material, without the Authority's written approval may make you liable for a claim for breach of confidence and / or infringement of IPR, a remedy which may involve a claim for compensation;
- f. inform the named Commercial Officer if you decide not to submit a Tender;
- g. immediately return all ITN Documentation, ITN Material and derived information of an unmarked nature, should you decide not to respond to this ITN, or you are notified by the Authority that your Tender has been unsuccessful; and
- h. consult the named Commercial Officer to agree the appropriate destruction process if you are in receipt of ITN Documentation and ITN Material marked 'OFFICIAL-SENSITIVE' or 'SECRET'.

A16. Some or all of the ITN Documentation and ITN Material may be subject to one or more confidentiality agreements made between you and either the Authority or a Third Party, for example a confidentiality agreement established in the form of DEFFORM 94. The obligations contained in any such agreement will be in addition to, and not derogate from, your obligations under paragraph A15 above.

TENDER EXPENSES

A17. You will bear all costs associated with preparing and submitting your Tender. If the Tender process is terminated or amended by the Authority, the Authority will not reimburse you.

MATERIAL CHANGE OF CONTROL FROM SUPPLIER SELECTION

A18. You must inform the Authority in writing if there is any material change in control, composition or membership of your organisation and / or consortium members, including any sub-contractors at any time during the procurement process. This may affect your right to stay in the competition.

CONTRACT CONDITIONS

A19. The full text of Defence Conditions (DEFCONs) and Defence Forms (DEFFORMS) are available electronically via the Acquisition System Guidance (ASG). The full text of the Contract Terms & Conditions is attached.

CONSULTATION WITH CREDIT REFERENCE AGENCIES

A20. The Authority may consult with credit reference agencies to assess your creditworthiness. This information may be used to support and influence decisions to enter into a contract with you.

TENDERER'S USE OF AWARD®

A21. The following information instructs the tenderers on the use of AWARD® during the tender exercise.

INTRODUCTION

A22 The Authority is using the AWARD® hosted software service for the electronic element of the tendering process. AWARD® will be used to; provide access to documents published by the Authority, allow Tenderers to raise and respond to Requests and Clarifications and be the portal for formal submission of tenders alongside the submission of hard copies to the Tender Board.

GETTING STARTED

A23 Each Tenderer will receive an individual login to the AWARD® system. The login details will be forwarded from AWARD®. If the Tenderer already has a procurement specific AWARD® login, this should be used (as a new login will not be provided). AWARD® is designed to be an intuitive internet based system and contains on-line guidance available via the help button.

A24 AWARD® will be used to electronically publish all information pertaining to ITN. In order to access AWARD®, The Tenderer will need to confirm they have read the AWARD® Terms and Conditions and accept them.

TENDERER CLARIFICATIONS

A25 If a Tenderer wishes to raise a clarification on supplied information, then a Tenderer Clarification should be raised on AWARD®. From the Communication menu, click and follow the instructions. The Authority point of contact will be notified of your request. The Tenderer that raised the clarification request will be alerted by AWARD® when a response is available. Each Tender clarification request should consist of a single topic.

AUTHORITY NOTIFICATIONS

A26 Occasionally, the Authority may wish to provide all Tenderers with additional information. This may be due to a Tenderer request raised by one of the Tenderers. All Tenderers will be alerted by AWARD®, concurrently, that a notification is available to view.

AUTHORITY QUERIES

A27 If the Authority wishes a Tenderer to clarify any of the information the Tenderer has provided, the Authority will raise a 'Query'. The Tenderer will be alerted by AWARD®. The Query will be available from the 'Queries' area.

A28 Once a Tenderer has read both the Query and the instructions on how to respond, they shall submit their answer via AWARD®.

A29 AWARD® alerts users when they are required to perform an action as a result of Tenderer requests, notifications or clarifications. These alerts can be seen when logged into AWARD® under the 'Recent Activities' area. The users will receive an automated email from AWARD® whenever an alert has been issued to them, instructing them to log into AWARD® and view the alert.

SUBMITTING RESPONSES

A30 To load a response into AWARD®, select update response from the home screen and follow the instructions.

A31 The published evaluation criteria and their associated weight will be visible in AWARD® to Tenderers and will state the evidence sought by the Authority in each case. Unless instructed otherwise, a Tenderer may use as many files as necessary to substantiate their answer, although the Authority will seek conciseness over quantity in most cases.

A32 A Tenderer may use as many files as necessary. Each filename shall be unique and less than 100 characters in length. AWARD® will present the list of documents in alpha-numeric order. Files shall be named such that the files are presented in a logical order (the same order as a hardcopy when listed alpha-numerically).

A33 Tenderers should endeavour to ensure that individual files are no larger than 10 Megabytes (10MB) where possible. Larger files may take significant time to open over poorer connections and cause delays in evaluation. To facilitate a 10MB limit, images shall be compressed to a quality suitable for printing on A4 or A3 paper and viewing on a 1024x768 pixel screen. The Tenderer shall not use images that add no value to the tender.

A34 Tenderers will be presented with one or more 'Response Sheets' in AWARD®. Each response sheet contains a list of questions. Tenderers must provide one or more response documents for each question and explicitly identify the part(s) of each document that relate to the question.

INFORMATION SECURITY

A35 The AWARD® system will be operating on an Internet hosted service supporting information with protective marking up to Official Sensitive level. Evaluators will be able to access the service anywhere that they can access the Internet but security of information and project guidelines should be followed.

SECTION B – KEY TENDERING ACTIVITIES

STAGE	DATE & TIME	INITIATED BY:	SUBMIT TO:
Invitation To Negotiate Release (Phase 1)	30 November 2018	The Authority	All Tenderers
Tenderers Conference ¹	11 December 2018	The Authority	All Tenderers
Final date for Clarification Questions / Requests for additional information (Phase 1) ²	24 January 2019	Tenderers	Authority's Commercial Officer AWARD [®] tool
Invitation To Negotiate Release (Phase 2 ³)	31 January 2019	The Authority	All Tenderers
Final date for Clarification Questions / Requests for additional information (Phase 2)	2 May 2019	Tenderers	Authority's Commercial Officer AWARD [®] tool
Final Date for Requests for Extension to return date ⁴	09 May 2019	Tenderers	Authority's Commercial Officer
The Authority issues final clarification answers	16 May 2019	The Authority	All Tenderers ⁵
Tender Return	30 May 2019	Tenderers	The Tender Board using the DEFFORM 28
Initial Tender Evaluation	01 June 2019 to 29 August 2019	The Authority	Authority's Commercial Officer
Negotiations	02 September 2019 to 02 December 2019	The Authority/ Tenderers	Authority's Commercial Officer/ Each Tenderer
Submission Best and Final Offer	12 December 2019	Tenderers	All Tenderers
Final Tender Evaluation	13 December 2019 to 16 January 2020	The Authority	Authority's Commercial Officer

Notes:

1. A Tenderers Conference is where the Authority presents the requirement to all Tenderers at the same time. A copy of the presentation will be issued to all Tenderers regardless of attendance. It gives you an opportunity to ask questions about the requirement.
2. During the ITN Phase 1 clarification period, the Authority may undertake bilateral discussions with Tenderers, where appropriate, to confirm understanding by Tenderers of the Authority's requirement including schedules and tender evaluation process.
3. In the event of that there are no changes to the ITN as a result of the Phase 1 clarification process, the Authority will re-issue the Phase 1 ITN as the Phase 2 ITN.
4. The Tenderer must make requests for an extension in writing (email is sufficient) to the above named contact, by the date and time shown. Any extension is at the sole discretion of the Authority and if granted will be granted to all Tenderers.

5. The Authority will automatically copy questions and answers to all Tenderers, removing the names of those who have raised the questions. If you do not want your question disclosed you must inform the Authority of this and the reason why when submitting the question. The Authority may choose to discuss with you whether it is appropriate to disclose the question or response, or both, to other Tenderers. If the Authority decides to disclose, you will be given the opportunity to withdraw your question. Where a question reveals a piece of information that could significantly impact the Tenderers responses this may result in an extension of the Tender return date. The Authority will endeavour to ensure that you have at least 10 working days to submit your Tender.

SECTION C - INSTRUCTIONS ON PREPARING TENDERS

C1. You must Tender for all the Contractor Deliverables listed in the attached Schedule of Requirements. The Authority reserves the right to reject your Tender where you have not tendered for all of the Contractor Deliverables.

CONSTRUCTION OF TENDERS

C2. Your Tender must be written in English, using Arial font size 11. Prices must be in £GBP ex VAT. Prices must be presented in accordance with the Pricing requirements as at Schedule C, which includes the proposed Maximum Price, Target Cost and Target Fees.

C3. To assist the Authority's evaluation please set out your Tender response in accordance with Section D (Tender Evaluation).

GUIDANCE ON THE CONTENT OF THE TENDER

C4. To assist the Authority's evaluation process it is essential that your proposal is prepared and submitted in accordance with the structure as follows:

VOLUME 1 – EXECUTIVE SUMMARY

C5. Volume 1 shall provide a standalone description of the salient points of Your entire proposal, including commercial, programme and project management proposals. This shall not include any pricing information. The Executive Summary shall set out the Contractors company structure, to include an organisational structure chart with clear lines of communication, and describe how You will enable the ability to work effectively within the proposed structure.

VOLUME 2 – TECHNICAL PROPOSAL

C6. You shall provide a comprehensive detailed description of your proposed service arrangements in accordance with the instructions and guidance contained in this ITN. Your proposals in Volume 2 must provide the Authority with an in-depth understanding of how You intend to meet the technical requirements of the Contract in order to give the Authority confidence in how You expect to deliver the service. No pricing information should be included in Volume 2.

VOLUME 3 – FINANCIAL AND COMMERCIAL PROPOSAL

C7. Volume 3 shall contain your commercial and financial proposals, including price and payment arrangements, operating cost templates, the scope, content and format of which shall be in accordance with the instructions and guidance contained in this ITN.

VALIDITY

C8. Your Tender must be valid / open for acceptance for 6 calendar months from the Best and Final Offer Tender return date. If successful, your Tender must be open for acceptance for a further thirty (30) calendar days.

MULTIPLE BIDS

C9. The Authority invites multiple bids (referred to as additional bids). Submission of an additional bid must meet the Authority's requirements as set out in the ITN Documentation.

C10. The Authority will give full and careful consideration to any additional bids received. All bids should meet the attached Conditions of Tendering and Contract Conditions. Additional bids will be evaluated in accordance with the tender evaluation criteria as set out in Section D (Tender Evaluation) and must be submitted in accordance with the Conditions of Tendering.

VARIANT BIDS

C11. Any Tender made subject to additional or alternative Contract Conditions alone is not a variant bid. A variant bid is a Tender that offers an alternative approach to, or method of, meeting the Authority's requirements as set out in the ITN Documentation.

C12. The Authority will give full and careful consideration to any permitted variant bids received. All bids should, as far as possible, meet the attached Conditions of Tendering and Contract Conditions. Where you submit a variant bid, you are required to submit a minimum of two Tenders, one against the Statement of Requirement and one variant bid. The standard Tender must meet the 'minimum' tender evaluation criteria as set out in Section D (Tender Evaluation), and must be submitted in accordance with the Conditions of Tendering. Variant bids will be evaluated in accordance with the tender evaluation criteria as set out in Section D (Tender Evaluation) and must be submitted in accordance with the Conditions of Tendering.

SECTION D – TENDER EVALUATION

D1. This section details how your Tender will be evaluated, using the AWARD® tools against the Award Criteria.

D2. The overall objective of the Tender evaluation process is to;

- a. ensure the proposed solutions meet the Authority's minimum requirements and are fully compliant in line with the compliance matrices; and
- b. select the Tender, that is the Most Economically Advantageous Tender (MEAT) to the Authority. This means Tenders will be assessed using a variety of objective and non-discriminatory criteria linked to the subject matter of the Contract to identify the Tender which provides best overall value for money for the Authority.

EVALUATION PROCESS

D3. Once the Tender Board has checked the hardcopy Tenders the documents will be handed over to the evaluation team and the Tender returns on the AWARD® system will be unlocked for an initial review to take place to confirm the completeness of the Tender. Once the initial review has taken place, the AWARD® system will be unlocked for the remaining evaluators to access the Tenders.

D4. The Evaluators will conduct a full evaluation on the initial submitted Tender including identifying the main areas where scores can be improved; where compliance criteria are evaluated as a fail; and highlight areas that are to be discussed in negotiation.

D5. Upon completion of the negotiation phase you will be advised in writing by the Authority and you will be required to submit your Best and Final Offer. The revised tender submitted as the Best and Final Offer will be re-evaluated on submission to determine the winning solution.

D6. The Authority reserves the right to proceed to the negotiation phase with a Tenderer who fails mandatory pass/fail Award® criteria during the initial Tender evaluation if the Authority has confidence that the Tenderer will become fully compliant with the criteria during the period of negotiation. However, any such Tender must be fully compliant with all mandatory criteria at the final evaluation stage following negotiation. Failure to meet any of the pass/fail Award® criteria following final evaluation will result in your proposal being assessed as non-compliant and you will be eliminated from the competition.

EVALUATION SCHEME

D7. The evaluation will consist of 3 areas: technical, commercial and financial. Your proposal will be evaluated in these areas via compliance criteria and scored criteria. The evaluation shall consider not only the proposals submitted by each Tenderer, but also the extent to which those proposals are supported by evidence. Technical and operational performance evidence should wherever possible be in the form of Original Equipment Manufacturers (OEMs) data. Other forms of evidence will be considered but the Tenderer must demonstrate in all cases, the robustness of the quality and reliability of the evidence submitted. Where the evidence fails to provide the Authority with confidence that the Tenderer's proposals are deliverable, the scores will be reflected in accordance with the Award® criteria.

TECHNICAL CRITERIA

D8. The breakdown of the technical evaluation criteria and their associated weightings are shown in Table 1.

Category	ID	Description	Rank
Technical	1	Engine - Operating Environment	5.73
	2	Engine - Interface Within the Platforms	8.18
	3	Engine - Operation and Capability	8.18
	4	Engine - System Information	4.09
	5	Technical Support - Technical Support Service	6.55
	6	Engine Technical Support - Reliability and Maintainability	3.27
	7	Technical Information and Publications	6.55
	8	Modification, Configuration and Obsolescence Management	5.73
	9	Spares Support	4.91
	10	Inventory Management	4.09
	11	Engine Ground Support Equipment (EGSE) Management	4.09
	12	Safety	7.36
	13	Quality	6.55
	14	Training - On Aircraft Engineering Training	5.73
	15	Environment and Sustainability	4.09
	16	Demand Variance Response	1.64
	17	Human Factors (HF) Integration (HFI)	2.45
	18	Risk Identification and Management	0.82
			90.00

Each of the technical criteria described in Table 1 and defined more fully in the document titled "Technical Evaluation Criteria" which can be found in the online dataroom on AWARD®. For each criterion the aim; background; reference material, including the links back to the individual requirement in the SOR; evidential requirements; confidence characteristic statement and scoring guidance is provided.

D9. Each technical criterion will be scored on a scale of 0-100 as per the table below.

Measurement	Description	Score
High Confidence	The Tenderer's approach/justification/evidence to this subject matter and the delivery of the confidence characteristics sought results in the Authority judging that it is highly likely to achieve the aim sought in this area. High confidence that the evidence demonstrates compliance with all of the SoR Threshold requirements and, where applicable, high confidence that evidence demonstrates compliance with all of the SoR Objective requirements.	100
Good Confidence	The Tenderer's approach/justification/evidence to this subject matter and the delivery of the confidence characteristics sought results in the Authority judging that it is likely to achieve the aim sought in this area.	70

	Evidence demonstrates compliance for all of the SoR Threshold requirements and, where applicable, evidence demonstrates compliance with some of the SoR Objective requirements.	
Minor Concerns	The Tenderer's approach/justification/evidence to this subject matter is satisfactory in the main however there are some minor areas where either the level of risk to the Authority, the combination of issues or the lack of particular justification/evidence require managing to achieve the aim sought in this area.	30
Just Acceptable	The Tenderer's approach/justification/evidence to this subject matter has some significant areas of concern and demonstrates either a lack of understanding or a reluctance to fully meet/deliver the entire needs of the Authority. These are however deemed manageable and resolvable either prior to contract award or once on contract to achieve the aim sought in this area and so do not warrant exclusion.	10
Major Concerns (Fail)	The Authority does not have sufficient confidence in the Tenderers response in order to successfully deliver the aim of Merlin and Apache Mk1 Future Engine Support in this area and is therefore unable to proceed with this Tender (Tender Rejected).	0

COMMERCIAL CRITERIA

D10. Commercial Evaluation will be conducted upon the Tenderer's response to the Terms & Conditions of Contract and comprises a maximum of 10% of the final evaluation scoring. The Tenderer is required to complete the Commercial Compliance Matrix attached at Appendix C. You are expected to accept the terms and conditions of the draft contract. If you believe there are exceptional circumstances that would justify any change you shall provide a full commentary in the Tenderers Comments column of the Commercial Compliance Matrix.

D11. Whilst failure to accept any of the terms and conditions of the draft contract following initial evaluation will not result in exclusion from the competition, a solution acceptable to the Authority must be achieved during the negotiation period and reflected within Tenders submitted for final evaluation. Failure to accept the terms and conditions of the draft contract, as amended during negotiations if necessary, may result in exclusion from the competition at final evaluation.

D12. The Commercial Criteria and marking scheme is described more fully in the document titled "Commercial Evaluation Criteria" at Appendix B and found in the online dataroom on AWARD®.

QUALITY SCORE

D13. In combination the technical and commercial criteria are referred to as the Quality Score. The maximum Quality Score is 100.

D14. Tenderers are required to achieve a minimum score against each evaluation criteria and achieve a minimum Quality Score of 57. The Authority reserves the right to proceed to the negotiation phase with a Tenderer whose score (or scores) falls below these minimum scores during the initial Tender evaluation if the Authority has confidence that the Tenderer will achieve the minimum score during the period of negotiation. However, any such Tender must meet the minimum score against each technical and evaluation criteria and the minimum overall Quality Score at final tender. Failure to meet the minimum score following final evaluation will result in your proposal being assessed as non-compliant and you will be eliminated from the competition.

D15. On completion of the technical and commercial evaluation, the Quality Score for your tender be divided by the total quality score available to give a Total Quality Value (i.e. a percentage score against the technical and commercial evaluation criteria).

FINANCIAL EVALUATION

D16. You will be required to populate the Financial Workbook provided at Appendix D and is also available in the online dataroom in AWARD®. The Financial Workbook will consist of a set of Authority provided operating cost templates which the Tenderers are required to populate. These operating cost templates will demonstrate how you have arrived at the pricing shown in the Financial Workbook. Copies of the operating cost templates and [instructions] on their use are included within the online dataroom. You will be expected to provide all the evidence that supports the information populated in the workbook.

D17. The Financial Workbook should clearly show the linkage between the Target Cost, Target Fee, Target Price and Maximum Price as populated in the Tenderers response to the Pricing and Payment Schedule (Schedule C).

RISK ADJUSTED WHOLE LIFE COST CALCULATION

D18. The Risk Adjusted Whole Life Cost (RAWLC) for your solution for the Contractor Deliverables listed in the attached Schedule of Requirements shall be calculated as follows:

- a. The Target Price (TP) for the duration of the contract including option years which includes Transition Phase.
- b. Risk. The Authority may apply risk adjustments for bid evaluation purposes where:
 - (i) there is an uncertainty in your bid that has not been adequately addressed to the Authority's satisfaction during the negotiation phase and/or clarification period
 - (ii) there is a potential error in your bid that has not been adequately addressed to the Authority's satisfaction during the negotiation phase and/or clarification period
 - (iii) a risk, in the Authority's opinion, is transferred back to the Authority.
- c. In the event the Authority, at its sole discretion, deems it necessary to apply an adjustment for any of the above, it shall take the following steps:
 - (i) during the clarification period, seek to clarify with the Tenderer each uncertainty, potential error or risk based on the information submitted as part of the Tenderer's submission and any clarifications provided by the Tenderer. Where an uncertainty, potential error or risk is resolved in the Authority's satisfaction during the clarification period, no adjustment will be applied.
 - (ii) where, following the clarification period, an uncertainty, potential error or risk remains, the Authority will make an adjustment using the information provided as part of the Tenderer's submission (including that information provided in the Financial Workbooks). The Authority will apply specific adjustments for each uncertainty, potential error and risk. In the event an adjustment is made, the Authority will provide the Tenderer with details of that adjustment prior to the negotiation phase.
 - (iii) during the negotiation phase, the Authority shall seek to address each uncertainty, potential error and risk with the Tenderer. Where an uncertainty, potential

error or risk is resolved in the Authority's satisfaction during the negotiation period, no adjustment will be applied.

(iv) at the conclusion of the negotiation phase and receipt of final Tender submissions, the Authority will apply specific adjustments for each remaining uncertainty, potential error or risk. The Authority expects that the final Tender reflects any clarified or negotiated positions.

d. Some examples of potential risk adjustments to Tenderers' solution price which could arise are given below. This is without limitation and for guidance purposes only:

(i) non-acceptance of, or dilution of, contractual provision(s)

(ii) caveats around costing / savings assumptions

(iii) weaknesses in costing assumptions (e.g. in relation to inconsistencies between the elements of the relevant Bid submission); and

(iv) additional costs associated with solution specific Authority dependencies such as, but not limited to: Authority qualification costs, user acceptance/integration trials, existing service run on costs during transition, storage and disposal costs; changes in Authority personnel requirements, liabilities, taxes and import duty waivers.

D19. Therefore, the Risk Adjusted Whole Life Cost will be calculated as:

RAWLC = TP + Risk (as calculated by the Authority in accordance with Paragraph D18 above)

Then a Tender Total Solution Price in NPV terms shall be calculated based on the using a discounted cashflow rate of 3.5%

TOTAL SCORE

D20. To complete the evaluation, the Authority shall take the following steps:

a. Determine whether the Risk Adjusted Whole Life Cost (WLC) in NPV of your Tender is more or less than [£XXM – to be confirmed¹].

b. If less, the Total Quality Score will be multiplied by the Cost of Point Increase in Score (COPIS) factor of [XX – to be confirmed²].

c. If more, the Total Quality Score will be multiplied by the Cost of Point Increase in Score (COPIS) factor of [YY – to be confirmed³].

The COPIS factor defines the monetary value of the tender quality in terms of additional cost that the Authority is prepared to pay for each point increase in Quality Score.

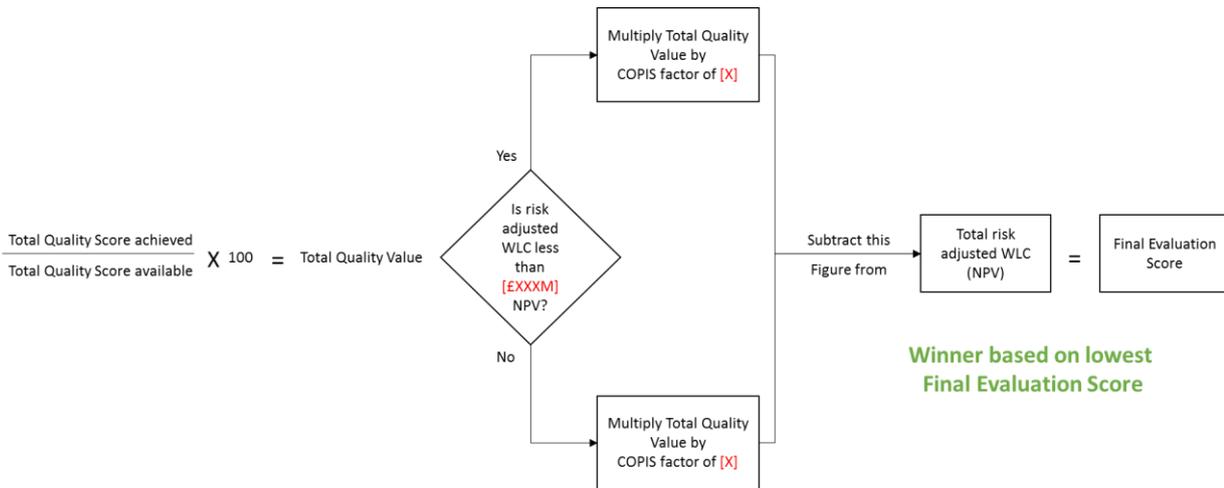
d. The resultant figure (Total Quality Score multiplied by relevant COPIS factor) will be subtracted from your Tender's Tender Total Solution Price to generate a Final Evaluation Score.

¹ To be provided by the Authority no later than 31 January 2019

² To be provided by the Authority no later than 31 January 2019

³ To be provided by the Authority no later than 31 January 2019

D21. The complete evaluation process above is summarised in Figure 1.



FINAL EVALUATION

D22. The Preferred Tenderer will be identified as the solution with the lowest Final Evaluation Score after the evaluation of your Best and Final Offer.

D23. In the event that there is more than one Tender with the same Final Evaluation Score, the Authority will select the Tender with the lowest Total Solution Price in nominal terms.

TENDERER DEBRIEF

D24. Following the completion of the evaluation of the initial submission the results will be fed back to Tenderers such that they can understand where their Bids are considered to be unacceptable, where further clarity is required, or where potential risks have been identified.

D25. Following completion of the evaluation of the final submission the result will be fed back to Tenderers.

D26. Failure to meet the Mandatory Criteria will result in the Authority being unable to award a contract.

APPENDIX A – TECHNICAL CRITERA – SEE SEPARATE ATTACHMENT

APPENDIX B - COMMERCIAL CRITERIA

Commercial Evaluation – Terms and Conditions

Aim

To select a supplier who will ensure that the Contractor performs its contractual obligations in accordance with the specified terms & conditions of Contract to affect a positive outcome.

Background

The Terms & Conditions of the ITN sets out how the Contract shall be managed, assessed, measured and administered. It also sets out the obligations and liabilities on both parties to ensure a conclusive contractual outcome. The suite of Terms and Conditions to Contract comprise 3 elements;

- a. DEFCONS,
- b. Special (Narrative) Conditions
- c. DEFFORMs

The Commercial Evaluation will be conducted against the Bidder's response to DEFCONS and Special Conditions only.

References

- MOD Commercial Toolkit

Evidence Required

The Contractor is required to provide a statement of compliance against each term & condition of Contract as set out in the Commercial Compliance Matrix at Appendix C of the DEFFORM 47.

The Bidder is required to provide a statement of compliance in the form of a Yes/No response within the Compliance Matrix. Where the Bidder has stated a Yes response to compliance on a term or condition to the Contract this means the bidder accepts the term or condition without amendment or caveat.

Non-Compliance Evidence

Should the Bidder declare a non-compliant statement ("No" in the Compliance Matrix) against one of the Terms, the Bidder shall provide:

- a. Reason behind the non-compliance
- b. Alternative wording being sought or proposed for consideration.
- c. Explanation of why the alternative wording provides a better position for the Authority.

It should be noted that **any** response to the proposed terms & conditions other than "Yes" in the Compliance Matrix, will be deemed "Non-Compliant" by the Authority.

Scoring Guidance

Weighting. The Contract Terms & Conditions, specifically the DEFCONS and Special (Narrative) Conditions, have been grouped into 3 categories defined as High, Medium and Low. The categorisation is constructed on the basis that changes sought by the Bidder will either; increase risk to MOD, reduce the operational effectiveness of the Contract performance or change the principles of the Contract.

CATEGORY	SCORING RANGE	
	Lower Risk	Higher Risk
High	13	18
Medium	7	12
Low	1	6

Each category will be scored based on the scoring range below where a score in that range is determined by the Authority against the rationale provided by the Tenderer to support the non-compliance statement.

Each of these categories will carry a Weighting Factor of 3, 2 or 1 respectively that will be used to identify the final mark. See later.

Marking. Although the Terms & Conditions are categorised into 3 Groups, there is an applied marking for each term. These are banded as follows;

Scoring

The scoring is applied to any declaration in the Commercial Compliance Matrix where "No" is stated. Where this occurs, the Authority will mark the Tenderers statements provided in the Commercial Compliance Matrix to determine the impact to the Authority of the non-compliance. This assessment will review the changes proposed against the Authority's; requirements, obligations, risk balance, liabilities and contract performance, as stated in the ITN documentation.

For example, a declaration of "No" against a Term categorised as "High" will attract a marking of between 13 and 18, depending on the Authority's assessment of the Tenderers non-compliance.

Marks against each Non-Compliant term will then be totalled for each of the 3 categories.

Each Tenderer will then attract a final marking total for each Category, this being the sum of all marks appointed for that Category, to produce a Category Marking. This Category Marking will then be multiplied by the Weighting of that Category; i.e. High = 3, Medium = 2, Low = 1. This produces a final set of marks for each category which are then summed to produce a Final Overall Commercial Mark.

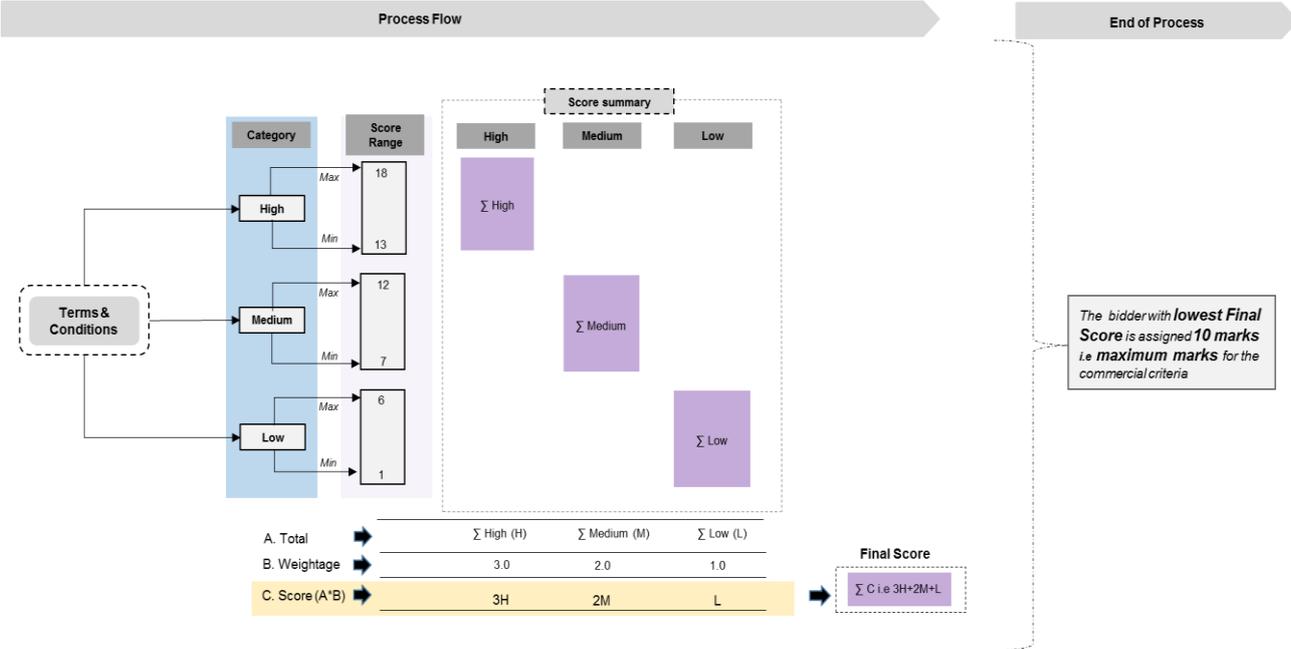
The Overall Evaluation formula allocates 10% to Commercial Evaluation. The Bid with the lowest Final Overall Commercial Mark will be allotted the full 10%, **provided that**, no more than 20% of the High Category terms have been declared as Non-Compliant. If more than 20% of the High Category terms are declared "non-compliant" by the Bidder with the lowest Final Overall Commercial Mark, only 5% of the Overall Evaluation figure will be allotted for final Tender Evaluation purposes.

Other bids will be ranked proportionally to the lowest scoring bid (i.e. a bid scoring twice the Final Overall Commercial Mark, compared to the bid with the lowest Final Overall Commercial Mark, will be awarded 5% Commercial Evaluation) except that, where a bid has more than 20% of the high Category terms declared as Non-Compliant the Final Overall Commercial Mark will be reduced by 50%.

Illustration

The Commercial Evaluation process is illustrated as at figure 1 below.

Figure 1: Commercial Criteria Evaluation Process



COMMERCIAL COMPLIANCE MATRIX

INTRODUCTION

The Matrix below identifies the Headings of the Commercial Compliance Matrix that the Bidder is required to complete. The Compliance Matrix is offered as an Excel Spreadsheet within the ITN and shall be submitted as a Bidder Deliverable.

The Bidder is required to make statements within columns D and E of the matrix. Firstly, the Bidder shall state whether they are compliant with the term by stating "Yes/No".

Where "No" is selected, the Bidder shall complete an entry under column E that states why they are not compliant with the term. The Bidder can not provide a statement under column E where they have selected "Yes".

Note: ALL DEFCONS are deemed High Category as they are MOD policy. However, some are more critical than others, and some may require an explanation of how the Tenderer may become compliant over a period of time. Hence the Marking range of 13-18 can be judiciously applied to reflect the criticality of th Tenderer's response.

TERM (A)	TITLE (B)	RISK CATEGORY (H, M or L) (C)	Compliant (Yes/No) (D)	Where No is recorded in column 4 (E)
The reference number and edition number of the DEFCON or Special Condition.	Title of the DEFCON or Special Condition.	As defined by the Authority	Bidder to complete.	Bidder to complete.

APPENDIX C – COMMERCIAL COMPLIANCE MATRIX – SEE SEPARATE ATTACHMENT (excel spreadsheet)

APPENDIX D - FINANCIAL WORKBOOK – SEE SEPARATE ATTACHMENT

SECTION E – INSTRUCTIONS ON SUBMITTING YOUR TENDER

SUBMISSION OF YOUR TENDER

E1. Tender submissions shall be made both via digital submission using the AWARD® tool and via a hard copy submission to the Tender Board. Tenders must be uploaded to AWARD® and received by the Tender Board by the date and time stated in the covering letter to this DEFFORM 47. The Authority reserves the right to reject any Tender received after the stated date and time.

E2. Hardcopy Tenders must be submitted to the Tender board by 10:00 on 30 May 2019. Digital Tender documents must be uploaded to the AWARD® system by 10:00 on 30 May 2019, details on the AWARD® system can be found at para E5 of this ITN.

E3. You must ensure that all information uploaded to the AWARD® tool contains identical information to the Tender submitted to the Tender Board.

E4. You must ensure you include all relevant information in your Tender. The Authority can only evaluate information that you include in your Tender.

SUBMISSION VIA AWARD®

E5. In order to load a response into AWARD® select the process step and follow the instructions in AWARD®.

E6. You may use as many files as necessary. Each filename shall be unique and less than 100 characters in length. AWARD® will present the list of documents in alphanumeric order. Files shall be named such that the files are presented in a logical order (the same order as a hardcopy when listed alpha-numerically). For example:

V2_p1-main text.pdf

V2_p2-annex 1.pdf

V2_p3-annex 1 appendix 1.pdf

E7. The convention used above would be a suitable naming convention for 3 files from volume 2, which contain some text, an annex to the schedule and an appendix to the annex, which would be printed in that order for the hardcopy.

E8. You should endeavour to ensure that individual files are no larger than 5 Megabytes (5MB) where possible. Larger files may take significant time to open over poor connections and cause delays in evaluation. To facilitate a 5MB limit, images shall be compressed to a quality suitable for printing on A4 or A3 paper and viewing on a 1024x768 pixel screen. You shall not use images that add no value to the Tender.

E9. The electronic copies of the Tenders must be compatible with Microsoft Office Word 2010 and other MS Office 2010 applications and/or in PDF format.

E10. The text box found when selecting “Tenderer Response” and then “Respond to ITN” questions should be used to enter a summary of your submission documents. You may also add any references by selecting the corresponding option. Any references added should also be included in the relevant response document.

E11. An Interactive Tender Upload Guide detailing the processes for Tender response and clarification question is available in the Data Room on AWARD®.

E12. You must send your Tender to the Commercial Officer stated in the covering letter to this DEFFORM 47.

E13. You must provide 5 (five) paper copies and 1 (one) CD copy of your Tender, which shall be unpriced. A priced copy of paper and CD Tender must also be provided. The electronic copies of the Tenders must be compatible with Microsoft Office Word 2010 and other MS Office 2010 applications. If you password protect or encrypt any information on the Priced Proposal CD, you must supply the password/use compatible encryption methods so that the Authority can undertake a pricing evaluation.

E14. You must complete and include DEFFORM 47 Annex A (Offer) with your Tender. Where you select 'Yes' to any questions you must attach the relevant information.

E15. You must include the original signed DEFFORM 47 Annex A (Offer) with one paper copy of your Tender.

E16. You must submit your paper and CD copies in a sealed envelope or box. For health and safety reasons, no individual envelope or box should weigh more than 11 kilos.

E17. If you intend to hand deliver your Tender you must inform the named Commercial Officer of your intention and seek further delivery instructions. Failure to do so may result in your Tender being refused and / or returned.

SECTION F – CONDITIONS OF TENDERING

F1. The issue of ITN Documentation or ITN Material is not a commitment by the Authority to place a contract as a result of this ITN or at a later stage. Any expenditure, work or effort undertaken by you prior to an offer and subsequent acceptance of contract, is a matter solely for your commercial judgement. The Authority reserves the right to:

- a. seek clarification or additional documents in respect of your submission;
- b. visit your site;
- c. not enter into a contract if you are found guilty of serious misrepresentation in relation to your Tender or the Tender process;
- d. re-assess your suitability. For example, where there is a material change of control from supplier selection;
- e. reject / negotiate your Tender or part of your Tender;
- f. withdraw this ITN at any time, or invite other Tenders on the same or any alternative basis;
- g. choose not to award any contract as a result of the current procurement process;
- h. award a contract for some of the Contractor Deliverables, unless you specifically oppose this in your Tender or state any minimum order quantities.

F2. The contract will be entered into when the Authority sends written notification of its entry into the contract, either accepting your offer via DEFFORM 159 or by issuing an offer via DEFFORM 8 and you accept via a DEFFORM 10. Written notification will be issued, to the address you provide, on or before the end of the validity period specified in paragraph C4.

CONFORMING TO THE LAW

F3. You must comply with the UK Bribery Act 2010, applicable EU and UK legislation and any equivalent legislation in a third state.

F4. Your attention is drawn to legislation relating to canvassing of a public official, collusive behaviour and bribery. If you act in breach of this legislation your Tender may be disqualified from this procurement. Disqualification will be without prejudice to any civil remedy available to the Authority or any criminal liability that your conduct may attract.

FRAUD AND OTHER ILLEGAL PRACTICES

F5. You must report any, fraud, bribery, corruption, or any other dishonest irregularity in connection to this tendering exercise to:

Defence Regulatory Reporting Cell Hotline
0800 161 3665 (UK) or
+44 1371 85 4881 (Overseas)

CONFLICTS OF INTEREST

F6. You must notify the Authority immediately of any new Conflicts of Interest (COI) that have arisen or that arise at any point prior to the contract award decision.

F7. Where there is an existing or potential Conflict of Interest (COI) you must include a proposed Compliance Regime in your Tender. As a minimum this must include:

- a. manner of operation and management;
- b. roles and responsibilities;
- c. standards for integrity and fair dealing
- d. levels of access to and protection of competitors sensitive information and Government Furnished Information;
- e. confidentiality / non-disclosure agreements (e.g. DEFFORM 702 (Edn 08/07));
- f. the Authority's rights of audit; and
- g. physical and managerial separation.

Should your Tender be accepted your proposed Compliance Regime will become part of the Contract Conditions and shall be legally binding.

GOVERNMENT FURNISHED ASSETS

F8. Where the Authority provides Government Furnished Assets (GFA) in support of this procurement, you must include details of the GFA in your Public Store Account and treat it in accordance with Def Stan 05-099. If the Authority decides not to proceed with this procurement, you must seek instructions for the GFA from the named Authority Commercial Officer.

PUBLICITY ANNOUNCEMENT

F9. The Authority will publish notification of the contract and shall publish contract documents under the FOI Act except where publishing such information would hinder law enforcement; would otherwise be contrary to the public interest; would prejudice the legitimate commercial interest of any person, or might prejudice fair competition in the supply chain. You should complete and return DEFFORM 539A as explained in the DEFFORM 47ST Annex A and associated Appendix 1.

F10. If you wish to make a similar announcement you must seek approval from the named Commercial Officer.

F11. Under no circumstances should you confirm to any Third Party the Authority's acceptance of an offer of contract prior to either informing the Authority of your acceptance or the Authority's announcement of the award of contract, whichever occurs first.

SENSITIVE INFORMATION

F12. All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-governmental role delivering overall Government policy on public procurement, including ensuring

value for money and related aspects of good procurement practice and answering Freedom of Information requests.

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F14. For these purposes, the Authority may share within Government any of your documentation / information (including any that you consider to be confidential and / or commercially sensitive such as specific bid information) submitted by you to the Authority during this procurement. The information will not be disclosed outside Government. You must identify any sensitive material in the DEFFORM 539A (Edn 08/13) and consent to these terms as part of the tendering process. This allows the MOD to share information with other Government Departments while complying with our obligations to maintain confidentiality.

F15. The Authority reserves the right to disclose on a confidential basis any information it receives from you during the procurement process (including information identified by you as Commercially Sensitive Information in accordance with the provisions of this ITN) to any third party engaged by the Authority for the specific purpose of evaluating or assisting the Authority in the evaluation of your Tender. In providing such information the you consent to such disclosure.

REPORTABLE REQUIREMENTS

F16. Listed in the DEFFORM 47ST Annex A (Offer) are the Mandatory Declarations. It is a Condition of Tendering that you complete and attach the returns listed in the Annex and, where you select "Yes", you attach the relevant information.

F17. Failure to complete this part of the Annex in full makes your Tender non-compliant. Additional information provided in response to Appendix 1 may be used to support the Authority's evaluation of your tender, as detailed in Section D.

F18. If you are an overseas Contractor and your Tender is successful you will be required to provide the name and address of your bank and the relevant bank account number on contract award.

SPECIFIC CONDITIONS OF TENDERING

BID INFORMATION

F19. When placing any contract the Authority is required to satisfy itself that the agreed price represents Value for Money (VFM). In competitive procurement you must provide to the Authority sufficient information in support of your price proposal and during subsequent negotiation, to enable the Authority to fulfil its obligation to assure VFM. The Authority approaches all contract pricing on the basis of the NAPNOC principle (No Acceptable Price, No Contract). We will not enter into any contract that is unacceptably priced. Details can be found on MOD Commercial Toolkit.

F20. Price breakdown requirements. It is your responsibility to decide the level of information you need to provide to the Authority in support of your price proposal and subsequent price negotiation,

to enable the Authority to fulfil its obligation to assure VFM and sign the contract. The following table shows the Authority's suggestion of the minimum level of information you must provide.

As a minimum, the Tender proposal should detail the following:	
Hours / Days	The number of hours / days it takes to complete the requirement.
Hourly / Day Rates	The rate used. Where available these should be agreed CAAS (Cost Assurance and Analysis Services) rates and Grades.
Materials	The cost of any raw materials. Please provide a copy of any quotes or invoices with your Tender.
Significant Sub-contractor costs (>£50K)	The cost of bought in facilities, services and / or parts. Please provide a copy of the sub-contractor quotation / invoice with your Tender. You are encouraged to run a competition at sub-contractor level and advertise opportunities in the MOD Defence Contracts Bulletin, where appropriate.
Other costs	List any rates used to recover overhead costs not otherwise recovered through the activity-based hourly and daily rates stated above. These rates are usually recovered by the application of a percentage uplift to a base cost (e.g. Material Handling is often recovered as a percentage uplift applied to material costs). Where you have an agreed QMAC (Questionnaire on the Method and Allocation of Costs) you must quote the reference. Where you do not have an agreed QMAC please include a list of what is included in the overhead rate(s). Provide a sub-total that the overhead will apply to.
Profit Rate	State the profit rate that you are proposing to apply.
Risks / Opportunities	State whether you have included any contingency for risks and the details on how this has been calculated. State any opportunities that you foresee, for example, exchange rate movement.
T&S	When including Travel and Subsistence you must include details of the assumptions you have made about travel and the rates used. Claims for T&S should be in line with the Civil Service Code which states civil servants must ensure "public money and other resources are used efficiently" for example, travel should be the most economic option available.
Assumptions	State any assumptions made about your proposal, such as the process, when decisions will be made etc.
Exclusions	State any matters that are excluded which, if they subsequently occur, you would expect the MOD to share cost liability.

Note that it is the Authority's policy that a DEFFORM 815 (Edn 08/15) - Contract Pricing Statement should be completed by you on or around contract signature. It is the Authority's preference that you submit a draft DEFFORM 815 with your price proposal. Instructions on completion of the DEFFORM 815 are available on the commercial toolkit.

**Appendix 1 to DEFFORM 47 Annex A (Offer)
– Information on Mandatory Declarations**

Ministry of Defence

Tender Ref No. HELSS/0102
Tender Submission Document (Offer)

To the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (hereafter called “the Authority”)

The undersigned Tenderer, having read the ITN Documentation, offers to supply the Contractor Deliverables at the stated price(s), in accordance with any referenced drawings and / or specifications, subject to the Conditions of Tendering. It is agreed that only the Contract Conditions or any amendments issued by the Authority shall apply.

Applicable Law				
I agree that any contract resulting from this procurement shall be subject to English Law *Where ‘no’ is selected, Scots Law will apply.				Yes / No*
Value of Tender (excluding VAT)				
£..... WORDS.....				
UK Value Added Tax				
If registered for Value Added Tax purposes, please insert: a. Registration No b. Total amount of Value Added Tax payable on this Tender (at current rate(s)) £.....				
Location of work (town / city) where the contract will be performed by Prime:				
Where items which are subject of your Tender are not supplied or provided by you, state location in town / city to be performed column (continue on another page if required)				
Tier 1 Sub-contractor Company Name	Town / city to be performed	Contractor Deliverables	Estimated Value	SME Yes / No
Mandatory Declarations (further details are contained in Appendix 1 to DEFFORM 47 Annex A (Offer)):			Tenderer’s Declaration	
Is the offer subject to the Authority contracting for all the Contractor Deliverables?			Yes* / No	
Is the offer made subject to a Minimum Order Quantity?			Yes / No	

Are the Contractor Deliverables subject to IPR that has been exclusively or part funded by Private Venture, Foreign Investment or otherwise than by Authority funding?	Yes* / No
Are the Contractor Deliverables subject to Foreign Export Control and Security Restrictions? If the answer is Yes, please complete and attach DEFFORM 528	Yes* / No
Have you obtained foreign export approval necessary to secure IP user rights for the Authority in Contract Deliverables, including technical data, as determined in the Contract Conditions?	Yes* / No
Have you provided details of how you will comply with all regulations relating to the operation of the collection of custom import duties, including the proposed Customs procedure to be used and an estimate of duties to be incurred or suspended?	Yes* / No
Have you completed Form 1686 for sub-contracts?	Yes* / No
Have you completed the compliance matrix/ matrices?	Yes / No / Not Required
Are you a Small Medium Sized Enterprise (SME)?	Yes / No
Have you and your sub-contractors registered with the Prompt Payment Code with regards to SMEs?	Yes / No
Have you completed and attached Tenderer's Commercially Sensitive Information Form (DEFFORM 539A)?	Yes / No
If you have not previously submitted a Statement Relating to Good Standing, or circumstances have changed, have you attached a revised version?	Yes* / No / N/A
Do the Contractor Deliverables contain Asbestos, as defined by the control of Asbestos Regulations 2012?	Yes / No
Have you completed and attached a DEFFORM 68 - Hazardous Articles, Deliverables materials or substances statement?	Yes* / No
Do the Contractor Deliverables (including Packaging) use Substances that deplete the Ozone Layer, as defined in Regulation (EC) 1005/2009 (as amended by EC 744/2010) of the European Parliament and of the Council.	Yes* / No
Have you attached The Bank / Parent Company Guarantee?	Yes* / No / Not Required
Have you complied with the requirements of the Military Aviation Authority Regulatory Articles?	Yes / No / Not Required
Have you completed the additional Mandatory Requirements?	Yes / No / Not Required
Have you completed in full the Financial Response Template (FRT)? (At Annex L)	Yes / No
*If selecting Yes to any of the above questions, please attach the information detailed in Appendix 1 to DEFFORM 47 Annex A (Offer).	
Tenderer's Declaration of Compliance with Competition Law	

We certify that the offer made is intended to be genuinely competitive. No aspect of the price has been fixed or adjusted by any arrangement with any Third Party. Arrangement in this context includes any transaction, or agreement, private or open, or collusion, formal or informal, and whether or not legally binding. In particular:

- a. the offered price has not been divulged to any Third Party,
- b. no arrangement has been made with any Third Party that they should refrain from tendering,
- c. no arrangement with any Third Party has been made to the effect that we will refrain from bidding on a future occasion,
- d. no discussion with any Third Party has taken place concerning the details of either's proposed price, and
- e. no arrangement has been made with any Third Party otherwise to limit genuine competition.

We understand that any instances of illegal cartels or market sharing arrangements, or other anti-competitive practices, suspected by the Authority will be referred to the Competition and Markets Authority for investigation and may be subject to action under the Competition Act 1998 and the Enterprise Act 2002.

We understand that any misrepresentations may also be the subject of criminal investigation or used as the basis for civil action.

We agree that the Authority may share the Contractor's information / documentation (submitted to the Authority during this Procurement) more widely within Government for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes. We certify that we have identified any sensitive material in DEFFORM 539A.

**Dated this day of
Year**

Signature: (Must be original)	In the capacity of (State official position e.g. Director, Manager, Secretary etc.)
---	---

<p>Name: (in BLOCK CAPITALS) duly authorised to sign this Tender for and on behalf of: (Tenderer's Name)</p>	<p>Postal Address: Telephone No: Registered Company Number: Dunn and Bradstreet Number:</p>
--	---

Information on Mandatory Declarations

IPR RESTRICTIONS

1. Where the Contractor Deliverables are subject to IPR that has been exclusively or part funded by Private Venture, Foreign Investment or otherwise than by Authority funding you must select 'Yes' in Annex A (Are the Contractor Deliverables subject to IPR that has been exclusively or part funded by Private Venture, Foreign Investment or otherwise than by Authority funding) .
2. If you have answered 'Yes' in Annex A (Offer) as directed by paragraph 1 above, you must provide details in your Tender of any Contractor Deliverable which will be, or is likely to be, subject to any IPR restrictions or any other restriction on the Authority's ability to use or disclose the Contractor Deliverable, including export restrictions. In particular, you must identify:
 - a. any restriction on the provision of information to the Authority; any restriction on disclosure or the use of information by the Authority; any obligations to make payments in respect of IPR, and any Patent or Registered Design (or application for either) or other IPR (including unregistered Design Right) owned or controlled by you or a Third Party;
 - b. any allegation made against you, whether by claim or otherwise, of an infringement of Intellectual Property Rights (whether a Patent, Registered Design, unregistered Design Right, Copyright or otherwise) or of a breach of confidence, which relates to the performance of any resultant contract or subsequent use by or for the Authority of any Contractor Deliverables;
 - c. the nature of any allegation referred to under sub-paragraph 2.b., including any obligation to make payments in respect of the Intellectual Property Right of any confidential information and / or;
 - d. any action you need to take or the Authority is required to take to deal with the consequences of any allegation referred to under sub-paragraph 2.b.
3. You must, when requested, give the Authority details of every restriction and obligation referred to in paragraph 2. The Authority will not acknowledge any such restriction unless so notified under paragraph 2 or as otherwise agreed under any resultant Contract. You must also provide, on request, any information required for authorisation to be given under Section 2 of the Defence Contracts Act 1958.
4. If you have previously provided information under paragraphs 1 and 2 you can provide details of the previous notification, updated as necessary to confirm their validity.

NOTIFICATION OF FOREIGN EXPORT CONTROL RESTRICTIONS

5. If, in the performance of the Contract, you need to import into the UK or export out of the UK anything not supplied by or on behalf of the Authority and for which a UK import or export licence is required, you will be responsible for applying for the licence. The Authority will provide you with all reasonable assistance in obtaining any necessary UK import or export licence.
6. In respect of any Contractor Deliverables, likely to be required for the performance of any resultant contract, you must provide the following information in your Tender: a. Whether all or part of any Contractor Deliverables are or will be subject to:

- (1) a non-UK export licence, authorisation or exemption; or

(2) any other related transfer control that restricts or will restrict end use, end user, re-transfer or disclosure.

You must complete DEFFORM 528 (Edn 12/17) (or other mutually agreed alternative format) in respect of any Contractor Deliverables identified at paragraph 6 and return it as part of your Tender. If you have previously provided this information you can provide details of the previous notification and confirm the validity.

7. You must use reasonable endeavours to obtain sufficient information from your potential supply chain to enable a full response to paragraph 6. If you are unable to obtain adequate information, you must state this in your Tender. If you become aware at any time during the competition that all or part of any proposed Contractor Deliverable is likely to become subject to a non-UK Government Control through a Government-to-Government sale only, you must inform the Authority immediately by updating your previously submitted DEFFORM 528 or completing a new DEFFORM 528.

8. This does not include any Intellectual Property specific restrictions mentioned in paragraph 2.

9. You must notify the named Commercial Officer immediately if you are unable for whatever reason to abide by any restriction of the type referred to in paragraph 6.

10. Should you propose the supply of Contractor Deliverables of US origin the export of which from the USA is subject to control under the US International Traffic in Arms Regulations (ITAR), you must include details on the DEFFORM 528. This will allow the Authority to make a decision whether the export can or cannot be made under the US-UK Defense Trade Co-operation Treaty. The Authority shall then convey its decision to the Tenderer. If the Authority decides that use of the Treaty for the export is permissible, it is your responsibility to make a final decision whether you want to use that route for the export concerned if you are awarded the contract.

IMPORT DUTY

11. European Union (EU) legislation currently permits the use of various procedures to suspend customs duties.

12. For the purpose of this competition, for any deliverables not yet imported into the EU, you are required to provide details of your plans to address customs compliance, including the Customs procedures to be applied (together with the procedure code) and the estimated Import Duty to be incurred and / or suspended.

13. You should note that it is your responsibility to ensure compliance with all regulations relating to the operation of the accounting for import duties. This includes but is not limited to obtaining the appropriate Her Majesty's Revenue & Customs (HMRC) authorisations.

SUB-CONTRACTS FORM 1686

14. Form 1686 (also known as Appendix 5) is to be used in all circumstances where contractors wish to place a sub-contract with a contractor where the release of OFFICIAL-SENSITIVE information is involved. The process will require submission of the single page document either directly to the MOD Project Team or, where specified, to the DE&S Security Advice Centre. You can find further information in the Security Policy Framework - Contractual Process.

SMALL AND MEDIUM ENTERPRISES

15. The Authority is committed to supporting the Government's small and medium-sized enterprise (SME) initiative; its ambitious target is that every £1 in every £3 that the Government spends should be with small businesses by 2020. Our goal is that 25% of MOD spending should be spent with SMEs by 2020; this applies to the money which the MOD spends directly with SMEs and through the supply chain. The Authority uses the European Commission definition of an SME.

16. A key aspect of the Government's SME Policy is ensuring that its suppliers throughout the supply chain are paid promptly. All suppliers to the Authority and their sub-contractors are encouraged to make their own commitment and register with the Prompt Payment Code.

17. Suppliers are also encouraged to work with the Authority to support the Authority's SME initiative. Information on the Authority's purchasing arrangements, our commercial policies and our SME policy can be found at Gov.UK.

18. The opportunity also exists for Tenderers to advertise any sub-contract valued at over £10,000 in the MOD Contracts Bulletin and further details can be obtained directly from:

BiP Solutions Ltd
Web address: www.contracts.mod.uk
Tel No: 0845 270 7099

TRANSPARENCY, FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION REGULATIONS

19. You should be aware that the contents of any resultant contract may be published in line with government policy set out in the Prime Minister's letter of May 2010 (Government Transparency and Accountability) and the information contained within DEFCON 539 (Edn 08/13).

20. Before publishing the contract, the Authority will redact any information which is exempt from disclosure under the Freedom of Information Act 2000 ("the FOIA") or the Environmental Information Regulations 2002 ("the EIR").

21. You should complete the attached Tenderer's Commercially Sensitive Information Form (DEFFORM 539A) explaining which parts of your Tender you consider to be commercially sensitive. This includes providing a named individual who can be contacted with regard to FOIA and EIR.

22. You should note that while your views will be taken into consideration, the ultimate decision whether to publish or disclose information lies with the Authority. You are advised to provide as much detail as possible on the form. It is highly unlikely that a Tender will be exempt from disclosure in its entirety. Should the Authority decide to publish or disclose information against your wishes, you will be given prior notification.

ELECTRONIC PURCHASING

23. Tenderers must note that use of the Contracting, Purchasing and Finance (CP&F) electronic procurement tool is a mandatory requirement for any resultant contract awarded following this Tender. By submitting this Tender, you agree to electronic payment. Please feel free to consult the service provider on connectivity options. Failure to accept electronic payment will result in your Tender being non-compliant.

CHANGE OF CIRCUMSTANCES

24. If you have not previously submitted a Statement Relating to Good Standing or circumstances have changed, please select 'Yes' and submit a Statement Relating to Good Standing with your Tender.

ASBESTOS, HAZARDOUS ITEMS AND DEPLETION OF THE OZONE LAYER

25. The Authority is required to report any items that use asbestos, that are hazardous or where there is an impact on the Ozone. Where any Contractor Deliverables fall into one of these categories select 'Yes' and provide further details in your Tender.

MILITARY AVIATION AUTHORITY (MAA) REQUIREMENTS

26. In July 2011 the Military Aviation Authority (MAA) launched a new set of Regulatory Publications. Key to these is the Regulatory Articles (RA), which prescribe Acceptable Means of Compliance (AMC) for each separate Regulation. Tenderers who wish to propose an alternative means of compliance must obtain agreement in principle from the MAA (through the Project team) in advance of submitting their Tender. AMC are strongly recommended practices and a justification will be required if they are not followed. Tenderers must consult the MAA where there is more than one AMC. You must confirm how you intend to comply with the RA, and the date you consulted with the MAA.

BANK OR PARENT COMPANY GUARANTEE

27. A Bank or Parent Company Guarantee is not required.

THE ARMED FORCES COVENANT

28. The Armed Forces Covenant is a promise from the nation to those who serve, or who have served, and their families, to ensure that they are treated fairly and are not disadvantaged in their day to day lives, as a result of their service.

29. The Covenant is based on two principles:

- a. the Armed Forces community would not face disadvantages when compared to other citizens in the provision of public and commercial services; and
- b. special consideration is appropriate in some cases, especially for those who have given most, such as the injured and the bereaved.

The Authority encourages all Tenderers, and their suppliers, to sign the Armed Forces Covenant, declaring their support for the Armed Forces community by displaying the values and behaviours set out therein.

30. The Armed Forces Covenant provides guidance on the various ways you can demonstrate your support through your Covenant pledges and how by engaging with the Covenant and Armed Forces, such as employing Reservists, a company or organisation can also see real benefits in their business.

31. If you wish to register your support you can provide a point of contact for your company on this issue to the Armed Forces Covenant Team at the address below, so that the MOD can alert you to any events or initiatives in which you may wish to participate. The Covenant Team can also provide any information you require in addition to that included on the website.

Email address: employerrelations@rfca.mod.uk
Address: Defence Relationship Management
Ministry of Defence
Holderness House
51-61 Clifton Street
London
EC2A 4EY

32. Paragraphs 28-30 above are not a condition of working with the Authority now or in the future, nor will this issue form any part of the tender evaluation, contract award procedure or any resulting contract. However, the Authority very much hopes you will want to provide your support.



**THE SECRETARY OF STATE FOR
DEFENCE**

and

XXXXX

MERLIN AND APACHE ENGINES FUTURE SUPPORT

**CONTRACT NUMBER
HELSS/0102**

OFFICIAL SENSITIVE COMMERCIAL

THIS CONTRACT is made on xxxxxxxxxxxx
BETWEEN:

- (1) **THE SECRETARY OF STATE FOR DEFENCE** (the “**Authority**”) acting through its authorised Ministry of Defence Commercial Manager within the Merlin Delivery Team hereinafter called the “**Authority**” and
- (2) **XXXXXX** (“**The Contractor**”)

BACKGROUND:

- (A) The Authority operates a number of helicopters powered by various marks of the RTM322 gas turbine engine (as further described below) specifically the Merlin and Apache Mk1 Helicopter fleets.
- (B) The Authority wishes to procure in-service support for the Authority’s Merlin and Apache Mk1 Helicopter fleets’ engines to meet its requirements as expressed in the Statement of Requirement at Schedule A of this Contract.
- (C) The Contractor wishes to provide such support in accordance with the terms of this Contract.

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REQUIREMENT

Contractor: XXXX		MINISTRY OF DEFENCE SCHEDULE OF REQUIREMENTS <u>Merlin and Apache Engines Future Support</u>	CONTRACT NO. HELSS/0102
SCHEDULE OF REQUIREMENTS			
ITEM NO	DESCRIPTION	PRICE £ (VAT Ex)	
1	The provision of the Services as set out in Schedule A, Statement of Requirement, in accordance with the terms of this Contract.	Subject to Maximum Target Cost Incentive Fee Arrangements in accordance with Schedule C (Pricing and Payment)	
2	Additional Services in accordance with Schedule J	To be agreed in accordance with DEFCONs 811 – 814 and Priced in accordance with DEFCON 127 or 643 as required.	

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PART A: GENERAL CONDITIONS

1) DEFCONS AND DEFFORMS

1.1 DEFCONS:

References in this Contract to any DEFCON shall be construed as a reference to that DEFCON as amended by the following provisions of this Condition 1.1.

The DEFCONS listed in this Condition 1.1, as amended by the same, are incorporated into and form part of this Contract.

DEFCON 5J (Edn 18/11/16)	Unique Identifiers
DEFCON 14 (Edn 11/05)	Inventions And Designs Crown Rights And Ownership of Patents and Registered Designs This DEFCON shall only apply to Additional Services at Schedule J (excluding Non-Attributable Demands)
DEFCON 15 (Edn 02/98)	Design Rights This DEFCON shall only apply to Additional Services at Schedule J (excluding Non-Attributable Demands)
DEFCON 16 (Edn 10/04)	Repair And Maintenance Information
DEFCON 21 (Edn 10/04)	Retention Of Records
DEFCON 23 (Edn 08/09)	Special Jigs, Tooling And Test Equipment
DEFCON 68 (Edn 02/17)	Supply Of Data For Hazardous Articles, Materials And Substances
DEFCON 76 (Edn 12/06)	Contractor's Personnel At Government Establishments
DEFCON 90 (Edn 11/06)	Copyright
DEFCON 91 (Edn 11/06)	Intellectual Property Rights in Software
DEFCON 117 (Edn 10/13)	Supply of Documentation for NATO Codification and Defence Inventory Introduction
DEFCON 126 (Edn 11/06)	International Collaboration
DEFCON 127 (Edn 12/14)	Price Fixing Condition For Contracts of Lesser Value
DEFCON 129 (Edn 04/18)	Packaging (For Articles Other Than Munitions)

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DEFCON 129J (Edn 18/11/16)	The Use of Electronic Business Delivery Form
DEFCON 501 (Edn 11/17)	Definitions And Interpretations
DEFCON 502 (Edn 05/17)	Specification Changes
DEFCON 503 (Edn 12/14)	Formal Amendments To Contract
DEFCON 507 (Edn 10/18)	Delivery
DEFCON 513 (Edn 11/16)	Value Added Tax
DEFCON 514 (Edn 08/15)	Material Breach
DEFCON 515 (Edn 02/17)	Bankruptcy and Insolvency
DEFCON 516 (Edn 04/12)	Equality
DEFCON 518 (Edn 02/17)	Transfer
DEFCON 520 (Edn 05/18)	Corrupt Gifts and Payment of Commission
DEFCON 522 (Edn 11/17)	Payment and Recovery of Sums Due
DEFCON 524 (Edn 10/98)	Rejection
DEFCON 525 (Edn 10/98)	Acceptance
DEFCON 526 (Edn 08/02)	Notices
DEFCON 527 (Edn 09/97)	Waiver
DEFCON 528 (Edn 07/17)	Import and Export Licences For the purposes of clause 16 of this DEFCON the period shall be 20 Business Days
DEFCON 529 (Edn 09/97) Or DEFCON 646 (Edn 10/98)	Law (English) Law and Jurisdiction (Foreign Suppliers)
DEFCON 530 (Edn 12/14)	Dispute Resolution (English Law). The Parties agree, in respect of clause 1 of DEFCON 530 to follow the procedures set out in Schedule E (Governance) of this Contract
DEFCON 531 (Edn 11/14)	Disclosure of Information

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DEFCON 532B (Edn 05/18)	Protection of Personal Data
DEFCON 534 (Edn 06/17)	Subcontracting and Prompt Payments
DEFCON 537 (Edn 06/02)	Rights of Third Parties
DEFCON 538 (Edn 06/02)	Severability
DEFCON 539 (Edn 08/13)	Transparency
DEFCON 550 (Edn 02/14)	Child Labour and Employment Law
DEFCON 566 (Edn 03/18)	Change of Control of Contractor
DEFCON 601 (Edn 04/14)	Redundant Material
DEFCON 602A (Edn 12/17)	Quality Assurance (with deliverable Quality Plan)
DEFCON 604 (Edn 06/14)	Progress reports
DEFCON 606 (Edn 06/14)	Change and Configuration Control Procedure
DEFCON 607 (Edn 05/08)	Radio Transmissions
DEFCON 608 (Edn 10/14)	Access and Facilities to be Provided by the Contractor
DEFCON 609 (Edn 08/18)	Contractor's Records
DEFCON 611 (Edn 02/16)	Issued Property
DEFCON 612 (Edn 10/98)	Loss Of Or Damage To The Articles
DEFCON 619A (Edn 09/97)	Customs Duty Drawback
DEFCON 620 (Edn 05/17)	Contract Change Control Procedure
DEFCON 621A (Edn 06/97)	Transport (If The Authority Is Responsible For Transport)
DEFCON 624 (Edn 11/13)	Use Of Asbestos
DEFCON 625 (Edn 10/98)	Co-operation On Expiry Of Contract
DEFCON 627 (Edn 12/10)	Quality Assurance – Requirement for a Certificate of Conformity
DEFCON 632 (Edn 08/12)	Third Party Intellectual Property – Rights and Restrictions
DEFCON 637 (Edn 05/17)	Defect Investigation And Liability
DEFCON 642 (Edn 06/14)	Progress Meetings
DEFCON 643 (Edn 12/14)	Price Fixing (Non-qualifying contracts)

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DEFCON 644 (Edn 07/18)	Marking Of Articles
DEFCON 647 (Edn 09/13)	Financial Management Information
DEFCON 656B (Edn 08/16)	Termination for Convenience
DEFCON 658 (Edn 10/17)	Cyber - Further to DEFCON 658 the Cyber Risk Level of the Contract is Very Low, as defined in Def Stan 05-138.
DEFCON 660 (Edn 12/15)	Official – Sensitive Security Requirements
DEFCON 661 (Edn 10/06)	War Risk Indemnity
DEFCON 670 (Edn 02/17)	Tax Compliance
DEFCON 681 (Edn 06/02)	Decoupling Condition – Subcontracting with the Crown
DEFCON 684 (Edn 01/04)	Limitation Upon Claims in Respect of Aviation Products
DEFCON 691 (Edn 03/15)	Timber and Wood Derived Products
DEFCON 694 (Edn 07/18)	Accounting For The Property Of The Authority
DEFCON 697 (Edn 07/13)	Contractors On Deployed Operations
DEFCON 703 (Edn 08/13)	Intellectual Property Rights – Vesting in the Authority
DEFCON 811 (Edn 12/14)	Single Source: Profit and Loss Sharing on Firm / Fixed Price Contracts – Applicable to Items contained within Schedule J
DEFCON 812 (Edn 04/15)	Single Source Open Book – Applicable to Items contained within Schedule J
DEFCON 813 (Edn 12/14)	Single Source Contract Reports and Notifications – Applicable to Items contained within Schedule J
DEFCON 814 (Edn 12/14)	Single Source Confidentiality of Open Book and Price Reporting Information– Applicable to Items contained within Schedule J

1.2 DEFFORMS

(a) The DEFFORMS listed in this Condition 1.2 are applicable to this Contract and the Contractor is required to complete these where appropriate in a timely fashion.

10 (07/18)	Acceptance of Offer of Contract
68 (12/16)	Hazardous Articles, Materials or Substances Statement by the Contractor
111 (12/17)	Appendix – Addresses and Other Information
129A (02/16)	Application for Packaging Designs and Authorisation for Package Design Work.

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129J (09/17)	The Use Of The Electronic Business Delivery Form
315 (02/98)	Contract Data Requirement
528 (12/17)	Import and Export Controls
532 (05/18)	Personal Data Particulars
691A (03/13)	Timber and Wood-Derived Products Supplied under the Contract–Data Requirements
701 (04/06)	Head Agreement for Licence Terms for Commercial Software Purchased By The Secretary Of State For Defence

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PART B: SPECIAL CONDITIONS

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

In addition to these detailed in DEFCON 501 the following terms will have the following meaning for the purposes of this contract:

“Accepted Additional Services Order” means a binding contract for the performance of Additional Services, made on the Contractor’s acceptance of the Authority’s Additional Services Order in accordance with part 2 of Schedule J;

“Actual Annual EFH” means the total number of Engine Flying Hours actually flown in a given Contract Year;

“Additional Services” means any additional works or services or Articles to be provided by the Contractor to the Authority in accordance with the provisions of Part 2 of Schedule J;

“Additional Services Order” means an order made by the Authority in the form set out in Appendix 2 to Schedule J;

“Affiliate” means any person (including the Contractor), any holding company or subsidiary of that person or any subsidiary of such holding company, and “holding company” and “subsidiary” shall have the meaning given to them in section 736 of the Companies Act 1985, or to the extent that the Companies Act 2006 applies, section 1159 of that Act;

“Aircraft” means any of the Merlin Mk2Mk3/3A or Mk4/4A and the Apache WAH-64D Helicopter Mk1;

“Aircraft Document Set” or **“ADS”** means the documents (as amended from time to time) relating to use and maintenance of the Aircraft, which may include:

The safety case,

Military aircraft release (MA Release),

Release to service (RTS),

Aircraft maintenance manual,

Operating data manual,

Flight reference cards,

Support policy statement,

Engineering air publications (including the flight test schedule) and the statement of operating intent and usage.);

“Aircraft Fleet” means the fleet of Aircraft operated by or on behalf of the Authority as set out in Schedule H;

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“Aircraft Maintenance Manuals” means the Aircraft maintenance, repair and overhaul documents (as may be varied from time to time);

“Assumed Annual EFH” means the total number of EFH which it is assumed shall be flown in any given Contract Year, as set out in Schedule H;

“Authorised Life” means those stated lives which represent the Authority’s assessment of the maximum life between reconditioning that an item is expected to achieve in service.

“Authority’s Contract Manager” means the person detailed in Box 1 of DEFFORM 111;

“Authority’s Project Manager” means the person detailed in Box 2 of DEFFORM 111;

“Authority Modification” means a Modification proposed and approved by the Authority;

“Authority’s Personnel” means the Authority’s employees and agents;

“Authority Related Party” means an officer, servant, agent or employee of the Authority (including all GFA Manpower, but excluding the Contractor and any Contractor Related Party);

“Authority’s Representative” means the representative of the Authority;

“Availability Period” means the period on any Business Day:

- a. commencing at 00:01hrs; and
- b. ending at 23:59 hrs the same day;

“Availability Services” means the Engine Availability Service and the LRU Availability Service;

“Beyond Economic Repair” means a Repairable Article in respect of which it is determined by the MRB that the repair cost exceeds 70% of the cost of its replacement;

“Capability” means the design performance of any engine, and includes its power output, fuel consumption and control laws;

“Capability Modification” means any change pertaining to the design of any element of the Engine or any of the Articles which is required by the Authority to improve the design performance of the Engine or any of the Articles and which is not a Safety Modification;

“Consumables” means those low-cost, non-repairable Parts specified in the Engine Maintenance Manual, which requires replacement during removal and replacement of Engines, Modules or LRUs;

“Contract Effective Date” means date by which the Contract came into being through formal acceptance of the Contract Offer.

“Contract Manager” means the Authority’s Contract Manager or the Contractor’s Contract Manager (as the case may be);

“Contract Month” means each calendar month, provided that:

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- a. the first Contract Month shall commence on and from the Effective Date and shall end on the last day of the month in which the Effective Date occurs; and
- b. the last Contract Month shall commence on and including the first day of the month in which the Expiry Date or, if earlier, the Termination Date occurs and shall end on the Expiry Date or, if earlier, the Termination Date;

“Contract Period” means the period commencing on and from the Effective Date and ending on the earlier of the Expiry Date and the Termination Date;

“Contract Year” means the period of 12 (twelve) calendar months commencing on and including 1 April and ending on the immediately following 31 March and each subsequent period of 12 (twelve) calendar months commencing on and including each anniversary of 1 April and ending on each anniversary of 31 March provided that:

- a. the first Contract Year shall be such period commencing on and including the date of this Contract and ending on the immediately following 31 March; and
- b. the final Contract Year shall be such period commencing on and including 1 April immediately prior to the Expiry Date or, if earlier, the Termination Date and ending on the Expiry Date, or if earlier, the Termination Date;

“Contractor’s Personnel” means the Contractor’s employees, agents and Sub-Contractors;

“Contractor’s Premises” means nominated facilities or such other premises notified by the Contractor in writing to the Authority;

“Contractor Related Party” means:

- a. an officer, servant or agent of the Contractor, or any Affiliate of the Contractor;
- b. any Sub-Contractor acting in connection with this Contract; and/or
- c. any person on or at any Government Establishment at the express or implied invitation of the Contractor, save to the extent such person is acting under the instruction or control of the Authority;

“Demand” means a request from the Authority made in accordance with the terms of this Contract for a Demand Article to be Handed-Back (as recorded and reported to the Contractor in accordance with Schedule A);

“Demand Article” means:

- a. a Serviceable Engine required by the Authority as a result of an Engine Rejection; or
- b. a Serviceable LRU required by the Authority as a result of an LRU Rejection;

“Demand Satisfaction” means the measure of Demands for Demand Articles which have been satisfied in accordance with the provisions of Schedule A;

“Deployable Support Pack or “DSP” means a range and scale of Articles designed to support the user’s flying when deployed or detached from the Main Operating Base;

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“Deployed Operating Base” means the Authority’s base on temporary deployment of Aircraft in operations;

“Deployment” means a planned temporary relocation of forces to a desired area of operations;

“Depth” means all elements of engineering and supply support that is not Forward;

“Discriminatory Legislation Change” means any change in, repeal of or coming into force of Legislation which materially affects the provision of the Services and:

- a. applies specifically to the Contractor and not to other persons; or
- b. applies specifically to importers, exporters, suppliers, manufacturers and designers of equipment for military use; or
- c. applies specifically to service providers involved in supporting equipment for military use; or
- d. applies in respect of the use or operation of any materials or process in the performance of, or production of items in support of, the Services; or
- e. applies to Government Establishments but not other establishments;

and which was not reasonably foreseeable at the date of this Contract;

“Engine” means any of the helicopter engines operated and owned by the Authority or as the case may be the power unit provided by the bidder;

“Engine Availability Service” means as set out in Schedule A;

“Engine Depth Maintenance” means, except for Engine Forward Maintenance, all maintenance carried out on the Engine and associated LRUs including but not limited to repair or fault finding;

“Engine Fleet” means the total fleet of Engines owned by the Authority (whether or not installed in the Aircraft Fleet at the relevant time) as set out in Schedule I;

“Engine Flying Hours” or (“EFH”) means the engine flying hours recorded by the Helicopter Engine Control (HEC) unit and where this system is inoperable, EFH shall mean the cumulative engine flying hours as recorded by the aircrew for each engine at the end of each sortie or series of sorties;

“Engine Forward Maintenance” means all maintenance carried out on the Engine and/or LRUs at Forward including but not limited to repair and fault finding;

“Engine Illustrated Parts Catalogue” means illustrated parts catalogue lists and illustrates

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replaceable assemblies and detailed parts;

“Engine Maintenance Manuals” means the Engine operation and maintenance instructions issued by the Contractor and used by the Authority as at the Effective Date of this Contract including such changes, revisions and amendments as the Contractor may have made or may make during the Contract Period;

“Engine Operating Limitations” means:

- a. the Engine operating instructions;
- b. the prevailing Technical Certificate.

Issued by the Contractor as at the Effective Date including such subsequent changes, revisions and amendments as the Contractor may have made or may make during the Contract Period;

“Engine Rejection” means the Hand-Over of an Unserviceable Engine by the Authority to the Contractor at the relevant MOB;

“Engine Rejection Demand Signal” means the Authority’s proforma detailed at Annex B to Schedule A which shall be used by the Authority to place a Demand;

“Engine Request Demand Signal” means the Authority’s proforma detailed at Annex C to Schedule A which shall be used by the Authority to place a Demand to replace an Engine or LRU previously removed from Aircraft in the Aircraft Depth Maintenance Programme or the Deployable Support Packs and made available to the Contractor;

“Engineering and Asset Management System” means the Authority’s system used to track the life and configuration state of Engines, Modules and repairable LRUs as part of the life management, configuration management, safety and air-worthiness process;

“Environmental Consent” means any permit, licence, authorisation approval or consent required in relation to the MOB and/or any services carried out at the MOB similar to the Services in the period prior to the Effective Date;

“Flying Category” means the sub-divisions of the Annual Assumed EFH which shows the allocation of EFHs to be flown in a normal environment expressed by Contract Year;

“FOD” or **“Foreign Object Damage”** means damage caused by ingestion of a foreign body;

“Forward” means the Authority flying squadrons and their immediate engineering and supply support elements carried out in operational theatre, or front-line support facilities or on-wing;

“Forward Operating Base” or **“FOB”** means any operating base used by the Authority for deployment of Aircraft in the Aircraft Fleet that is not a Main Operating Base;

“FSR” means that Contractor’s Field Service Representatives at any one of the FSR Support Locations undertaking duties in accordance with Schedule A;

“FSR Support Locations” means the MOB;

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“**GFA**” means the obligations of the Authority to supply Government Furnished Articles as specified in Schedule B or otherwise under the Contract;

“**Government Establishment**” means any sites and/or real property owned and/or operated by the Authority and/or the Government (including any of Her Majesty’s ships or vessels and any service stations);

“**Government Property**” means any property (including land and/or buildings) owned and/or operated by the Authority (including Repairable Articles and GFA);

“**Hand-Back**” or “**Handed-Back**” means the transfer of custody of Serviceable Articles from the Contractor to the Authority at Receipt and Dispatch Stores at the MOB;

“**Hand-Over**” or “**Handed-Over**” means the transfer of custody of Unserviceable Articles from the Authority to the Contractor at the Receipt and Dispatch Stores at the MOB;

“**Inability**” means a message from the Engineering and Asset Management System to inform the Contractor that a Demand cannot be satisfied;

“**Key Performance Indicators**” or “**KPIs**” means the criteria against which the Contractor’s performance shall be measured, as set out in Schedule F;

“**Logistics Management System**” means the Authority’s electronic inventory management system. This system is currently known as MJDI (Management of Joint Deployed Inventory);

“**Losses**” or “**Loss**” means any and all: (i) claims, suits, judgements and orders; and (ii) all damages, losses, liabilities, costs, expenses (including loss of profits or revenues and legal and other professional charges and expenses) and charges whether arising under statute, contract or common law, or in connection with judgements, proceedings, internal costs or demands;

“**LRU**” means Line Replacement Unit

“**LRU Availability Service**” means the service to be provided by the Contractor as set out in Part 2 of Schedule A;

“**LRU Fleet**” means those LRUs managed by the Contractor in or for the benefit of the Aircraft Fleet;

“**LRU Rejection**” means the Hand-Over of an Unserviceable LRU by the Authority to the Contractor at the relevant MOB;

“**MISL**” means a Minimum Issue Service Life, i.e. the minimum remaining life, as proposed by the Contractor and approved by the Authority, which a repaired Engine, lifed component or LRU must have when re-delivered to the Authority. The status of the MISLs current at the date of this Contract of this Contract is as described in Schedule H;

“**Main Operating Base**” or “**MOB**” means any of [REDACTED]

[REDACTED] FOI Act Exemption Section 26 (1)(b)

“**Modification**” means any design change to an Article to improve reliability, maintainability, capability and/or safety and “Modified”, “Modify” and “Modifying” shall be construed accordingly;

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“Module” means any or all of the major assemblies of the Engine as defined in the Engine Illustrated Parts Catalogue;

“Monthly Payment” means the amount payable by the Authority to the Contractor in respect of each month during the Contract Period calculated in accordance with Schedule C

“New Article” means all goods which the Contractor is required under this Contract to supply as part of the Services and which have not:

- a. previously been the subject of a Hand-Back; or
- b. previously been embodied into an Engine,

and which comprise:

- a. Engine Modules (including complete engines);
- b. LRUs;
- c. Parts; and
- d. Consumables;

“Non-Safety Modification” means any change pertaining to the design of any element of the Engine or any of the Articles which is recommended in writing to operators by the Contractor or a Contractor Related Party and which is not a Safety Modification;

“Obsolescence” means any supplier to the Contractor ceasing the supply of any item required by the Contractor in the performance of its obligations under this Contract, that has been superseded by new technology of higher specification or

- a. functionality; or
- b. that is no longer in production; or
- c. for which the method of manufacture is no longer available; or
- d. for which a material from which it is manufactured is no longer available;

“Part” means any new, part-used or overhauled complete part, component or sub-system of an Engine or LRU;

“Parties” means the Authority and the Contractor collectively and “Party” shall mean either of them (as the case may be);

“Parties’ Representatives Contact List” means the document which contains contact details (including telephone numbers) for both Parties’ Representatives and their delegates that set out in Schedule F;

“Payment Plan” means the payment plan set out in Schedule C, as amended from time to time in accordance with the terms of this Contract;

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“Purple Gate” means those places where Engines and/or Articles enter the Authority supply chain for transportation to or from operational theatres;

“Receipt and Dispatch Store” means the Authority's facility located at an MOB at which ‘Hand-Back’ and ‘Hand-Over’ take place;

“Reduce to Produce” or **“RTP”** means the reduction of Articles to their constituent elements;

“Remediation Plan” means a plan containing specified content which sets out how the Contractor proposes to bring performance up to the required standard. Including options to remove threats and vulnerabilities with priorities and timescales for performing the remediation.

“Repairable Articles” means all goods (including any GFA but excluding New Articles) which the Contractor is required under the Contract to repair and/or maintain as part of the Services and which comprises:

- a. Engines;
- b. Modules;
- c. LRUs; and
- d. Parts;

“Request for Additional Services” means a request made by the Authority to the Contractor for the performance of Additional Services, in the form set out in Appendix 2 to Schedule J;

“Safety Modification” means any change pertaining to the design of any element of the Engine or any of the Articles which is recommended in writing to operators by the Engine Design Organisation and which in the Engine Design Organisation's opinion affects the safety of flight and/or personnel and/or airworthiness and which the Contractor believes is required to be developed, maintained or implemented in order to:

- a. discharge responsibilities or duties of such parties under applicable legislation or;
- b. reduce the risk of injury or death of any third party;

“Services” means the services required to be provided by the Contractor (or Sub-Contractors) as set out in Schedule A;

“Service Operations Lead” means the Contractor's representatives at any MOB responsible for the management of Contractor personnel.

“Serviceable Engine” means an Engine that is not an Unserviceable Engine;

“Serviceable LRU” means an LRU that is not an Unserviceable LRU;

“Stock” means Demand Articles which have been supplied to the Authority by the Contractor;

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“**Surge**” means any operation in excess of the “Upper Limit”;

“**Technical Publications**” means documents developed by the Contractor for the purposes of supporting the operation and maintenance of the Engine;

“**Technical Request**” means a request from the Authority to the Contractor’s operation centre for a Technical Response;

“**Technical Request Form**” means as defined at Appendix A to Schedule J

“**Technical Response**” means any of the following:

- a. advice from the Contractor on how an Article can be returned to Serviceable state or whether it is acceptable as it is;
- b. a response from the Contractor stating the timescales in which the Contractor can advise how an Article can be returned to Serviceable state;
- c. advice from the Contractor that an Article is in an Unserviceable State, that the Authority should raise a Demand, and that such item should be Handed-Over to the Contractor;
- d. advice from the Contractor on logistics issues;

“**Technical Support Service**” means the service described in Part 4 of Schedule A (Services);

“**Termination Date**” means the date of any early termination of this Contract pursuant to any of Condition 30, including, where applicable, the Contractor Default Termination Date;

“**Termination Notice**” means a notice served by the Authority on the Contractor pursuant to Condition 30, informing the Contractor that this Contract will terminate on the Termination Date;

“**Third Party**” means any legal or natural person other than the Contractor and the Authority;

“**Third Party Claim**” means any claim, lawsuit or other action or proceeding brought directly against the Contractor, any Affiliate of the Contractor and/or the Authority;

“**Unserviceable Article**” means an Unserviceable Engine or an Unserviceable LRU;

“**Unserviceable Engine**” means when an Engine;

- a. has suffered Failure; or
- b. for which the Authorised Life on a life limited Part in the Engine has expired; or
- c. which is not useable in accordance with the approved Engine Maintenance Manuals and Engine Operating Limitations;

“**Unserviceable LRU**” means an LRU

- a. that has suffered Failure; or

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- b. for which the Authorised Life on a life limited part has expired; or
- c. which is not useable in accordance with the approved Engine Maintenance Manuals and Engine Operating Limitations;

“Upper Limit” means 110% of the Estimated Annual Engine Flying Hours (EFH) which applies as at the Effective Date;

“Urgent Quality Issues” means issues involving accidents or incidents as defined within EASA part 21 or any issue relating to airworthiness;

“Write-Off” means an Article:

- a. which is agreed to be and is declared by the Parties a write-off due to accident damage;
- b. in respect of which an approved scrap certificate has been issued; or
- c. which is Beyond Economic Repair;

2.2 Unless expressly specified elsewhere in this Contract:

- a. the words “include”, “includes”, “including” and “included” shall be construed as if they were immediately followed by the words “without limitation” except where explicitly stated otherwise;
- b. the expression “person” means any individual, firm, body corporate, unincorporated association or partnership, government, state or agency of a state or joint venture and includes their successors and permitted assignees or transferees;
- c. unless stated otherwise, any reference to this Contract or to any other document shall include any permitted variation, amendment or supplement to the Contract or such document;
- d. any decision, act, or thing which a Party (for the purposes of this Condition, the “Authorising Party”) is required or authorised to take or do under this Contract may be taken or done only by any person authorised, either generally or specifically, by such Authorising Party, to take or do that decision, act, or thing on behalf of the Authorising Party, provided that by reason of this Condition the other Party (for the purposes of this Condition, the “Responding Party”) shall not be obliged to ensure that such authority has in fact been given (save where the Authorising Party has notified the Responding Party in writing that such authority has been revoked); and
- e. a reference in this Contract to any Condition, part, paragraph or Schedule is, except where expressly stated to the contrary, a reference to such Conditions, part, paragraph or Schedule of this Contract.

2.3 The Schedules (including all their attachments, appendices and annexes) to this Contract form part of this Contract and shall be taken into account in the interpretation of this Contract.

3. PRECEDENCE

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- 3.1 In the event of any conflict between the provisions of this Contract and/or between this Contract and any other document referred to in this Contract, then the following order of precedence shall apply:
- a. Special Conditions
 - b. Condition 1.1 (DEFCONS)
 - c. The Contract Statement of Requirement (Schedule A)
 - d. Other Schedules (including all their attachments, appendices and annexes);
 - e. Condition 1.2 (DEFFORMS)
 - f. any other document referred to in this Contract.
- 3.2 The Contractor shall notify the Authority's Authorised Representative immediately upon becoming aware of any conflict and or inconsistency between the documents or items identified in Condition 3.1 and shall recommend which document or requirement should prevail giving reasons for such recommendation. As soon as reasonably practical thereafter the Authority's Authorised Representative shall direct which document or requirement shall prevail and determine, in conjunction with the Contractor, what amendment or adjustment, if any, should be made to the Contract.

4. CONTRACT PERIOD

- 4.1 This Contract and the rights and obligations of the Parties shall take effect on the [1st April 2020]
- 4.2 In respect of the outputs detailed within the Schedule of Requirements the Contractor grants the Authority the irrevocable option to extend the Contract for 3 separate further consecutive periods of 3 years from the contract end date (i.e. 3+3+3 years). The Authority shall exercise this option, by giving written confirmation no later than [Insert Time Period as part of the tender response] and shall be in accordance with the same terms and conditions set out in this Contract.

5. CO-OPERATION AND PARTNERING

- 5.1 The Parties shall work together in an open and honest environment with the aim of achieving successful partnering and continuous improvement.

6. EXIT STRATEGY

- 6.1 In the event of termination or on expiry of the Contract, the provisions of Schedule K (Exit Strategy Management Plan) shall apply. The Contractor shall maintain, review and resubmit this plan annually for endorsement by the Authority.

7. AUTHORISATION OF ADDITIONAL SERVICES

- 7.1 The Authority may procure Additional Services in accordance with the terms of Schedule J (Additional Services).

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- 7.2 All quotations under this Contract shall be sent to the relevant Authority's Representative and breakdown of any prices agreed shall be recorded at Schedule D (Pricing Statements).

8. INTEGRATED LOGISTICS STRATEGY

- 8.1 The Contractor shall provide the Services under Item 1 of the Schedule of Requirements, and Item 2 when appropriate, to satisfy the requirements of Schedule G (Integrated Logistics Strategy).

9. COMMERCIAL SALES EXPLOITATION

- 9.1 In the event of a prospective sale of Articles developed and funded under this Contract the Contractor and the Authority shall determine the sums due in respect of such a sale in accordance with the specimen Commercial Exploitation Agreement as Schedule O (Specimen Commercial Exploitation Agreement) before authority for the sale to proceed is given.

10. RETENTION OF ARTICLES

- 10.1 In the event that this Contract is terminated as a result in any respect of the fault of the Contractor, all engines and associated equipment (the "Retained Articles") that have been provided by the Contractor in support of the Service will be retained by the Authority until the Authority has put in place alternative provisions of the same or similar Services. The Authority shall pay a reasonable price, determined as if under single source pricing arrangements (DEFCONS 811 to 814) and subject to DEFCON 127 or 643 dependant on value to compensate the Contractor in relation to the period for which the engines and associated equipment are retained.

11. PROJECT AND PROGRAMME MANAGEMENT RECORDS AND REPORTING

- 11.1 The Contractor shall provide Project and Programme Management Information in accordance with the detailed arrangements set out in Schedule E (Governance), Schedule Q (Contractor Deliverables) and elsewhere in the terms and conditions of Contract.

12. PRICING AND PAYMENT

- 12.1 The Authority shall pay the Contractor for services provided under this Contract in accordance with Schedule C (Pricing and Payment) to Contract.

13. EARNED VALUE MANAGEMENT

- 13.1 The Contractor shall operate and report against an Earned Value Management System (EVMS) in the form described in Schedule P (Earned Value Management System Reporting Requirements) to Contract.

14. DELAY

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- 14.1 It is recognised by the parties that in the event that the services which the Contractor is required under the Contract to supply to the Authority under Item 1 of the Schedule of Requirements, are not delivered at the required time as stated in the Contract, and in accordance with the Schedule M (Implementation Plan), the Authority may suffer loss and damage thereby.
- 14.2 Accordingly it is agreed that in the event of such delay in commencing the service exceeding 20 Business Days beyond the agreed scheduled date, the Contractor shall be liable to pay the Authority by way of damages those necessary and reasonable costs of extending the previous service delivery by the total period of delay.

15. KEY PERFORMANCE INDICATORS, PERFORMANCE MONITORING AND AUDIT

15.1 The Contractor shall:

- a. Comply with the provisions of Schedule F (Contract Performance) in respect of performance reporting and monitoring;
- b. Deliver the Services in such a way as to meet or exceed the Required Performance Level for each Key Performance Indicator as set out in Schedule F (Contract Performance); and

where it fails to meet the Required Performance Level for any one or more KPIs, it agrees to the Authority levying a retention in accordance with Schedule F (Contract Performance).

- 15.2 The Authority's Representative may at any time and with reasonable prior notice (of no less than 20 Business Days, or 5 Business Days for Urgent Quality Issues) undertake inspection of and/or audit the performance by the Contractor of any of the Services and/or the performance by the Contractor of any of the Contractor's other obligations under this Contract. The Contractor will co-operation in relation to any inspection and/or audit.

16. REPRESENTATIVES

References to Authority and Contractor:

- 16.1 Except as provided otherwise under this Contract, any reference to the Authority and the Contractor in respect of:
- a. the giving of consent;
 - b. the delivering of any notices; or
 - c. the doing of any other thing that may reasonably be undertaken by an individual acting on behalf of the relevant Party,

shall be deemed to be references to the Authority's Representatives and the Contractor's Representatives (respectively) in accordance with this Condition 16.

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Contractor's Representatives:

16.2 The Contractor's Representatives shall be those persons detailed in the Parties' Representatives Contact List. The Contractor shall ensure that the Contractor's Representatives shall have the appropriate training, skills and delegated authority to fulfil the responsibilities of the Contractor's Representatives and to co-ordinate and ensure the Contractor's proper discharge of its obligations under this Contract.

Authority of Contractor's Representatives:

16.3 Each of the Contractor's Representatives shall have the full authority to act on behalf of the Contractor for those purposes for which that Contractor's Representative is appointed. The Authority and the Authority's Representative shall be entitled to treat any act of the relevant Contractor's Representative in connection with those aspects of this Contract for which that Contractor's Representative is appointed, as being expressly authorised by the Contractor and the Authority shall not be required to determine whether any express authority has in fact been given.

Authority's Representatives:

16.4 The Authority's Representatives shall be those persons referenced in DEFFORM 111 and detailed in the Parties' Representatives Contact List.

Authority of Authority's Representatives:

16.5 Each of the Authority's Representatives shall have full authority to act on behalf of the Authority for those purposes for which that Authority's Representatives is appointed as referenced in DEFFORM 111. The Contractor and the Contractor's Representative shall be entitled to treat any act of the relevant Authority's Representative in connection with those aspects of this Contract for which that Authority's Representative is appointed as referenced in DEFFORM 111 as being expressly authorised by the Authority (save where the Authority has notified the Contractor in writing that such authority has been revoked) and the Contractor shall not be required to determine whether any express authority has in fact been given.

17. FORCE MAJEURE

17.1 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. acts of nature;
- b. war;
- c. hostilities;
- d. fire at any of the Contractor's premises or those of its suppliers except to the extent that the fire was caused by their own negligence.

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- 17.2 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.
- 17.3 Subject to Condition 17.4 below, 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.
- 17.4. The maximum extension of time granted under this Condition shall be limited to 13 weeks after which time the Authority may, on giving written notice to the Contractor, terminate this Contract, without seeking compensation from the Contractor, with immediate effect.

18. SURGE

- 18.1 The Contractor shall continue to provide the Services at Schedule A (Statement of Requirements) as required:
- a. during any state of emergency (whether or not involving hostilities), periods of tension, transition to war and during hostilities; and
 - b. during any period of Surge that is required by the Authority in the Contract Period.
- 18.2 In the circumstances of Condition 18.1, the Authority shall advise the Contractor of any changes or additions it requires to meet the increased level of support required and a Change to the provisions of the Contract shall be sought, provided that until such agreement or determination of any Change the Contractor shall continue to provide the Services.
- 18.3 During any period where the circumstances in Condition 18.1 prevail, the Authority shall not be entitled to apply deductions in accordance with Schedule G (Contract Performance) in respect of the period relating to the performance of that part of the Services affected by the Contractor's compliance with Condition 18.1 together with such further period of time as evidenced and is reasonably necessary in the view of the Authority to allow the Contractor fully to recommence its affected obligations.

19. CONTRACT UP-ISSUE

- 19.1 In order to ensure that the clarity of the contractual agreement is preserved for the Parties, a complete and up to date version of the Contract shall be issued in whole by agreement with both Parties under any of the following circumstances:
- a. where the number of contract amendments is felt by either Party to be so excessive as to affect their ability to maintain clarity; and/or
 - b. where any solution changes or additions result in the requirement to amend a large quantity of the Conditions or the structure of this Contract.

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20. ENTIRE AGREEMENT

- 20.1 This Contract sets out the entire agreement between the Parties to the Contract and supersedes all prior arrangements and understanding relating to its subject matter.
- 20.2 Notwithstanding Condition 20.1, nothing shall preclude either Party from bringing any claim or action against the other Party in the event of fraudulent misrepresentation.

21. DISCREPANCIES, ERRORS AND OMISSIONS

- 21.1 If either Party identifies any discrepancy, error or omission in the provisions of this Contract it shall notify the other Party in writing of such discrepancy, error or omission as soon as reasonably practical.
- 21.2 The Parties shall seek to agree such amendments as may be necessary to resolve such discrepancy, error or omission as soon as reasonably practical.
- 21.3 Where the Parties fail to reach agreement on the amendments necessary to resolve such discrepancy, error or omission within 10 Business Days of the notice under Condition 21.1 and either Party considers that the discrepancy, error or omission to be material to its rights or obligations under this Contract, then the matter shall be referred to the dispute resolution procedure in accordance with the dispute resolution procedure set out in Schedule E (Governance).

22. INTELLECTUAL PROPERTY RIGHTS

- 22.1 DEFCON 703 shall only apply to information generated from existing technical data, and where the work is carried out by an entity other than the owner of the Intellectual property in existing technical data.

23. TITLE AND RISK

- 23.1 The Authority shall throughout the Contract Period retain title to those assets that it has made available as GFA pursuant to Schedule B (GFA Obligations of the Authority).
- 23.2 Title to Parts and LRUs provided by the Contractor and incorporated in Repairable Articles during the course of the Services shall vest in the Authority at the time when the Parts or LRUs are incorporated in the Repairable Articles (as the case may be).
- 23.3 Title to Parts and LRUs which have been removed and replaced during the course of the Services will, if not already vested in the Contractor, pass to the Contractor once such Parts and LRUs are removed from the Repairable Article by or on behalf of the Contractor.
- 23.4 Risk of loss and damage to Articles that are returned to the Contractor pursuant to a Demand shall transfer to the Contractor at the time the item is handed back.
- 23.5 Risk of loss and damage to Articles shall transfer to the Authority at the time the Article is Handed-Back or delivered to the Authority at a MOB or by exception at Purple Gate.

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- 23.6 Title and Risk to 1st and 2nd Line Parts provided by the Contractor will pass to the Authority at the time the Delivery Note 650s are signed by both Parties, prior to this the risk of loss or damage to the Articles remains with the Contractor.

24. TRANSFER OF UNDERTAKINGS (PROTECTION OF EMPLOYMENT) (TUPE)

- 24.1 The Parties acknowledge and agree that carrying out the Services in accordance with the terms of this Contract is not intended to constitute a relevant transfer for the purposes of TUPE and accordingly that such provisions are not intended to operate so as to terminate or transfer any of the contracts of employment of employees of the Authority.
- 24.2 The Authority therefore agrees subject to Condition 24.3, to indemnify, and keep the Contractor indemnified, against all Losses which the Contractor may suffer or incur arising out of or in connection with the employment, termination of employment or other obligations in respect of any employee or former employee of the Authority including for compensation for loss of office, redundancy, unfair dismissal, or breach of contract in tort or otherwise, in respect of or arising out of his/her being or ceasing to be an employee of the Authority, or arising out of any failure by the Authority to provide information or engage in consultation.
- 24.3 The indemnity in Condition 24.2 will not apply to any such claims by any former employee of the Authority who the Contractor takes active steps to hire in connection with the Contract after the Effective Date of this Contract.
- 24.4 The Contractor therefore agrees, subject to Conditions 24.5 and 24.6, to indemnify and keep the Authority indemnified, against all Losses which the Authority may suffer or incur arising out of or in connection with the employment, termination of employment or other obligations in respect of any employee or former employee of the Contractor including for compensation for loss of office, redundancy, unfair dismissal, or breach of contract in tort or otherwise, in respect of or arising out of his/her being or ceasing to be an employee of the Contractor, or arising out of any failure by the Contractor to provide information or engage in consultation.
- 24.5 The indemnity in Condition 24.4 will not apply to any former employee of the Contractor who the Authority takes active steps to hire after the Effective Date of this Contract.
- 24.6 Schedule N (TUPE) contains the agreement between the Parties with respect to any Subsequent Relevant Transfer (as defined in Schedule N). The indemnities in Condition 24 will not apply in addition to the indemnities in Schedule N.

25. MONTREAL PROTOCOL CONTROLLED SUBSTANCES

- 25.1 The Contractor acknowledges that, as a signatory to the Montreal Protocol on substances that Deplete the Ozone Layer, the Authority is committed to the reduction and consumption of the substances controlled under the Montreal Protocol.
- 25.2 No controlled substances shall be introduced by the Contractor (or any of its Sub-Contractors) by any modifications or changes to the Articles or to any GFA without the prior consent of the Authority.

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25.3 Should any modifications or changes be required to the Articles or to any GFA the Contractor shall (and shall procure that its Sub-Contractors shall) seek to eliminate any controlled substances, which are currently utilised in the manufacture and production of the Articles or any GFA, provided that the Contractor shall (and shall procure that its Sub-Contractors shall), prior to taking any action in respect of such elimination, seek the prior approval of the Authority to take such proposed action.

26. ITEMS CONSIDERED BEYOND ECONOMIC REPAIR

- 26.1 The Contractor may, upon giving notice to the Authority, refer any Article submitted for repair under this Contract to the Authority for the determination of whether such Article is Beyond Economic Repair (BER). The Contractor's notice to the Authority will give details of the Article and why the Contractor believes that it is Beyond Economic Repair.
- 26.2 The Authority will, as soon as reasonably practicable following the Contractor's notice referred to in Condition 26.1, consider the Article which is the subject of the notice and determine whether such Article is Beyond Economic Repair.
- 26.3 If the Authority determines that the relevant Article is Beyond Economic Repair and should be repaired to meet the on-going fleet requirements, then the Contractor will repair the relevant Article as an Additional Service under Schedule J (Additional Services)
- 26.4 If the Authority determines that the relevant Article is not Beyond Economic Repair, then the Contractor will repair and/or recondition such Repairable Article to the standards required by, and in accordance with, the provisions of this Contract.
- 26.5 Where the Contractor does not accept the determination of the Authority, then they may refer the matter for determination in accordance with the dispute resolution procedure set out in Schedule E (Governance).
- 26.6 Items declared BER shall be declared as scrap to the Authority for disposal advice.

27. CONTRACTOR'S STATUS

- 27.1 Nothing in this Contract shall be construed as creating a partnership or as a contract of employment between the Authority and the Contractor.
- 27.2 Save as expressly provided otherwise in this Contract, the Contractor shall not be, nor deemed to be, an agent of the Authority and the Contractor shall not hold itself out as having authority or power to bind the Authority in any way.
- 27.3 Neither Party shall place or cause to be placed any order with suppliers or otherwise incur liabilities in the name of the other Party or any representative of the other Party.

28. SAFETY AND QUALITY ASSURANCE

- 28.1 The Contractor shall deliver the Services and its obligations under the Contract and in accordance with the Safety and Quality Requirements set out in Schedule I (Quality, Safety, Regulatory Articles and DEFSTANS).

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- 28.2 In addition to the DEFCON 609, the Contractor shall provide access to records, including sub-contractor records, for any purpose connected with this Contract purposes; to enable the MOD appointed Independent Safety Auditor. The Contractor shall provide and maintain evidence to support the engine safety case required by the Authority.
- 28.3 The Contractor shall comply with the Regulations set out in Schedule I (Quality, Safety, Regulatory Articles and DEFSTANS) by following:
- a. the acceptable means of compliance (“AMC”) prescribed therein;
 - b. where there is more than one AMC, an AMC or AMCs agreed by the Contractor with the Regulator; or
 - c. other alternative means as may be agreed by the Contractor with the Regulator.

Modifications:

- 28.4 The Contractor shall, where they seek to initiate or incorporate any modification to the engine(s) or ancillaries, follow the processes as described in the MAA Regulatory Articles identified in the Contract.
- 28.5 The Contractor shall also submit a proposal to the Authority for incorporating any such modification into the engine fleet(s).
- 28.6 Where the proposal cannot be accepted by the Authority the Contractor shall consult and revise their proposal to address and accommodate the Authority’s identified concerns.
- 28.7 Where the proposal is accepted by the Authority it shall be formally incorporated within the Contract by the Contract Change Process under DEFCON 503.

Safety and Environmental Management:

- 28.8 The Parties recognise and accept the Authority’s roles and duties as Airworthiness Authority in relation to the Aircraft and the Engine and that the Contractor accepts an obligation to act in accordance with the Authority’s instructions in this regard.
- 28.9 The Parties acknowledge the importance of the Authority maintaining unfettered leadership of matters in relation to the safe operation of the Aircraft Fleet in discharging its duties as set out above.
- 28.10 The Contractor shall maintain the Contractor safety management system as defined at Schedule A (Statement of Requirements) of the Contract. The Authority shall review the acceptability of the Contractor’s safety management system from time to time as part of its continuing MAOS and DAOS audits.
- 28.11 The Contractor shall maintain the safety management plan as at Schedule A (Statement of Requirements) of the Contract.
- 28.12 The Contractor will advise the Authority of hazards that are processed through its hazard reporting procedure (known as the Notice To Operators procedure) where those Notice to Operators are relevant to the Authority’s operation of Engines.

29. TERMINATION FOR CONTRACTOR DEFAULT

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Poor Performance

29.1 Where the Authority considers the Contractor is failing to meet the KPI performance thresholds identified in Schedule F (Contract Performance) and in doing so incurring deductions under the arrangements in Schedule F (Contract Performance), or where the Contractor is failing to meet its obligations in respect of the Implementation Plan in accordance with Schedule M (Implementation Plan), or the provision of management information under Schedule Q (Contractor Deliverables), the Authority shall notify the Contractor in writing. The Contractor shall submit a Remediation Plan within 20 Business days of the Authority's written notice or provide advice that they will not submit a Remediation Plan within 5 Business days of such notice.

Remediation

29.2 Where a Remediation Plan has been provided by the Contractor, the Authority may within 20 Business days;

- a. accept the Remediation Plan in writing and require the Contractor to enact the plan;
- b. request in writing that amendments are made to the Remediation Plan and specify the date by which the revised Remediation Plan must be provided to the Authority (and on receipt of such revised Remediation Plan this Condition 29.2 shall apply to the Remediation Plan as amended).
- c. inform the Contractor in writing that it does not consider that the Remediation Plan or revised Remediation Plan will be sufficient to rectify the Contractor Default, in which case the Authority may terminate the Contract for material breach under the terms of DEFCON 514.

29.3 Where the Authority reasonably considers: The Rectification process has or will fail to return performance to the contracted levels or where a Remediation Plan has not been submitted, it may, at its sole discretion require a further Remediation Plan to be submitted or serve a termination notice under DEFCON 514 and the underperformance shall be deemed to be a material breach.

29.4 The Authority's rights under Conditions 29.1 to 29.3 are in addition to its rights under DEFCON 514 to terminate for material breach.

Contract Performance

29.5 For the purposes of this Contract the following shall be deemed a material breach under the terms of DEFCON 514 in addition to those causes as defined in Common Law or elsewhere in this Contract:

- a. a rolling quarterly performance that sees the Contractor achieve Level 3 Performance Metric Category as at Schedule F (Contractor Performance) for any KPI for 2 or more times in that quarter.

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- b. a rolling 6 month performance that sees the Contractor achieve Level 2 Performance Metric Category as at Schedule F (Contractor Performance) for any KPI for 4 or more times in that 6 month period.
- c. a rolling 12 month performance that sees the Contractor achieve Level 1 Performance Metric Category as at Schedule F (Contractor Performance) for any KPI for 6 or more times in that 12 month period.

30. TRANSFER OF ARTICLES ON EXPIRY OF THIS CONTRACT

- 30.1 The Contractor shall make available for collection at the Contractor's facility within 60 calendar days or as the Parties otherwise agree, of the expiry date or partial expiry date in the event of the end of service for the Apache aircraft being reached or Termination date of the Service of this Contract:
- a. all GFA Repairable Articles, under this Contract in whatever state; and
 - b. all other Issued Property (other than GFA Repairable Articles) in accordance with DEFCON 611.

31. CONTINUING OBLIGATIONS

- 31.1 Save as otherwise expressly provided in this Contract:
- a. termination of this Contract shall be without prejudice to any accrued rights or obligations under this Contract prior to termination; and
 - b. termination of this Contract shall not affect the continuing rights and obligations of the Contractor and the Authority under
 - (i) any provision of this Contract which is expressed to survive termination or which is required to give effect to such termination or the consequences of such termination;
 - (ii) any other provision of this Contract which is a continuing obligation or by implication is intended by the Parties to survive termination in order to give effect to its meaning.

32. BASELINE ASSUMPTIONS

- 32.1 The Parties acknowledge that the terms of this Contract have been agreed on the basis of the assumptions detailed in Schedule H (Baseline Assumptions).
- 32.2 Any actual or anticipated changes to any Baseline Assumptions detailed in Schedule H (Baseline Assumptions) during the Contract Period shall be notified in writing by the Authority to the Contractor as soon as reasonably practicable after the Authority

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becomes aware of any such changes or anticipated changes. Change due to the implementation of Surge shall be considered a change in Baseline Assumptions for the purposes of this Condition.

- 32.3 The effects of any Changes necessary as a consequence of a change in any of the Baseline Assumptions will be determined in accordance with Schedule C (Pricing and Payment) and (where applicable) Schedule J (Additional Services), provided always that:
- a. the Contractor shall only be entitled to propose any Changes where the Contractor has presented evidence to the satisfaction of the Authority that the changed Baseline Assumptions result in unavoidable additional costs which the Contractor has made all reasonable efforts to mitigate.
 - b. the Contractor's entitlement to any Change (and/or any other relief and/or compensation) to this Contract as the result of any change to the Baseline Assumptions will be reduced to the extent (if any) that any act or omission of the Contractor was the cause of or contributed to the change in the Baseline Assumptions.

33. LEGISLATIVE RISK

- 33.1 The Contractor shall comply with all Legislation applicable to the provision of the Services and the Contractor's other obligations under this Contract from time to time in force.
- 33.2 If the Contractor believes a Discriminatory Legislation Change has occurred or is likely to occur, it shall notify the Authority in writing as soon as practicable and such notice shall stipulate:
- a. the nature of such Discriminatory Legislation Change;
 - b. the date such Discriminatory Legislation Change will come into force and;
 - c. any change which in the Contractor's opinion is necessary to the Services;
- 33.3 Following receipt of the notification identified in Condition 33.2, the Parties shall negotiate a contract change to address the Discriminatory Legislation Change.
- 33.4 In the event of any dispute as to whether a Discriminatory Legislation Change has occurred, or where no appropriate Contract change can be implemented, the Parties shall submit to the dispute resolution procedure set out in DEFCON 530 and Schedule E (Governance).

34. ROYALTIES AND LICENCES

- 34.1 In the event that royalty payments or licences to manufacture are required to enable performance of the Contract, the Contractor shall be responsible for making whatever arrangements are necessary to obtain such agreements and pay any fees levied.

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The cost of any such fees or agreements shall be included within the Contract Price. The Authority will not become involved in any dispute or negotiation over the settling of royalty payments or manufacturing licences.

- 34.2 Where items delivered to the Authority include proprietary software (including third party proprietary software) which requires a licence or licences to enable the Authority to use the item, the licence or licences shall, where reasonably practicable, be in accordance with DEFFORM 701 (Head Agreement For Licence Terms For Commercial Software Purchased By the Secretary of State for Defence). Where the agreement of such a licence is not reasonably practicable the Contractor shall notify the Authority of this fact such that an alternative form of licence can be discussed and agreed, such agreement by the Authority not being unreasonably withheld.
- 34.3 Where the proprietor of any such software states that a head agreement already exists between that proprietor and the Authority they shall provide a copy of the said head agreement.