DATED 2021

THE SECRETARY OF STATE FOR DEFENCE (1)

and

BABCOCK INTEGRATED TECHNOLOGY LIMITED (2)

SCHEDULES 1 to 25 relating to BATCM/0294 LOGISTICS SUPPORT CONTRACT

Contents

Schedule 1 1
Definitions 1

Schedule 2 2
Statement of Requirements 2
Annex 1 – Requirements 3

Schedule 3 4
Contractor's Proposals 4

Schedule 4 5
Assurance and Acceptance Process 5
Part 1 - Assurance and Acceptance Process for certain Contractor Deliverables 5
Part 2 – GAR Entry Criteria and GAR Exit Criteria 12
Part 3 – Programmed Contractor Deliverables 13

Schedule 5 15
MADS Process for Catalogue, Critical Items List and/or LE TacCIS Equipment Portfolio Amendments 15

Schedule 6 20
Incentivisation 20
Appendix 1 – KPI Table 31

Schedule 7 35
Authority Obligations 35
Part 1 - Purpose and Principles of Authority GFA 35
Part 2 – GFA Provision linked to the Contractor Deliverables 39
Part 3 – Discretionary GFA 54

Schedule 8 55
Governance and Management 55
Part 1 – Governance and Management Framework 55
Part 2 - Authority Representatives and Contractor Representatives 66

Schedule 9 99
Pricing and Payment 99
Part 1 - Identifying the Transition Deliverables Firm Price, how the Transition Milestone Payments are to be made and Calculating the Monthly Payment after the FOC Date 99
Appendix 1 (to Part 1) 115
Baseline Assumed Demands 115
Appendix 2 (to Part 1) 116
Activity Bandings for Demand Volume Adjustment 116
Appendix 3 (to Part 1) 117
Agreed Indexation Table 117
Appendix 4 (to Part 1) 118
Part 1 – Spares Catalogue 118
Part 2 – Repairs Catalogue 119

Part 3 – Payment of the Contract Price (other than the Transition Deliverables Firm Price) and the Fixed Price Pass through Costs ...123
Part 4 – No Adjustments to Firm Prices 124
Appendix 1 (to Part 2) 125
Milestone Payments Schedule for Core Contractor Deliverables 125
Appendix 2 (to Part 2) 126
Milestone Payments Schedule for Options 126

Schedule 10 127
Transition 127
Appendix 1 136
Transition IOC Completion Requirements 136
Appendix 2 162
Transition FOC Completion Requirements 162
Appendix 3 171
MAC IOC Certificate 171
Appendix 4 172
MAC FOC Certificate 172
Appendix 5 173
MAC IOC Evidence Checklist 173
Appendix 6 174
MAC FOC Evidence Checklist 174

Schedule 11 175
Change Procedure 175

Schedule 12 185
Technical Assistance 185

Schedule 13 186
Required Insurances 186

Schedule 14 189
IPR 189

Schedule 15 201
Ancillary Documents 201

Schedule 16 206
Business Continuity Plans 206

Schedule 17 207
Exit Plan 207
Appendix 1 214
Exit Plan Product Description 214
Appendix 2 217
Exit Plan as at Effective Date 217

Schedule 18 218
Parent Company Guarantee 218

Schedule 19 232
Not Used 232

Schedule 20 233

Directed Purchases and Repairs 233
Appendix 1 238
Directed Purchase and Repairs Request Form (**DPR Request Form**) 238
Appendix 2 239
Directed Purchase and Repairs Proposal Form (**DPR Proposal Form**) 239
Acknowledgement of Request/Firm Price Quotation/Proposal.....239
Appendix 3 241
Directed Purchase and Repairs Approval/Cancellation Form (**DPR Approval/Cancellation Form**) – [Approval to Proceed/Cancellation]* 241

Schedule 21 242
Transfer Regulations 242
Appendix 1 248
Contractor Personnel-Related Information to be released upon Re-Tendering where the Transfer Regulations Apply.....248
Appendix 2 250
Personnel Information to be released pursuant to this Contract 250

Schedule 22 253
Contract Programme 253

Schedule 23 254
Scope of Options 254
Part 1 – Options 254
Part 2 – Option Firm Prices 255

Schedule 24 256
Not Used 256

Schedule 25 257
Security Conditions.....257
Appendix 1 263

Schedule 1

Definitions

[*Please see Schedule 1 (Definitions and Acronyms) of the document entitled BATCM/0294 – Logistics Support Contract*]

Schedule 2

Statement of Requirements

1 Core Contractor Deliverables

1.1 The Contractor shall without prejudice to its other obligations in this Contract (including under Clause 3 (*The Contractor's Obligations*)) in relation to:

1.1.1 the Transition Deliverables, perform the obligations set out in Serial 2.4 and 2.5 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.2 the Inventory Management Service, perform the obligations set out in Serial 2.1 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.3 the Inventory Modelling Service, perform the obligations set out in Serial 2.2 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.4 the Technical Service, perform the obligations set out in Serial 3.2 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.5 the Information Management Service, perform the obligations set out in Serial 2.3 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.6 Contractor Deliverables relating to the Exit Plan, perform the obligations set out in Serial 5.2.1 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.7 the Option numbered 1 (One Year Contract Extension **REDACTED**), perform the obligations set out in Serial 6.1.1 of Annex 1 to this Schedule 2 (*Statement of Requirements*);

1.1.8 the Option numbered 2 (Six (6) Contract Months Contract Extension **REDACTED**), perform the obligations set out in Serial 6.2.1 of Annex 1 to this Schedule 2 (*Statement of Requirements*); and

1.1.9 the Option numbered 3 (Six (6) Contract Months Contract Extension **REDACTED**), perform the obligations set out in Serial 6.3.1 of Annex 1 to this Schedule 2 (*Statement of Requirements*).

2 Full and proper performance of the Contractor Deliverables

2.1 The Contractor shall ensure that the performance of each Contractor Deliverable complies with and meets all of the requirements as stipulated in the Statement of Requirements.

Annex 1 – Requirements

This Annex 1 to Schedule 2 (*Statement of Requirements*) is in the Agreed Form document entitled “Statement of Requirements”

Schedule 3

Contractor's Proposals

This Schedule 3 (*Contractor's Proposals*) is in the Agreed Form document entitled "Contractor's Proposals"

Schedule 4

Assurance and Acceptance Process

Part 1 - Assurance and Acceptance Process for certain Contractor Deliverables

1 General Assurance Review

1.1 The Contractor acknowledges and agrees that certain of the Contractor Deliverables that are to be provided by the Contractor as part of the Contractor Deliverables in accordance with this Contract that are:

1.1.1 Programmed Contractor Deliverables, shall be reviewed, assured, approved or otherwise processed in accordance with a General Assurance Review ("**GAR**");

1.1.2 Unprogrammed Contractor Deliverables, shall be reviewed, assured, approved or otherwise processed in accordance with a GAR, but only where the Authority has notified the Contractor of a GAR Submission Date, a GAR Review Date and the relevant GAR Entry Criteria and GAR Exit Criteria for such Contractor Deliverables as contemplated in paragraphs 1.3.1 and 1.3.2.

1.2 The Contractor acknowledges and agrees that:

1.2.1 where the Contractor is required to develop, create, produce, provide and/or deliver any items and/or Items or documents which are Programmed Contractor Deliverables;

1.2.2 where, during the Contract Period, the Contractor is required to develop, create, produce, provide and/or deliver any Contractor Deliverables following the commencement of an Exercised Option or as the result of an approved Change in accordance with Schedule 11 (*Change Procedure*), in respect of which there is no GAR Review Date and/or GAR Submission Date identified on the Contract Programme (where no such date was identified pursuant to the Exercised Option or approved Change) (the items in this paragraph 1.2.2 being "**Unprogrammed Contractor Deliverables**"),

then, in each case:

(i) such items or documents (including any Relevant Deliverable) shall be subject to a GAR (but in the case of Unprogrammed Contractor Deliverables, only where the Authority has notified the Contractor of a GAR Review Date and GAR Submission Date for such Contractor Deliverable as contemplated in paragraphs 1.3.1 and 1.3.2); and

(ii) failure to satisfy KPI 13.1 and/or KPI 13.2 shall permit the Authority to make Deductions as set out in Schedule 6 (*Incentivisation*).

1.3 In relation to each GAR, the following procedure shall apply:

1.3.1 the Contractor shall or shall procure that the relevant Programmed Contractor Deliverable or Unprogrammed Contractor Deliverable together with any other information required by the Authority in accordance with the Assurance Process ("**GAR Relevant Deliverable**"), is provided to the Authority's Representative on or prior to the GAR Submission Date (and the Contractor acknowledges that the Authority may notify the Contractor at any time in writing (or orally during an LSC Monthly Performance Review and/or an LSC Working Group Meeting), the GAR Submission Date and GAR Review Date and the relevant GAR Entry Criteria and GAR Exit Criteria for any GAR Relevant Deliverable which is an Unprogrammed Contractor Deliverable); and

1.3.2 after the GAR Review Period has commenced and on or prior to the GAR Review Date, the Authority's Representative shall notify the Contractor (in writing) whether it has any comments or objections in relation to the GAR Relevant Deliverable.

1.4 If the Authority's Representative intends to raise comments and/or raise objections and/or raises comments on or objects to any GAR Relevant Deliverable, he shall state the reasons for (and shall provide such evidence or other information as may be reasonably necessary to substantiate) such comments or objections.

1.5 The Contractor acknowledges and agrees that:

1.5.1 a GAR shall not (unless otherwise agreed in writing by the Authority's Representative) take place if the GAR Entry Criteria in respect of that GAR has not been satisfied;

1.5.2 the GAR Review Period shall not (unless otherwise agreed in writing by the Authority's Representative) commence until receipt by the Authority's Representative of the GAR Relevant Deliverable together with any other further information required by the Authority in accordance with this Schedule 4 (*Assurance and Acceptance Process*);

1.5.3 in the case of Programmed Contractor Deliverables the Authority has specified and in the case of the Unprogrammed Contractor Deliverables the Authority will specify the relevant GAR Submission Dates and GAR Review Dates on the assumption that the Contractor has fully complied (and, at all times throughout the Contract Period, continues to fully comply) with all of its obligations and where the Contractor shall not have complied with all such obligations, the Authority shall be entitled to such extension to such dates and period as it considers reasonable in the circumstances to enable the Authority to review and consider in full any GAR Relevant Deliverable.

1.6 No review, comment, approval by the Authority under this Schedule 4 (*Assurance and Acceptance Process*) shall operate to exclude or limit the Contractor's obligations or liabilities under this Contract (or the Authority's rights under this Contract), including (without limitation) the Contractor's obligation to deliver the Contractor Deliverables in accordance with the Contract Programme.

Further Information

1.7 The Contractor shall submit any further or other information, data, documents and/or Items and/or items that the Authority's Representative reasonably requires in relation

to any GAR to be conducted under this Schedule 4 (*Assurance and Acceptance Process*).

1.8 If the Contractor does not submit any such information, data, documents and/or Items and/or items, the Authority's Representative shall be entitled to:

1.8.1 comment on or object to the GAR Relevant Deliverable on the basis of the information, data, documents and/or Items and/or items which have been provided; or

1.8.2 reject the GAR Relevant Deliverable on the grounds that insufficient information, data, documents and/or Items and/or items have been provided.

Effect of Review

1.9 Where the GAR Exit Criteria in respect of a GAR has been achieved on the GAR Review Date:

1.9.1 any GAR Relevant Deliverable (and/or any further information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) in respect of which the Authority's Representative has confirmed that it does not have any comments or objections shall:

(i) where there is no further work to be carried out by the Contractor in respect of the GAR Relevant Deliverable, be considered for Acceptance in accordance with paragraph 2 (*Acceptance Tests for General Assurance Reviews*); or

(ii) where there is further work to be carried out by the Contractor in respect of the GAR Relevant Deliverable, be further developed by the Contractor and submitted for review by the Authority at the next relevant GAR Review Date; or

1.9.2 if the Authority's Representative raises comments or objections in relation to a Relevant Deliverable (and/or in relation to any further information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) but notwithstanding such comments or objections the Authority's Representative (in his absolute discretion) is satisfied that the GAR Exit Criteria for that GAR can be considered to have been achieved,

the Contractor shall:

(i) to the extent that such comments or objections do not require the Contractor to undertake further or additional activities and re-submit the GAR Relevant Deliverable (and/or any information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) to the Authority for further review prior to complying with and/or proceeding on the basis of and/or undertaking such further and/or additional activities in respect of (as the case may be) such GAR Relevant Deliverable, comply with and/or proceed on the basis of and/or undertake such further and/or additional activities in respect of (as the case may be) such GAR Relevant Deliverable (and/or such information,

data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) after amendment and/or adjustment (as the case may be) in accordance with the comments or objections of the Authority's Representative and such GAR Relevant Deliverable shall only be considered for Acceptance in accordance with paragraph 2 (*Acceptance Tests for General Assurance Reviews*) when the GAR Relevant Deliverable has been amended and/or updated (as the case may be) and reissued by the Contractor to the Authority;

(ii) to the extent that such comments or objections do require the Contractor to undertake further or additional activities and re-submit the GAR Relevant Deliverable (and/or any information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) to the Authority for further review:

(A) not act on and/or proceed on the basis of the GAR Relevant Deliverable (and/or any such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) or the relevant part of such GAR Relevant Deliverable (and/or any such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) to which such comments or objections relate (as the case may be);

(B) undertake such further or additional activities as are necessary to address each of the comments and/or objections of the Authority's Representative; and

(C) re-submit the GAR Relevant Deliverable and/or such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR (as amended and specifically identifying the amendments, adjustments and/or changes made to such GAR Relevant Deliverable (and/or such information, data, documents and/or Items and/or items) to address the comments or objections raised by the Authority's Representative) to the Authority's Representative within such period and in the manner as the Authority's Representative shall specify at the time of issuing such comments or objections to the Contractor or as otherwise specified at the relevant GAR,

provided always that where:

1) the Contractor does not comply with the provisions of this paragraph 1.9.2 within such time period and/or in such manner specified; and/or

2) the Authority's Representative has further comments and/or objections in relation to such amendments, adjustments and/or changes (and/or any failure by the Contractor to make such amendments, adjustments and/or changes as

would be reasonably required to address such comments and/or objections of the Authority's Representative) when the GAR Relevant Deliverable (and/or any such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for the relevant GAR) is re-submitted,

then such GAR Relevant Deliverable (and such information, data, documents and/or Items and/or items) shall be deemed to be required to be submitted as part of any subsequent GAR as may be notified by the Authority's Representative;

(iii) if the Contractor does not accept the comments or objections of the Authority's Representative (and the Parties are otherwise unable to agree such matter), refer the matter for determination in accordance with the Dispute Resolution Procedure (and the Contractor shall not act on and/or proceed on the basis of the GAR Relevant Deliverable and/or such information, data, documents) until such matter is so determined in accordance with this paragraph 1.9.2 or otherwise agreed in writing).

1.10 Where, subject to paragraph 1.9.2 above, the GAR Exit Criteria in respect of a GAR has not been achieved on the Review Date, then that Review shall be repeated (the "**GAR Subsequent Review**") in accordance with the following procedure:

1.10.1 if the Authority's Representative raises comments or objections in relation to a Relevant Deliverable (and/or any information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR), the Contractor shall:

(i) to the extent that such comments or objections require the Contractor to undertake further or additional activities and re-submit the GAR Relevant Deliverable (and/or any such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) to the Authority for further review at the GAR Subsequent Review:

(A) not act on and/or proceed on the basis of the GAR Relevant Deliverable (and/or such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) or the relevant part of such GAR Relevant Deliverable (and/or such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) to which such comments or objections relate (as the case may be);

(B) undertake such further or additional activities as are necessary to address each of the comments and/or objections of the Authority's Representative; and

(C) re-submit the GAR Relevant Deliverable (and/or such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR) as amended and specifically identifying the amendments,

adjustments and/or changes made to such GAR Relevant Deliverable (and/or such information, data, documents and/or Items and/or items) to address the comments or objections raised by the Authority's Representative for the GAR Subsequent Review; or

(ii) if it does not accept the comments or objections of the Authority's Representative (and the Parties are otherwise unable to agree such matter), refer the matter for determination in accordance with the Dispute Resolution Procedure and the Contractor shall not act on and/or proceed on the basis of the GAR Relevant Deliverable and/or such information, data, documents and/or Items and/or items submitted as part of the GAR Entry Criteria for that GAR until such matter is so determined in accordance with this paragraph 1.10.1(ii) or otherwise agreed in writing;

1.10.2 the Authority's Representative shall notify the Contractor of:

(i) a further date for the GAR Subsequent Review at which the GAR in question shall be repeated and such date shall be deemed to be the GAR Review Date for that GAR Subsequent Review; and

(ii) the GAR Submission Date for that GAR Subsequent Review;

1.10.3 the Items and/or items required for that GAR Subsequent Review shall be the GAR Relevant Deliverable together with any additional information, data, documents and/or Items and/or items referred to in (and/or as the Authority's Representative may require) pursuant to paragraph 1.7 above,

and the provisions of this Schedule 4 (*Assurance and Acceptance Process*) shall apply to such GAR Subsequent Review as if it was the original GAR, changed according to context.

1.11 Confirmation by the Authority's Representative that it has no comments and/or objections shall mean that the GAR Relevant Deliverable may be used or implemented (or the Contractor may proceed on the basis of that GAR Relevant Deliverable) for the purposes for which it is intended but, save to the extent expressly stated in this Contract, such confirmation shall not otherwise relieve the Contractor of its obligations under this Contract nor is it an acknowledgement by the Authority that the Contractor has complied with such obligations.

Variations

1.12 No approval or comment or any failure to give or make an approval or comment under this Schedule 4 (*Assurance and Acceptance Process*) shall constitute an Authority Change, save to the extent implemented in accordance with Schedule 11 (*Change Procedure*) as contemplated in paragraph 1.13 below.

1.13 If having received comments or objections from the Authority's Representative, the Contractor considers that compliance with those comments or objections would amount to an Authority Change, the Contractor shall, before complying with the comments or objections, notify the Authority of the same and, if it is agreed by the Parties or determined pursuant to the Dispute Resolution Procedure that an Authority Change would arise if the comments or objections were complied with, the Authority

may, if it wishes, implement the Authority Change and it shall be dealt with in accordance with Schedule 11 (*Change Procedure*).

1.14 Any failure by the Contractor to notify the Authority that it considers compliance with any comments or objections of the Authority's Representative would amount to an Authority Change shall constitute an irrevocable acceptance by the Contractor that any compliance with the Authority's comments or objections shall be without cost to the Authority and without any further relief for the Contractor.

Document Management

1.15 The Contractor shall issue each GAR Relevant Deliverable to the Authority's Representative in the format required by the Authority as notified by the Authority from time to time.

1.16 The Contractor shall compile and maintain a register of the date of receipt and content of all GAR Relevant Deliverables that are returned by the Authority's Representative.

2 Acceptance Tests for General Assurance Reviews

2.1 The Authority shall be deemed to have Accepted each GAR Relevant Deliverable which:

2.1.1 satisfies the requirements of paragraph 1.9.1(i) (*General Assurance Reviews*);

2.1.2 is of the type described in paragraph 1.9.1(ii) (*General Assurance Reviews*) and where the further work required to be undertaken is carried out and the GAR Relevant Deliverable is appropriately and correctly updated or amended (as the case may be) and reissued to the Authority at a later GAR (in accordance with paragraph 1.9.2(i) (*General Assurance Reviews*)) and ultimately satisfies the requirements of paragraph 1.9.1(i) (*General Assurance Reviews*);

2.1.3 did not satisfy the requirements of paragraph 1.9.1(i) (*General Assurance Reviews*) and is the subject of a GAR Subsequent Review or GAR Subsequent Reviews and ultimately satisfies the requirements of paragraph 1.9.1(i) (*General Assurance Reviews*));

2.1.4 following a determination pursuant to paragraph 1.9.2(iii) (*General Assurance Reviews*) that the GAR Relevant Deliverable satisfies the requirements of paragraph 1.9.1(i) (*General Assurance Reviews*),

in each case when the GAR Exit Criteria for the GAR Relevant Review have been satisfied and the GAR Relevant Deliverable is in GAR Final Form on the relevant GAR Review Date (being the GAR Review Date when such GAR Exit Criteria were satisfied or are later determined to have been satisfied).

Part 2 – GAR Entry Criteria and GAR Exit Criteria

1 GAR Entry Criteria

1.1 The receipt by the Authority's Representative of:

1.1.1 the GAR Relevant Deliverable;

1.1.2 any additional information required by the Authority and notified to the Contractor prior to the relevant GAR Submission Date (including any additional requirements referred to in the relevant GAR Entry Criteria in respect of an Unprogrammed Contractor Deliverable).

2 GAR Exit Criteria

2.1 Where:

2.1.1 the Authority's Representative is satisfied that the Contractor has delivered the GAR Relevant Deliverable on or prior to the GAR Submission Date and where the Authority has received all information it has requested from the Contractor in accordance with paragraph 1.7 (*Further Information*) of Part 1 of Schedule 4 (*Assurance and Acceptance Process*) and/or any other additional requirements referred to in the GAR Exit Criteria in respect of an Unprogrammed Contractor Deliverable; and

2.1.2 the Authority's Representative has confirmed to the Contractor that it has no comments and/or objections in relation to any of the GAR Entry Criteria; or

2.1.3 the Authority's Representative, having raised comments and/or objections in accordance with paragraph 1.9.2 of Part 1 of this Schedule 4 (*Assurance and Acceptance Process*), is satisfied that all of the GAR Entry Criteria have been reviewed, amended, developed, modified and/or updated (as necessary) to address such comments and/or objections; and

2.1.4 subject to and in accordance with paragraph 1.9.1 of Part 1 of this Schedule 4 (*Assurance and Acceptance Process*), the Authority's Representative is satisfied that the GAR Exit Criteria for the relevant GAR can be considered to have been achieved.

Part 3 – Programmed Contractor Deliverables

All Contractor Deliverables set out in or referred to in the Contract Programme as at Effective Date, including:

Programmed Contractor Deliverable	**Format/Content required (in accordance with Serial)**	**GAR Submission Date**	**GAR Review Date** - shall be five (5) Working Days after the GAR Submission Date for each Programmed Contractor Deliverable
Repair Report	2.1.2.4	**REDACTED**	
LSC Repair Register	2.1.2.5	**REDACTED**	
Disposal Report	2.1.2.6	**REDACTED**	
LSC Disposal Register	2.1.2.7	**REDACTED**	
LSC Demands Register	2.1.2.10	**REDACTED**	
Purchasing (Spares) Catalogue	2.1.3.2	**REDACTED**	
Purchasing (Spares) Catalogue	2.1.3.2	**REDACTED**	
LSC Works Orders Register	2.1.3.8	**REDACTED**	
Repair Catalogue	2.1.4.2	**REDACTED**	
Repair Catalogue	2.1.4.2	**REDACTED**	
JAMES Component Report or Incident Report Form	2.1.4.7	**REDACTED**	
Dues-In Request Form	2.1.5.4	**REDACTED**	
Contractor Demand Forecast	2.2.3.1	**REDACTED**	
Business Continuity Plan	2.3.2.4	**REDACTED**	
Disaster Recovery Plan	2.3.2.5	**REDACTED**	
Security Management Plan	2.3.2.6	**REDACTED**	
Quality Plan	2.3.2.7	**REDACTED**	
Relationship Management Plan	2.3.4.4	**REDACTED**	
Transition Period Weekly Project Report	2.4.1.11	**REDACTED**	
Transition Period Fortnightly Project Report	3.3.1.1	**REDACTED**	
LSCWG Monthly Report	4.2.1.2	**REDACTED**	
Monthly Performance Report	4.2.1.5	**REDACTED**	
Annual Performance Report	4.2.1.10	**REDACTED**	

Serial IDs of additional Programmed Contractor Deliverables as the result of the commencement of Exercised Options and as a result of approved Changes

Contractor to propose and for the Authority to approve following the approval of relevant Change or Exercised Option

Schedule 5

MADS Process for Catalogue, Critical Items List and/or LE TacCIS Equipment Portfolio Amendments

1 MADS Process

1.1 The Parties acknowledge and agree that the Catalogues, Critical Items List and/or LE TacCIS Equipment Portfolio may require a move, addition, deletion, substitution and/or any other amendment from time to time and such changes will include where:

1.1.1 a Spare becomes obsolete or a Spare is otherwise no longer required to be purchased on behalf of the Authority and whether or not the Repair Catalogue and/or the Critical Items List and/or the LE TacCIS Equipment Portfolio requires consequential amendment; and

1.1.2 a new Spare is required to be included; and

1.1.3 a new Repair process is required; and

1.1.4 any other reason as notified by the Authority to the Contractor from time to time.

1.2 The Parties acknowledge and agree that nothing in this Schedule 5 (*MADS Process for Catalogue, Critical Items List and/or LE TacCIS Equipment Portfolio Amendments*) shall operate to:

1.2.1 limit and/or exclude (and/or give rise to any relief from and/or any additional payment in respect of) the Contractor's obligations and/or liabilities under this Contract (including:

(i) under Clause 3 (*The Contractor's Obligations*), Clause 5 (*Contractor Warranties*) and/or Clause 32 *(Indemnity and Liabilities*); and

(ii) to satisfy all of the requirements and obligations of Schedule 2 (*Statement of Requirements*);

1.2.2 increase the Authority's obligations and/or liabilities under (and/or arising out of or in connection with) this Contract.

2 Governance of Change in the MADS Process

2.1 The Parties acknowledge and agree that the intention of the MADS Process is to facilitate efficient and effective changes to the Catalogues without there being any changes to the other obligations of the Contractor, including:

2.1.1 the obligations of the Contractor in accordance with Statement of Requirements; and

2.1.2 the monitoring of the Contractor's obligations in accordance with Schedule 6 (*Incentivisation*).

2.2 The Parties further acknowledge and agree that, in achieving the intention referred to in paragraphs 1.2 and 2.1 of this Schedule 5 (*MADS Process for Catalogue, Critical Items List and/or LE TacCIS Equipment Portfolio Amendments*), the Parties shall work together in good faith to avoid any:

2.2.1 adjustment to the Statement of Requirements;

2.2.2 adjustment to the provisions of any matters set out or referred to in Schedule 6 (*Incentivisation*);

2.2.3 impact on the Authority's obligations for GFA as set out or referred to in Schedule 7 (*Authority Obligations*); or

2.2.4 impact on the Authority's and/or the Contractor's other obligations and/or rights under this Contract (other than those relating to the relevant proposed changes to the Catalogues),

and the Contractor acknowledges that where approval by the Authority of any MADS Proposal (as referred to in paragraph 3 (*MADS Proposals*) may give rise to any such changes, such MADS Proposal may only be carried out following the issue of an Authority Change Notice in accordance with the procedures set out in Schedule 11 (*Change Procedure*);

2.3 Where the Contractor considers that any MADS Proposals being put forward by it would amount and/or give rise to a Change of the nature referred to in paragraph 2.2 (*Governance of Change in the MADS Process*), the Contractor shall, when making such proposals, notify the Authority's Representative of the same and, if it is agreed by the Parties or determined pursuant to the Dispute Resolution Procedure that such a Change would arise if the proposals were implemented, then such Change shall be dealt with in accordance with Schedule 11 (*Change Procedure*), provided always that the Parties acknowledge and agree that any such MADS Proposals, that:

2.3.1 do not adjust the Statement of Requirements:

2.3.2 do not adjust the provisions of any matters set out or referred to in Schedule 6 (*Incentivisation*);

2.3.3 impact on the Authority's obligations for GFA as set out or referred to in Schedule 7 (*Authority Obligations*); or

2.3.4 do not impact on the Authority's and/or the Contractor's other obligations and/or rights under this Contract,

shall not give rise to a Change.

2.4 Any failure by the Contractor to notify the Authority's Representative that any MADS Proposals being put forward by the Contractor would amount to a Change shall constitute an irrevocable acceptance by the Contractor that the implementation of such proposals and/or any compliance with such comments or objections shall be without cost to the Authority and without any further relief for the Contractor and any additional costs incurred by the Contractor arising out of or in connection with implementation of such MADS Proposals.

3 MADS Proposals

3.1 The Authority's Representative shall notify the Contractor of each change it wishes to make to the Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio. Within five (5) Working Days (or such other period as is agreed by the Parties) following the issue by the Authority's Representative to the Contractor of the notification the Contractor shall prepare a written proposal ("**MADS Proposal**") and issue the same to the Authority's Representative:

3.1.1 confirming the matters (or the absence of matters) referred to in paragraph 2.3 (*Governance of Change in the MADS Process*);

3.1.2 identifying the methodology the Contractor will follow to give effect to such change to the relevant Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio;

3.1.3 confirming the time required to carry out the relevant activities to give effect to such change;

3.1.4 confirming when the change will become effective (and where there are a number of changes in the relevant Authority notification, when each such change will become effective);

3.1.5 stating the methodology for identifying the price for any relevant new Spares and/or new Repairs which are new to the Catalogue(s) and the timescale for identifying the relevant price and confirming that indexation of the price agreed for any such item is intended to be subject to the Agreed Indexation mechanism (which, for the avoidance of doubt, will be the default approach to the indexation of new prices introduced in to the Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio in the absence of any express written agreement of the Parties to another indexation method); and

3.1.6 any other relevant information,

and the Authority's Representative may request any additional information in relation to the proposed changes and the Contractor shall provide such information as soon as possible and in any event within two (2) Working Days (or such other period as is agreed by the Parties) of the relevant request.

3.2 Subject to paragraph 3.3, the Authority and the Contractor shall discuss the proposed changes at the LSC Working Group Meeting which follows the Authority's Representative's notification referred to in paragraph 3.1.

3.3 The Authority will confirm any changes it is aware of which it requires to the Critical Items List for the following Contract Year at the LSC Annual Performance Review.

3.4 Following consideration of the MADS Proposal and any additional required information and/or any discussions between the Parties at an LSC Working Group Meeting (or, in relation to the Critical Items List, at the LSC Annual Performance Review) or otherwise and, subject to paragraph 3.5, where the Authority and the Contractor:

3.4.1 agree all the matters relating to a MADS Proposal, the relevant change to the Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio shall be made and the Contractor shall arrange for the

relevant Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio, incorporating the relevant changes, to be prepared and the Parties shall each sign two copies of the amended Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio (retaining one each) as evidence of the changes made. Such Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio shall be:

(i) the then current Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio to be used as the relevant Catalogues and/or the LE TacCIS Equipment Portfolio for any subsequent changes in the relevant Contract Year;

(ii) the last such Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio in the relevant Contract Year shall be used as the relevant Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio for the next Contract Year for the purposes of indexation (subject always to any special arrangements that may be agreed by the Parties as to indexation in relation to any relevant new Spares and/or new Repairs);

3.4.2 do not agree all the matters relating to a MADS Proposal the matter shall be referred for resolution pursuant to the Dispute Resolution Procedure unless the Authority elects to withdraw the MADS Proposal for any reason prior to or following any such reference to the Dispute Resolution Procedure.

3.5 The Contractor acknowledges that, whilst consultation with the Authority on the Critical Items List will occur pursuant to and in accordance with Serial 4.2.1.12 of Annex 1 to Schedule 2 (*Statement of Requirements*), the Critical Items List is owned and defined by the Authority and in consequence:

3.5.1 any changes required by the Authority to the Critical Items List shall be mandatory; and

3.5.2 the Contractor shall not be entitled to reject any changes to the Critical Items List required by the Authority.

4 General Provisions Relating to MADS Proposals

4.1 The Contractor acknowledges that any costs and/or expenses incurred by the Contractor in the preparation and/or progression of any MADS Proposal (including the provision of any additional information and/or assistance requested by the Authority's Representative pursuant to paragraph 3.1 (*MADS Proposals*), any review and/or amendment of any MADS Proposal following the discussions contemplated in paragraphs 3.2, 3.3 and 3.4 (*MADS Proposals*) or otherwise, have been taken into account in determining (and shall form part of) the Core Contractor Deliverables Firm Price and the Contractor further acknowledges that it shall not be entitled to any additional payment of whatever nature arising out of or in connection with such preparation and/or progression of any MADS Proposal (including where the Authority withdraws any MADS Proposal pursuant to paragraph 3.4.2 (*MADS Proposals*)).

4.2 The Authority shall provide and/or make available to the Contractor such information and/or assistance as may be reasonably required by the Contractor to enable it to prepare and progress MADS Proposals, provided always that the Contractor

acknowledges that it shall not be reasonable to require the Authority to provide such information and/or assistance where this may cause the Authority to be in breach of:

4.2.1 any Legislation; and/or

4.2.2 any contractual obligation owed by the Authority to any Third Party (including any duty of confidentiality to any such Third Party); and/or

4.2.3 where such information is otherwise confidential to the Authority and/or any such Third Party and/or where the Authority is not contractually entitled to require such Third Party to provide such information and/or assistance.

4.3 The Contractor acknowledges and agrees that where the Authority provides the information and/or assistance referred to in paragraph 4.2 (*General Provisions Relating to MADS Proposals*), the Authority's agreement to provide such information and/or assistance may be subject to such conditions as the Authority may require and provided further that without prejudice to any other provisions of this Contract, the Authority gives no warranty or undertaking of whatever nature in respect of such information nor does the Authority warrant that such information represents all of the information in its possession or power relevant or material to the development of a MADS Proposal and the Authority shall not be liable to the Contractor for any failure to make available such information to the Contractor or update such information or of any inaccuracy, error, defect, inadequacy or omission in relation to such information.

Schedule 6

Incentivisation

1 KPIs

1.1 Paragraphs 1 to 19 (inclusive) describe what key elements of the Contractor Deliverables will be monitored and measured within this Contract through a series of KPIs.

1.2 The KPIs may be amended from time to time by agreement between the Parties at the LSC Annual Performance Review in accordance with paragraph 9.3 of Schedule 8 (*Governance and Management*). The Parties acknowledge that such amendment may include the addition of further KPIs and/or reallocation of the existing weighting of the KPIs and/or any other relevant matter.

1.3 For the first three (3) Contract Months after the Actual FOC Date, any Deduction against the Monthly Payment which would otherwise apply shall be reduced by 100% and such Contract Months shall be disregarded for the purposes of calculating any consecutive and/or rolling period of Contract Months for the purposes of paragraph 11 (*Deductions for KPIs*).

2 Monitoring Methodology

2.1 Each KPI:

2.1.1 is described in more detail (including details of the performance required by the Contractor) in the Table at Appendix 1 to this Schedule 6 (*Incentivisation*);

2.1.2 has a monitoring methodology allocated to it in the Table at Appendix 1 to this Schedule 6 (*Incentivisation*), describing the manner in which the KPI will be monitored and measured to assess whether the relevant KPI is to be registered a Pass or Fail for the Monitoring Period and where there is a Fail the extent to which the Fail results in a deduction by reference to the relevant score achieved by the Contractor in the context of any applicable achievement thresholds relevant to the KPI ("**KPI Thresholds**") and, where relevant, the sliding scale applicable to determining the Applicable Deduction for the relevant KPI and. in all cases, the relevant element of the Contract Price which is subject to the relevant Applicable Deduction as may be adjusted following a Change pursuant to the Schedule 11 (*Change Procedure*) (including as the result of an Exercised Option and/or the agreement to a Transition FOC Remediation Plan) and/or as a result of any previous and subsequent Demand Volume Adjustment;

2.1.3 is identified as a KPI which is relevant to the:

(i) Inventory Management Service;

(ii) Inventory Modelling Service;

(iii) Technical Service; or

(iv) Information Management Service;

in each case, in the column C of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*) as more particularly referred to in paragraph 3 (*Inventory Management KPIs*), paragraph 4 (*Inventory Modelling KPIs*), paragraph 5 (*Technical Services KPIs*) and paragraph 6 *(Information Management KPIs*); and

2.1.4 will be monitored and measured for the periods set out in paragraph 7 (*Measurement and Reporting*).

2.2 In assessing its performance of the relevant Contractor Deliverables which are the subject of the relevant KPI, the Contractor shall, for the relevant Monitoring Period, apply the applicable monitoring methodology to each of the KPIs to determine whether the relevant KPI has registered a Pass or Fail for the relevant Monitoring Period and the applicable deduction methodology which shall apply for each KPI shall be determined by reference to the relevant row in the Table at Appendix 1 to this Schedule 6 (*Incentivisation*).

3 Inventory Management KPIs

3.1 The Inventory Management KPIs are those KPIs identified as "Inventory Management Service" in the column C of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*) and linked to performance against identified elements of the Statement of Requirements as identified in the column B of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*).

3.2 The proportion of the Monthly Payment which shall be subject to deductions for failing to meet the requirements of the Inventory Management KPIs shall be the Inventory Management Monthly Payment.

4 Inventory Modelling KPIs

4.1 The Inventory Modelling KPIs are those KPIs identified as "Inventory Modelling Service" in the column C of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*) and linked to performance against identified elements of the Statement of Requirements as identified in the column B of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*).

4.2 The proportion of the Monthly Payment which shall be subject to deductions for failing to meet the requirements of the Inventory Modelling KPIs shall be the Inventory Modelling Monthly Payment.

5 Technical Service KPIs

5.1 The Technical Services KPIs are those KPIs identified as "Technical Service" in the column C of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*) and linked to performance against identified elements of the Statement of Requirements as identified in the column B of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*).

5.2 The proportion of the Monthly Payment which shall be subject to deductions for failing to meet the requirements of the Technical Service KPIs shall be the Technical Service Monthly Payment.

6 Information Management KPIs

6.1 The Information Management KPIs are those KPIs identified as "Information Management Service" in the column C of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*) and linked to performance against identified elements of the Statement of Requirements as identified in the column B of the Table at Appendix 1 to this Schedule 6 (*Incentivisation*).

6.2 The proportion of the Monthly Payment which shall be subject to deductions for failing to meet the requirements of the Information Management KPIs shall be the Information Management Monthly Payment.

7 Measurement and Reporting

7.1 The Contractor shall monitor and record performance against all KPIs for the relevant Monitoring Period, and the Monitoring Periods during which KPIs are to be monitored and measured shall:

7.1.1 where the relevant Monitoring Period is a month, and:

(i) where the Actual FOC Date occurs on or prior to **REDACTED** shall commence on the first day of the next Contract Month; and

(ii) where the Actual FOC Date occurs after **REDACTED** commence on **REDACTED** unless the Authority approves an alternative date in accordance with a Transition FOC Remediation Plan;

7.1.2 where the relevant Monitoring Period is a quarter, and:

(i) where the Actual FOC Date occurs on or prior to **REDACTED**, commence on **REDACTED**;

(ii) where the Actual FOC Date occurs between **REDACTED** and **REDACTED**, commence on **REDACTED** unless the Authority approves an alternative date in accordance with a Transition FOC Remediation Plan;

(iii) where the Actual FOC Date occurs after **REDACTED**, commence on **REDACTED** unless the Authority approves an alternative date in accordance with a Transition FOC Remediation Plan;

7.1.3 where the relevant Monitoring Period is a year, and:

(i) where the Actual FOC Date occurs on or prior to **REDACTED** , commence on the Actual FOC Date up to **REDACTED** and thereafter annually for each period **REDACTED** during the Contract Period (or part thereof);

(ii) where the Actual FOC Date occurs between **REDACTED** and **REDACTED**, commence on the Actual FOC Date up to **REDACTED** and thereafter annually for each period **REDACTED** during the Contract Period (or part thereof) unless the Authority approves an alternative date in accordance with a Transition FOC Remediation Plan;

7.1.4 Not Used;

7.1.5 in respect of all KPIs, continue to be monitored for the relevant consecutive Monitoring Periods, until:

(i) in the case of KPIs where the relevant Monitoring Period is a month, the last Contract Month, whether or not such Contract Month has less than the full number of calendar days;

(ii) in the case of KPIs where the relevant Monitoring Period is a quarter, there are not three (3) Contract Months remaining in the Contract Period each having the full number of relevant calendar days remaining prior to the Expiry Date; and

(iii) in the case of KPIs where the relevant Monitoring Period is a year, there are not twelve (12) Contract Months remaining in the Contract Period each having the full number of relevant calendar days remaining prior to the Expiry Date,

in each case unless the Authority approves an alternative period in accordance with a Transition FOC Remediation Plan.

7.2 The Contractor shall, as part of the Monthly Performance Report, to be provided in accordance with paragraph 7 of Schedule 8 (*Governance and Management*), issue to the Authority's Representative a:

7.2.1 monthly KPI Report (as more particularly referred to in paragraph 7.9.5 of Schedule 8 (*Governance and Management*)) in respect of the Contractor's performance against all KPIs for each Monitoring Period);

7.2.2 report in relation to any failure or continuing failure of the Contractor to comply with its any of its other obligations to perform Contractor Deliverables;

7.2.3 report on the progress of the Contractor in complying with or failing to comply with any then current General LSC Remedial Action Plan; and

7.2.4 report on the progress of the Contractor in complying with or failing to comply with any then current LSC KPI Failure Action Plan.

7.3 If the Authority notifies the Contractor that it disputes the content of a KPI Report, the Parties shall attempt to resolve such dispute.

7.4 Where the Contractor has fully complied with its obligations in paragraph 7.1 of this Schedule 6 (*Incentivisation*) and paragraph 7 of Schedule 8 (*Governance and Management*) and where the Authority's Representative informs the Contractor's Representative at the LSC Monthly Performance Review or otherwise (in each case in writing) that the Authority does not dispute the content of the relevant KPI Report, such KPI Report shall, subject to paragraph 9 (*Assessment of KPIs*) and paragraph 17 (*Incorrect Reporting*), be deemed accepted and the Contractor shall reflect any Deductions in the next invoice it submits to the Authority under this Contract.

7.5 The Authority's Representative may, without prejudice to Clause 29 (*Key Performance Indicators and Performance Monitoring*), undertake routine checks and random verification audits of any KPI Report and the Contractor shall promptly (and in any

event within two (2) Working Days of such request) provide all information, documents and/or records as may be requested by the Authority's Representative to support any such activity.

8 General LSC Remedial Action Plans

8.1 Where any KPI Report identifies any failure by the Contractor to perform the Contractor Deliverables in accordance with the required outputs as identified in the Statement of Requirements and/or a failure to meet the KPI Threshold for any KPI in the relevant Monitoring Period, the Contractor shall be required to produce a General LSC Remedial Action Plan in respect of all such failures as more particularly referred to in paragraph 7.9.19 of Schedule 8 (*Governance and Management*).

9 Assessment of KPIs

9.1 If the Contractor fails to provide a KPI Report to the Authority's satisfaction and with the content specified in, and within the relevant timescales required by, paragraph 7.1 of this Schedule 6 (*Incentivisation*) and paragraph 7.5 of Schedule 8 (*Governance and Management*) and paragraph 15A of this Schedule 6 (*LSC KPI Failure Action Plans*), in respect of any Contract Month, all KPIs reported on in the relevant Contract Month shall be deemed to have registered a Fail for the relevant Monitoring Period.

9.2 If a KPI Report does not include a full report on one or more KPIs, the relevant KPI or KPIs shall be deemed to have registered a Fail for the relevant Monitoring Period.

9.3 If the Contractor fails to provide a KPI Report to the Authority's satisfaction and with the content specified in, and within the timescale required by, paragraph 7.1 of this Schedule 6 (*Incentivisation*) and paragraph 7.5 of Schedule 8 (*Governance and Management*)] for any three (3) or more consecutive relevant Monitoring Periods in respect of any KPIs, all KPIs shall be deemed to have registered a Fail for the third (3rd) and any subsequent Monitoring Period until such time as the Contractor has issued a KPI Report for a Contract Month which fully satisfies the Authority in all respects. When such satisfactory KPI Report is issued the provisions of paragraphs 9.1 to 9.3 of this paragraph 9 shall apply in relation to any future failures of the Contractor to issue a KPI Report to the Authority's satisfaction as if the next failure of the Contractor to deliver a KPI Report to the satisfaction of the Authority was the first such failure.

10 Impact of KPI Performance

10.1 If a KPI is registered as or deemed to be registered as a Fail for a Monitoring Period, the Authority shall be entitled to make the relevant Applicable Deduction (taking into account any applicable sliding scale thresholds relevant to the KPI) in respect of that KPI in the relevant Contract Month.

11 Deductions for KPIs

11.1 Subject to paragraph 1.3, the Authority shall be entitled to make Deductions in relation to KPIs in accordance with paragraph 9 (*Assessment of KPIs*), paragraph 10 (*Impact of KPI Performance*) and this paragraph 11 (*Deductions for KPIs*).

11.2 The Authority shall be entitled to apply the relevant Applicable Deduction in respect of relevant KPI (taking into account the extent by which the Contractor has failed to achieve the relevant KPI, including any applicable KPI Thresholds relevant to the KPI which may impact on the amount of the relevant Applicable Deduction), in respect of

those KPIs where the Contractor has registered a Fail for the relevant Monitoring Period. Where such Fail is registered, the right for the Authority to make such Applicable Deduction in respect of any individual KPI in any rolling period of twelve (12) Contract Months shall be determined by the number of times the Contractor has previously registered a Fail for the relevant Deliverable KPI, as follows:

11.2.1 subject to paragraphs 16 (*Processing Deductions*) and 17 (*Incorrect Reporting*), where:

(i) the Contractor has registered a Fail in respect of any of the KPIs numbered 1, 2, 5, 7, 8, 10, 11, 12, 13.1 and 13.2 in the table at Appendix 1 to this Schedule 6 (*Incentivisation*) in any Contract Month, 100% (one hundred per cent) of the relevant Applicable Deduction shall be permanently deducted by the Authority in the Contract Month following the Contract Month in which the relevant Fail occurred; and

(ii) the Contractor has registered a Fail in respect of any of the KPIs numbered 3, 4, 6 and 9 in the table at Appendix 1 to this Schedule 6 (*Incentivisation*) in any Contract Month, 100% (one hundred per cent) of the relevant Applicable Deduction for that Contract Month shall be permanently deducted by the Authority in the Contract Month following the Contract Month in which the relevant Fail occurred (save where a Fail relating to a Deliverable KPI occurs in two (2) consecutive Contract Months when the provisions of paragraph 11.2.2 shall apply); and

11.2.2 subject to paragraphs 16 (*Processing Deductions*) and 17 (*Incorrect Reporting*), where the Contractor registers a Fail in respect of the same KPI (where such KPI is one of the KPIs referred to in paragraph 11.2.1(ii)) in any two (2) consecutive Contract Months in any rolling twelve (12) Contract Month period, 150% (one hundred and fifty per cent) of the relevant Applicable Deduction for that Contract Month shall be permanently deducted by the Authority in the Contract Month following the Contract Month in which the relevant Fail occurred (save where the relevant consecutive Fail of the relevant Deliverable KPI is the third Fail by the Contractor of that KPI in any rolling twelve (12) Contract Month period, when the provisions of paragraph 11.2.3 shall apply).

11.2.3 subject to paragraphs 16 (*Processing Deductions*) and 17 (*Incorrect Reporting*), where the Contractor registers a Fail in respect of the same KPI (where such KPI is one of the KPIs referred to in paragraph 11.2.1(ii)):

(i) in any three (3) consecutive Contract Months or in any additional Contract Months in any rolling twelve (12) Contract Month period, 200% (two hundred per cent) of the relevant Applicable Deduction for that Contract Month shall be permanently deducted by the Authority in the Contract Month following the Contract Month in which the relevant Fail occurred; and

(ii) in any three (3) consecutive Contract Months and registers a Fail in any one (1) or more subsequent Contract Months in any such twelve (12) Contract Month rolling period (resulting in four (4) or more Fails occurring in such rolling period), such Fail shall be a Persistent Breach.

Applying Deductions

11.3 In the event the Authority has the right to apply a Deduction in respect of any KPI as contemplated in this paragraph 11, but fails to apply the Deduction in the Contract Month it is first entitled to apply such Deduction, the Authority may deduct the amount of such Deduction from the Monthly Payment relating to any of the following Contract Months and/or take such amount into account in any reconciliation process as described in paragraph 10.3 of Part 1 of Schedule 9 (*Pricing and Payment*).

11.4 In the event the Authority has the right to apply a Deduction in respect of any KPI as contemplated in this paragraph 11, the Authority may, at its sole discretion:

11.4.1 permanently retain all of such Deduction; or

11.4.2 create or increase (as the case may be) the Maximum Additional Deliverables Sum by the amount of such Deduction; or

11.4.3 create or increase (as the case may be) the Maximum Additional Deliverables Sum by any proportion of such Deduction and permanently retain the remaining proportion of such Deduction,

and the Authority shall notify the Contractor, in writing, of such election and, where appropriate, the relevant Deduction shall be made and retained and/or the Maximum Additional Deliverables Sum shall be created or increased (as the case may be) by the relevant amount in the Contract Month in which the relevant Deduction is applied.

12 <u>Not Used</u>

13 <u>Not Used</u>

14 <u>Authority's Additional Remedies for KPI Failure</u>

14.1 Without prejudice to any other right and/or remedy of the Authority in this Schedule 6 (*Incentivisation*) (including the obligation of the Contractor to prepare General LSC Remedial Action Plans) or elsewhere in this Contract, if during the Contract Period the Contractor has registered a Fail in respect of any KPI or KPIs in any Contract Month and the number of Fails (relating to any single or combination of KPIs) is equal to or more than six (6) in any rolling twelve (12) Contract Months, the Authority may notify the Contractor that it wishes the Contractor to prepare a detailed recovery plan and the Contractor shall, within five (5) Working Days of the Authority notifying the Contractor that it requires such recovery plan (or such other period as the Parties may agree before the end of such (5) Working Days period), submit to the Authority a recovery plan summarising:

(i) the reasons why the relevant Contractor Deliverables were not delivered to the satisfaction of the Authority and in accordance with this Contract, resulting in multiple KPI failures; and

(ii) the proposed actions to be taken to remedy the relevant Contractor Deliverables and to ensure that all future KPIs are unlikely to be registered as a Fail in future Contract Months,

(an "**LSC KPI Failure Action Plan**"); and

14.1.2 the Authority shall approve or reject any LSC KPI Failure Action Plan in accordance with paragraph 15A (LSC KPI Failure Action Plan) and the provisions of paragraph 15A (LSC KPI Failure Action Plans) shall apply to the assessment by the Authority of the proposed terms of such LSC KPI Failure Action Plan, the consequences of the Contractor carrying out and completing the LSC KPI Failure Action Plan or the failure by the Contractor to carry out and complete the LSC KPI Failure Action Plan; and

14.1.3 the provisions of paragraph 11 (*Deductions for KPIs*)) shall continue to apply for the purposes of calculating and making Deductions where the Contractor's performance remains below the relevant required output in future Monitoring Periods.

15A <u>LSC KPI Failure Action Plans</u>

15A.1 The Authority shall (acting reasonably) consider any LSC KPI Failure Action Plan proposed by the Contractor in accordance with paragraph 14.1 (*Authority's Additional Remedies for KPI Failure*) and, within ten (10) Working Days of receipt of such LSC KPI Failure Action Plan, notify the Contractor, in writing, whether:

15A.1.1 the Authority approves such LSC KPI Failure Action Plan and/or any proposed changes to such plan, and following such notification of approval and/or subsequent approval to any amended plan (all to take place within such ten (10) Working Day period), the Contractor shall expeditiously carry out and complete such actions contained within the LSC KPI Failure Action Plan, and:

(i) if the Contractor fully carries out and completes all the actions contained within the LSC KPI Failure Action Plan within the agreed timescales to the Authority's satisfaction, the Contractor shall then continue to satisfy its obligations under this Contract; or

(ii) if the Contractor fails to fully carry out and complete all the actions contained within the LSC KPI Failure Action Plan within the agreed timescales or to the Authority's satisfaction, such failure shall entitle the Authority to (without prejudice to any of its other rights under this Contract) and in its discretion:

(A) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(B) elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default*).

15A.1.2 the Authority rejects the LSC KPI Failure Action Plan and the Authority may then (without prejudice to any of its other rights under this Contract) and in its discretion:

(i) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(ii) at any time thereafter, elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default*).

15A.1.3 If the Contractor fails to submit a LSC KPI Failure Action Plan within the period referred to in paragraph 15A.1, the Authority may then (without prejudice to any of its other rights under this Contract) and in its discretion:

(i) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(ii) at any time thereafter, elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default*).

15 Total Monthly Deductions

15.1 The total Deductions to be applied in the relevant Contract Month shall be the aggregate of the Deductions which have accrued in respect of the Contractor's performance against each of the KPIs in respect of such Monitoring Period and which are permitted to be applied in accordance with this Schedule 6 (*Incentivisation*).

16 Processing Deductions

16.1 A discussion relating to the Deductions that have been made shall be carried out at the LSC Monthly Performance Review to agree the Monthly Performance Report (including the KPI Report) prepared in respect of the Monitoring Period just ended.

16.2 The Parties acknowledge that the relevant Monthly Payment in respect of the last Contract Month will not be capable of being calculated until after the Expiry Date or the Termination Date (as the case may be) until the Monthly Performance Report (including the KPI Report) in relation to such Contract Month has been issued by the Contractor and the Authority has had the opportunity to consider its content and discuss the same with the Contractor. Accordingly the calculation of the payment for the last Contract Month shall form part of the reconciliation as contemplated in paragraph 10.3.2 of Part 1 of Schedule 9 (*Pricing and Payment*).

17 Incorrect Reporting

17.1 Subject to paragraphs 17.2 to 17.4 (inclusive) below, the Monthly Performance Report (together with all relevant information which was referenced to produce the Monthly Performance Report) shall be the source of the factual information regarding the performance of the Contractor Deliverables for the relevant Contract Month for the purposes of calculating the relevant Monthly Payment (including in calculating any Deductions and in assessing any other payments that may be due in the relevant Contract Month).

17.2 If there is any error in or omission from the Monthly Performance Report for any Contract Month, the Contractor and the Authority shall agree (through any subsequent Monthly Performance Review or otherwise) the amendment to the Monthly Performance Report or, failing agreement within ten (10) Working Days of notification of the error or omission, either Party may refer the matter to the Dispute Resolution Procedure.

17.3 Without prejudice to Clause 29 of this Contract (*Key Performance Indicators and Monitoring*), where the Contractor:

17.3.1 fails to monitor or accurately report a performance failure (including any failure to register a Fail in respect of any KPI and/or any other failure to provide any of the Contractor Deliverables); or

17.3.2 fails to correctly calculate the Monthly Payment due for the relevant Contract Month (including, the failure to calculate any Deductions and/or any other payments and/or adjustments due for the relevant Contract Month),

then the Contractor shall, at its own cost, notify the Authority of such event and immediately supply the Authority with a copy of all of its records in relation to the recording and monitoring of its performance of the Contractor Deliverables and the calculation of the Monthly Payment (on an open book basis) and provide the Authority with immediate access to all information, processes and computer programs used to calculate the Monthly Payment so that the Authority can inspect and investigate such records. The Contractor shall, upon submission of an invoice from the Authority, pay to the Authority a sum equal to the costs incurred by the Authority in carrying out any such inspection and/or investigation of records made available pursuant to this paragraph 17.3 and/or (at the Authority's option) the Authority may set-off such sum from the next payment to be made by the Authority to the Contractor pursuant to this Contract.

17.4 In the event that the Authority's inspection or investigation of records made available pursuant to paragraph 17.3 above reveals any further matters of the type referred to in paragraph 17.3 above, those matters shall be dealt with in accordance with paragraph 17.3 (as appropriate). In addition, the Authority shall be entitled to:

17.4.1 make Deductions in respect of any KPIs for which a Fail should have been registered and reported by the Contractor revealed by such inspection or investigation which did not previously attract any or the correct amount of Deduction; and

17.4.2 adjust the Monthly Payment to reflect the amount of the Monthly Payment which should, but for the occurrence of the matters referred to in paragraph 17.3, have been made,

and any such Deductions and/or adjustments shall be made from and/or applied to the Monthly Payment payable in respect of the Contract Month in which the relevant matters were revealed by the Authority's investigations or, to the extent that the Authority is unable to make any further Deductions from and/or adjust the Monthly Payment in respect of that Contract Month, such Deductions and/or adjustments may be carried forward and deducted from and/or adjusted in the Monthly Payment due in respect of subsequent Contract Months.

18 Monthly Performance Report

18.1 The Contractor shall provide to the Authority's Representative a draft Monthly Performance Report in accordance with paragraph 7.5 of Schedule 8 (*Governance and Management*).

18.2 The Monthly Performance Report shall (among other things) report on the performance and delivery of the Contractor Deliverables in respect of the relevant Monitoring Period.

19 Performance Review Meeting

19.1 The draft Monthly Performance Report shall be reviewed as part of the LSC Monthly Performance Review as more particularly referred to in paragraph 7 of Schedule 8 (*Governance and Management*).

Appendix 1 – KPI Table

Note 1: SOR referencing. KPI's are only enforced once FOC commences (subject to paragraph 1.3 of this Schedule 6 (*Incentivisation*), at which point Section 4 of the SoR applies. Within Section 4, SoRs 4.1.1.1-4 stipulate that many IOC requirements (originally specified in Section 2) persist. For precision of cross-referencing this table refers directly to the applicable Section 2 requirement.

A. Id	B. SOR Ref	C. Service	D. Title	E. Description	F. Evidence Criteria	G. KPI Threshold	H. Monitoring Period (MP) / Assessment Period (AP)	I. Escalation	J. Applicable Deduction
1	2.1.3.2-8	Inventory Management Service	Purchasing Catalogue Currency	The Contractor provides a Spares Catalogue with current Authority approved prices for all Items referred to in column G of this KPI 1.	The Contractor shall report Purchasing Catalogue statistics in the Works Order Register (SoR 2.1.3.8); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report	On the last calendar day of the relevant Contract Month, the percentage of items required to be purchased (as referred to in SoR Serial 2.2.3.1) that possess a current Authority agreed price as set out in the then current Spares Catalogue, will be scored. A score of >=95% constitutes a Pass; a score of <95% constitutes a Fail, triggering the Applicable Deduction.	MP: Monthly		In the event of a Fail, a deduction of a percentage of the monthly Inventory Management Service payment will be made as follows: Score | Deduction <95%-90%: **REDACTED** < 90%: **REDACTED**
2	2.1.2.5 2.1.4.2-6	Inventory Management Service	Repair Catalogue Currency	The Contractor provides a Repair Catalogue with current Authority approved prices for all Items referred to in column G of this KPI 2.	The Contractor shall report Repair Catalogue statistics in the LSC Repair Register (SoR 2.1.2.5); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report	On the last calendar day of the relevant Contract Month, the percentage of items required to be repaired (as referred to in SoR 2.2.3.1) that possess a current Authority agreed repair price or repair prices (as the case may be) as set out in the then current Repair Catalogue, will be scored. A score of >=95% constitutes a Pass; a score of <95% constitutes a Fail, triggering the Applicable Deduction.	MP: Monthly		In the event of a Fail, a deduction of a percentage of the monthly Inventory Management Service payment will be made as follows: Score | Deduction <95%-90%: **REDACTED** < 90%: **REDACTED**
3	2.1.2.10 2.1.3.7 2.1.4.7	Inventory Management Service	First Order Demand Satisfaction Rate (Critical Items)	The First Order Demand Satisfaction Rate in relation to Demands for each Critical Item shall meet or exceed the KPI Threshold.	The Contractor shall report the First Order Demand Satisfaction Rate in the Demands Register (SoR 2.1.2.10); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report.	The First Order Demand Satisfaction Rate achieved on all Critical Items during the Monitoring Period will be scored. A score >= 95% on all Critical Items constitutes a Pass; a score of <95% on any Critical Item constitutes a Fail, triggering the Applicable Deduction.	MP: Monthly	Ratchet Mechanism	In the event of a Fail, a deduction of **REDACTED** of the Inventory Management Monthly Payment scaled by (i) the proportion by Notional Value of Critical Items which fail, (ii) the specified escalation process. See A.1 for a worked example of this deduction.
4	2.1.2.10 2.1.3.7 2.1.4.7	Inventory Management Service	First Order Demand Satisfaction Rate (Non-Critical Items)	The First Order Demand Satisfaction Rate in relation to Demands for each Non-Critical Item shall meet or exceed the KPI Threshold.	The Contractor shall report the First Order Demand Satisfaction Rate in the Demands Register (SoR 2.1.2.10); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report	The First Order Demand Satisfaction Rate achieved on all Non-Critical Items during the Monitoring Period will be scored. A score >= 90% on all Non-Critical Items constitutes a Pass; a score of <90% on any Non-Critical Item constitutes a Fail, triggering the Applicable Deduction.	MP: Monthly	Ratchet Mechanism	In the event of a Fail, a deduction of **REDACTED** of the Inventory Management Monthly Payment scaled by (i) the proportion by Notional Value of Non-Critical Items which fail, (ii) the specified escalation process. See A.1 for a worked example of this deduction.
5	2.1.2.5 2.1.2.8-9 2.1.4.7	Inventory Management Service	Level-4 Repair Duration	Items sent for Level-4 Repair by the Contractor should be turned around within the Turn-Around Time (TAT) specified against that NSN in the Repairs Catalogue. The Contractor shall enable a repaired item (of the same NSN) to be available within the Turn-Around Time (TAT) as specified against that item in the Repairs Catalogue.	The Contractor shall report TAT statistics in the LSC Repair Register (SoR 2.1.2.5); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report.	The percentage of Contractor-initiated Repairs which, during the Monitoring Period, are accepted back at the LCS(T) Facility within the specified TAT will be scored. (NB: Where any Repair was not affected within the relevant TAT and such Repair remains outstanding at the time of the next (or any subsequent) Monthly Performance Report, such Repair shall be reported as a failure in the relevant statistics for the relevant Contract Month or Contract Months (as the case may be)). A score >= 95% constitutes a Pass; a score of <95% constitutes a Fail, triggering the Applicable Deduction. See A.2 for a worked example.	MP: Monthly		In the event of a Fail, a deduction of a percentage of the Inventory Management Monthly Payment dependent on score as follows: Score | Deduction <95-94%: **REDACTED** <94-93%: **REDACTED** <93-92%: **REDACTED** <92-91%: **REDACTED** < 91%: **REDACTED**

A. Id	B. SOR Ref	C. Service	D. Title	E. Description	F. Evidence Criteria	G. KPI Threshold	H. Monitoring Period (MP) / Assessment Period (AP)	I. Escalation	J. Applicable Deduction
6	2.1.3.7 2.1.4.7 2.1.5.2-15	Inventory Management Service	Adherence to Delivery Process	This KPI measures the proportion of Contractor deliveries of consignments to the LCS(T) Facility that do not result in a Delivery Error as defined in Section 9 of the LCS(T) Supplier Manual	The Contractor shall report on delivery conformance against this KPI at the Monthly Performance Review by disclosing the LCS(T) Delivery Compliance Scorecard(s) it or its sub-contractors have received in the course of delivering Authority Items; this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report. If the LCS(T) Contractor does not deliver Delivery Compliance Scorecard(s) in a timely manner, the Contractor shall not be assessed in such Contract Month and the relevant assessment shall take place in the Contract Month in which the Authority receives such information and any Applicable Deduction (if any) shall then be applied in the relevant Contract Month in addition to any Applicable Deductions in such Contract Month	The percentage of consignments delivered to the LCS(T) Facility, during the Monitoring Period, that do not result in a Delivery Error as defined in Section 9 of the LCS(T) Supplier Manual will be scored. A score of >=95% constitutes a Pass; a score of <95% constitutes a Fail, triggering the Applicable Deduction.	MP: Monthly	Rachet Mechanism	In the event of a Fail, a deduction of a percentage of the Inventory Management Monthly Payment dependent on score as follows: Score | Deduction <95-94%: **REDACTED** <94-93%: **REDACTED** <93-92%: **REDACTED** <92-91%: **REDACTED** < 91%: **REDACTED**
7	2.1.2.10 2.2.2.1-2 2.2.3.1 4.2.1.2	Inventory Modelling Service	Inventory Modelling Effectiveness	This KPI measures the effective performance of the Inventory Modelling Service by reviewing the Contractor Demand Forecasts (CDF) in the preceding Contract Quarter.	The Contractor shall ensure that the CDF will be updated monthly (i.a.w. SoR 2.2.3.1) and included in the Monthly Report (SoR 4.2.1.2), and that Demand Actuals are logged in the Demands Register (SoR 2.1.2.10); these sources of evidence shall be evaluated in the KPI Report which forms part of the Monthly Performance Report.	The ratio of: The aggregate Notional Value of the demands predicted in the CDF in respective of all Forecastable Items during the Monitoring Period, using the CDF for the preceding Contract Quarter. To: The aggregate Notional Value of Actual Demands for the same Items during the relevant Monitoring Period will be scored. A score <=20% constitutes a Pass; a score >20% constitutes a Fail, triggering the Applicable Deduction. A worked example of this calculation is given at A.3 below	MP: Quarterly		In the event of a Fail, a deduction of a percentage of the Inventory Modelling Monthly Payment dependent on score as follows: Score | Deduction >20-22% : **REDACTED** >22-24% : **REDACTED** >24-26% : **REDACTED** >26-28%: **REDACTED** >28-30%: **REDACTED** >32-34%: **REDACTED** >34-36%: **REDACTED** >36-38%: **REDACTED** >38-40%: **REDACTED** >40%: **REDACTED**
8	2.1.2.10 2.2.3.1	Inventory Modelling Service	Growth of Notional Value	The Contractor shall not allow the Notional Value of Stock at Hand (as described below) held to increase by more than 2% compounded at the commencement of the next Contract Year. The relevant Stock at Hand for this KPI 8 shall ; (i) include Items in respective of which the Contractor initiated the last purchase or repair (as the case may be). (ii) exclude any new Items from the LE TacCIS Portfolio and exclude any Items which have been removed from the LE TacCIS Portfolio, in each case during the relevant Monitoring Period.	The Contractor shall report on the Notional Value of the Stock at Hand (as described in Column E of this KPI 8) measured in respect of each Contract Year. This evidence will be entered into the Demands Register (SoR 2.1.2.10) and evaluated in the KPI Report which forms part of the Annual Performance Report.	In the event that the growth in Notional Value of relevant Stock at Hand has a CAGR for the relevant Monitoring Period or a CAGR for the period since Actual FOC which is <=2%, this constitutes a Pass; a CAGR >2% constitutes a Fail, triggering the Applicable Deduction.	MP: Annually		In the event of a Fail, a deduction of a percentage of the aggregate of the Inventory Modelling Monthly Payment for the relevant Contract Year dependent on annual Notional Value growth as follows: Score | Deduction >2-3%: **REDACTED** >3%: **REDACTED**
9	2.1.2.10 2.2.3.1	Inventory Modelling Service	Back Order Demand Satisfaction Rate	Stock sufficient to meet all Back Order demands will be delivered to the LCS(T) Facility within the Restocking Time for the NSN, measured from the date at which the demand was placed to the date the stock is delivered to the LCS(T) Facility by the Contractor in compliance with the LCS(T) Supplier Manual and as recorded by the	In the Demands Register (SoR 2.1.2.10) the Contractor shall report: (i) the Back Order Demand Satisfaction Rate (BODSR), defined as the percentage of Back Order demands which can be satisfied by stock delivered to the LCS(T) Facility during the Monitoring Period by the Contractor in compliance with the LCS(T) Supplier Manual. (ii) the Back Order Demand	The BODSR and BODSV achieved across all NSNs during the Monitoring Period will be scored. (NB for so long as any Back Order remains unfulfilled it will be included in the tally of Back Orders). The Back Order Demand Satisfaction Volume A BOSDR score >= 95% and a BODSV score of >60% constitutes a Pass; a	MP: Monthly	Rachet Mechanism	In the event of a Fail, a deduction of a percentage of the monthly Inventory Modelling Service charge depending on BODSR score and Rachet Mechanism as follows: Score | Deduction 100-90%: **REDACTED** * Rachet

A. Id	B. SOR Ref	C. Service	D. Title	E. Description	F. Evidence Criteria	G. KPI Threshold	H. Monitoring Period (MP) / Assessment Period (AP)	I. Escalation	J. Applicable Deduction
				Defence Log IS Solution (see SoR 2.1.2.8-9). The aggregate of purchases within purchase lead time and the aggregate of repairs within repair turnaround time.	Satisfaction Value (BODSV), defined as the Notional Value of Back Order demands which can be satisfied by stock delivered to the LCS(T) Facility during the Monitoring Period by the Contractor in compliance with the LCS(T) Supplier Manual and expressed as a percentage of the total Notional Value of back orders during the monitoring period. This evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report. AP: Month + rolled-up Back Orders.	BODSR score of <95% or a BODSV score of ,60% constitutes a Fail, triggering the Applicable Deduction. See A.2 for a worked example.			<90-85%: **REDACTED** Rachet <85-80%: **REDACTED** * Rachet <80-75%: **REDACTED** * Rachet <75-70%: **REDACTED** * Rachet < 70%: **REDACTED** * Rachet.
10	2.1.2.10 2.2.3.1	Inventory Modelling Service	Stock to Issue Ratio	The Stock to Issue Ratio (SIR) provides a measure of the efficiency of the Contractor's performance. It will be measured on all Spares NSNs for which the last purchase was initiated by the Contractor.	The Contractor shall report the aggregate SIR measure within the Demands Register (SoR 2.1.2.10); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report See A.4 for an example of how the aggregate SIR is calculated.	The aggregate SIR achieved during the Monitoring Period will be scored. A score <= 30% constitutes a Pass; a score of >30% constitutes a Fail, triggering the Applicable Deduction.	MP: Rolling 12 Months		In the event of a Fail, a deduction of a percentage of the Inventory Modelling Monthly Payment depending on score as follows: Score | Deduction >30-32%: **REDACTED** >32-34%: **REDACTED** >34-36%: **REDACTED** >36-38%: **REDACTED** >38%: **REDACTED**
11	3.2.2.1	Technical Service	Technical Screening Service Efficiency	The Screening Service shall ensure that Screenable Items, which are delivered to the LSC Facility having not been subject to prior screening by the Authority (as documented by the James Component Report for each item), should be screened and the results recorded in the Defence Log IS Solution i.a.w SoR 3.2.2.1. Screening time will be measured from the time an item is collected from the LSC Facility to the time it is successfully delivered to the LCS(T) Facility in compliance with the LCS(T) Supplier Manual.	The Contractor shall report Screening Service performance within the LSC Level-3 Activity Register (SoR 3.2.2.1); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report.	The percentage of Screenable Items received during the Monitoring Period, sent for Screening by the Contractor and screened in the timescales of SoR 3.2.2.1 will be scored. NB: for so long as any item remains out for screening it will be included in the count of Screenable Items, once it is past due. A score >= 90% on constitutes a Pass; a score of <90% constitutes a Fail, triggering the Applicable Deduction. See A.2 for a worked example.	MP: Monthly		In the event of a Fail, a deduction of a percentage of the Technical Service Monthly Payment depending on score as follows: Score | Deduction 89-90%: **REDACTED** < 89%: **REDACTED**
12	3.2.2.1	Technical Service	Technical Screening Service Accuracy	This KPI measures the percentage of items sent for Level-4 Repair, after being screened by the Contractor, which are returned as No Fault Found.	The Contractor shall report No Fault Found performance within the LSC Repair Register (SoR 2.1.2.5); this evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report.	The percentage of items sent for Level-4 Repair after being screened by the Contractor, then being returned to the LCS(T) Facility and recorded on the Defence Log IS Solution as No Fault Found during the Monitoring Period, will be scored. A score <= 1% on constitutes a Pass; a score of >1% constitutes a Fail, triggering the Applicable Deduction.	MP: Monthly		In the event of a Fail, a deduction of a percentage of the Technical Service Monthly Payment depending on score as follows: Score | Deduction >1-2%: **REDACTED** > 2%: **REDACTED**
13.1	4.2.1.2 4.2.1.5 4.2.1.10 2.3.2.4,5,6,7 2.3.4.3,5,6	Information Management Service	Reporting Quality	All GAR Relevant Deliverables, including SoR reports (4.2.1.2,5,10); and plans (2.3.2.4,5,6,7 2.3.4.3,5,6) are to be provided i.a.w. the provisions of Sections 1 and 2 of Schedule 4 (Assurance).	The Contractor shall maintain a register i.a.w Section 3 of Schedule 4 (Assurance) which records the received date and acceptance status of each report or plan. This evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report.	This KPI will be registered as a: (a) "Pass" where: (i) >=80% of the GAR Relevant Deliverables which are due to be submitted in respect of a General Assurance Review in the relevant Contract Month are submitted to the Authority and where the Authority determines that the GAR Entry Criteria in respect of that General Assurance Review has been achieved by the Contractor; and (ii) the Contractor has also registered a "Pass" for KPI 13.2 (as described at KPI 13.2 below); or (b) "Fail" where: (i) >=80% of the GAR Relevant Deliverables which are due to be submitted in respect of a General Assurance Review in the relevant Contract Month are not submitted to the Authority or where the Authority determines that the GAR Entry Criteria in	MP: Monthly		In the event of a Fail, a deduction of a percentage of the Information Management Monthly Payment charge depending on score as follows: Score | Deduction <95-94%: **REDACTED** <94-93%: **REDACTED** <93-92%: **REDACTED** <92-91%: **REDACTED** < 91%: **REDACTED**

A. Id	B. SOR Ref	C. Service	D. Title	E. Description	F. Evidence Criteria	G. KPI Threshold	H. Monitoring Period (MP) / Assessment Period (AP)	I. Escalation	J. Applicable Deduction
						respect of that General Assurance Review has not been achieved by the Contractor; and/or (ii) the Contractor has registered a "Fail" for KPI 13.2 (as described at KPI 13.2 below).			
13.2	4.2.1.2 4.2.1.5 4.2.1.10 2.3.2.4,5,6,7 2.3.4.3,5,6	Information Management Service	Reporting Timeliness	All GAR Relevant Deliverables, including SoR reports (4.2.1.2,5,10); and plans (2.3.2.4,5,6,7 2.3.4.3,5,6) are to be provided i.a.w. the provisions of Sections 1 and 2 of Schedule 4 (Assurance).	The Contractor shall maintain a register i.a.w Section 3 of Schedule 4 (Assurance) which records the received date and acceptance status of each report or plan. This evidence will be evaluated in the KPI Report which forms part of the Monthly Performance Report.	This KPI will be registered as a: (a) "Pass" where: (i) >=95% of the GAR Relevant Deliverables which are due to be submitted in respect of a General Assurance Review in the relevant Contract Month are submitted to the Authority on or before the GAR Submission Date for the relevant General Assurance Review; and (ii) the Contractor has also registered a "Pass" for KPI 13.1 (as described at KPI 13.1 above); or (b) "Fail" where: (i) >95% of the GAR Relevant Deliverables which are due to be submitted in respect of a General Assurance Review in the relevant Contract Month are not submitted to the Authority on or before the GAR Submission Date for that General Assurance Review; and/or (ii) the Contractor has registered a "Fail" for KPI 13.1 (as described at KPI 13.1 above).	MP: Monthly		None (the evaluation of this KPI will always give the same result as that of KPI 13.1, and the deduction made under 13.1 is sufficient).
14	2.3.4.3	Information Management Service	Collaboration	Confirm that bi-annual strategic meetings (as defined in SoR 2.3.4.3) are held and that resulting agreed action plans are implemented.	As part of the Relationship Management Plan (SoR 2.3.4.3) the Authority and Contractor shall agree how and where evidence allowing assessment of this KPI is captured.	To be defined within the Relationship Management Plan (SoR 2.3.4.3).	To be defined within the Relationship Management Plan (SoR 2.3.4.3).		To be defined within the Relationship Management Plan (SoR 2.3.4.3).
15	2.3.4.4	Information Management Service	360o Assessment	This KPI assesses the degree to which 360o assessments are carried out and analysed i.a.w SoR 2.3.4.4.	As part of the Relationship Management Plan (SoR 2.3.4.3) the Authority and Contractor shall agree how and where evidence allowing assessment of this KPI is captured.	To be defined within the Relationship Management Plan (SoR 2.3.4.3).	To be defined within the Relationship Management Plan (SoR 2.3.4.3).		To be defined within the Relationship Management Plan (SoR 2.3.4.3).

Schedule 7

Authority Obligations

Part 1 - Purpose and Principles of Authority GFA

1 Purpose

The purpose of this Schedule 7 (*Authority Obligations*) is to set out all of the Authority's obligations in providing GFA for the purposes of this Contract and to identify any Discretionary GFA which the Authority elects to provide to the Contractor.

2 Contractor Deliverable/GFA Linkage

2.1 The Authority shall only be responsible for GFA provision (which does not include the provision of any Discretionary GFA) as is specifically incorporated as a GFA obligation in column 4 of the table which details Authority GFA obligations for the relevant Contractor Deliverable (such table being contained in Part 2 of this Schedule 7 (*Authority Obligations*) (the "**Table**") as further described in paragraph 2.2 below.

2.2 Subject to the provisions of paragraph 2.5 (*No relief etc. arising from provision of Discretionary GFA*), failure by the Authority to supply or perform a GFA obligation will only be considered for the purposes of granting relief to the Contractor of any of its obligations under this Contract in respect of the performance of any relevant Contractor Deliverables where:

2.2.1 the relevant Contractor Deliverable which may be impacted in the event of a failure by the Authority to meet the relevant GFA obligation is identified in column 7 of the Table by reference to the relevant Serial number or numbers of Annex 1 to Schedule 2 (*Statement of Requirements*) and where the relevant GFA obligation is specifically set out in columns 2 to 6 of the Table; and

2.2.2 where the Contractor has also fully complied with all of the Contractor's obligations which relate to the relevant GFA obligation:

(i) as specified in columns 8 and 9 of the Table; and

(ii) where the Contractor has also fully complied with its obligations in Clause 31 (*Authority Performance Failures*) and paragraph 2.3 (*Contractor notification of GFA Failure*),

subject always to any limitations relating to the provision by the Authority of the relevant GFA obligation, as specified in column 10 of the Table.

Contractor notification of GFA Failure

2.3 Without prejudice to the provisions of Clause 31 (*Authority Performance Failures*), the Contractor shall also notify any alleged GFA Failures to the Authority's Representative forthwith following such GFA Failure.

No double counting

2.4 Where, but for the provisions of this paragraph 2.4, the same matter, event and/or circumstance affects an item, Item, asset and/or service relating to a Contractor Deliverable which is the subject of an element of a GFA obligation and which is referred to in (or encompassed within) more than one row in the Table and, as a result, gives rise to a potential GFA Failure under more than one row in such Table, only one GFA Failure shall be deemed to have occurred in respect of such matter, event and/or circumstance.

No relief etc. arising from provision of Discretionary GFA

2.5 The Contractor shall not be relieved from any of its obligations under this Contract which arise directly or indirectly from the provision of Discretionary GFA, the failure to provide Discretionary GFA, the fitness for purpose of Discretionary GFA and/or any other deficiency of and/or circumstance arising from Discretionary GFA nor shall any such matters give rise to any rights or remedies for the Contractor of any kind and the provisions of paragraphs 3.5 to 3.7 (*Provision of Discretionary GFA*) shall apply.

3 Provision by the Authority of GFA and Discretionary GFA

Provision of GFA

3.1 The Authority shall supply the relevant GFA obligation in accordance with the provisions of and subject to any limitations or special circumstances set out in the columns of the Table in the relevant row relating to the relevant GFA obligation).

3.2 All GFA shall be subject to the provisions of Clause 59 (*Issued Property*).

3.3 The Authority shall be responsible for delivery of each item of GFA to the Contractor's premises at Building 6, JSCS Ashchurch, Tewkesbury, Gloucestershire, GL20 8LZ unless another agreed delivery address is specifically set out in the Table.

3.4 The Contractor shall return all GFA to the Authority in the manner provided in Clauses 59.14 and 59.15 (*Issued Property*) (as the case may be).

Provision of Discretionary GFA

3.5 Where the Authority provides any Discretionary GFA, the provisions of Clauses 31.7 to 31.13 (*Authority Performance Failures*) shall apply and the Authority shall have no liability to the Contractor arising from such provision and/or any requirement by the Authority for the return of any Discretionary GFA.

3.6 Any Discretionary GFA provided by the Authority shall be set out in the table at Part 3 (*Discretionary GFA*) to Schedule 7 (*Authority Obligations*).

3.7 When any Discretionary GFA is returned to the Authority, the table at Part 3 (*Discretionary GFA*) to this Schedule 7 (*Authority Obligations*) shall be updated and the Contractor shall provide an updated table at Part 3 (*Discretionary GFA*) to this Schedule 7 (*Authority Obligations*) for approval by the Authority. Following the Authority's agreement to such updated table at Part 3 (*Discretionary GFA*) to this Schedule 7 (*Authority Obligations*), both Parties shall sign two copies of such table and each Party shall retain one (1) original signed copy of such updated table.

4 Special provisions relating to Equipment, Tooling and Test Equipment

4.1 All Equipment to be provided by the Authority as identified in the Table (contained in Part 2 of this Schedule 7 (*Authority Obligations*)) shall be delivered by the Authority to the Contractor's premises at Building 6, JSCS Ashchurch, Tewkesbury, Gloucestershire, GL20 8LZ on or before the relevant date contained in the Table in Part 2 of this Schedule 7 (*Authority Obligations*).

4.2 Notwithstanding any other provision of this Contract, the Authority shall not be obliged to provide (and/or procure the provision of), make available, calibrate and/or exchange any items of equipment, tooling and/or test equipment other than the test equipment set out in the Table at Part 2 of this Schedule 7 (*Authority Obligations*) and for the avoidance of doubt it shall be the Contractor's responsibility to calibrate and/or exchange such test equipment pursuant to and in accordance with Serial 2.3.3.1 of Annex 1 to Schedule 2 (*Statement of Requirements*).

5 Procedures

5.1 The Contractor shall:

5.1.1 not do anything that would cause the Authority to be in breach of any of its legal obligations to its employees or Servicemen;

5.1.2 make available to the Authority those Contractor's procedures that may be reasonably applied in relation to the activities to be undertaken by the Authority's employees or Servicemen;

5.1.3 procure that the employees of the Authority and Servicemen and Contractor Personnel are treated equally and fairly;

5.1.4 consider hours of work; and

5.1.5 manage the allocation of engagement with the Servicemen to enable each Serviceman to partake in one period of physical training per week.

5.2 The Contractor shall not hold any disciplinary powers over the Authority's employees and/or Servicemen. However if at any time a member of the employees and/or Servicemen of the Authority:

5.2.1 is deemed guilty of any act of misconduct or neglect during the discharge of his/her duties; or

5.2.2 is found guilty of any act of serious misconduct or continual neglect in the discharge of his/her duties or is found to be medically incapable of performing his/her duties (subject to confirmation by the Authority of such medical incapacity),

then the Contractor shall notify the Authority immediately of the matters alleged to have occurred as identified in paragraphs 5.2.1 to 5.2.2 and shall include in any such notice details of the proposed action that the Contractor reasonably considers necessary to deal with any issue relevant to the continued performance of the Contractor Deliverables arising from such matters. On receipt of the notice, the Authority will consider the Contractor's proposals and supporting evidence and take such action as it reasonably considers necessary to rectify the alleged issue. Any action to replace any employees of the Authority and/or Servicemen will be at the Authority's discretion.

5.3 In the event of any industrial action involving Contractor Personnel and/or its Sub-Contractors, the Contractor shall ensure that no employees of the Authority and/or Servicemen are engaged in additional activities which would normally have been carried out by the Contractor Personnel who are involved in the industrial action, unless otherwise agreed in advance by the Authority.

5.4 The Contractor agrees and acknowledges that its direction and management of the employees of the Authority and Servicemen (for which the Contractor is or becomes responsible, including, without limitation, the output of such persons whilst under such direction and management) shall not have the effect of transferring from the Authority to the Contractor the Authority's rights, duties, powers, liabilities and obligations in respect of any contract of employment or other relationship which exists within the Authority in relation to the employees of the Authority and Servicemen.

6 Provision of Authority Personnel

6.1 The Authority shall:

6.1.1 in response to a local, national or global emergency, reserve the right to remove the employees of the Authority and Servicemen at any time and accept that such reduction may result in a GFA Failure;

6.1.2 not be (and the Contractor shall be) responsible for ensuring that all attendance time (as logged on any Contractor time recording system) is recorded by the Contractor.

Part 2 – GFA Provision linked to the Contractor Deliverables

This Table details the Authority obligations to provide GFA in support of the Contractor's obligation to provide the identified Contractor Deliverables

1	2	3	4	5	6	7	8	9	10
No	**GFA Type**	**NSN**	**Description**	**Quantity**	**Date required**	**Relevant Contractor deliverable potentially impacted by non-GFA provision**	**Duration and Notice**	**Additional Contractor Obligations relating to GFA**	**Authority Limitations**
Government Furnished Equipment									
1	Equipment	-	**ADDITIONAL ITEMS REQ consisting of:**						
1.1	Equipment	7025-99-958-4391	EXTERNAL MEMORY DEVICE (8GB)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
1.2	Equipment	-	**VUDT/PBPU KEYBOARD ASSY consisting of:**						
1.2.1	Equipment	7025-01-664-4293	VUDT/PBPU KEYBOARD 1 P VUDT/PBPU KEYBOARD	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
1.2.2	Equipment	5995-01-531-6165	VUDT/PBPU KEYBOARD CABLE 1 L VUDT/PBPU KEYBOARD CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
2	Equipment	-	**VUDT/PBPU KEYBOARD ASSY consisting of:**						
2.1	Equipment	7025-01-664-4293	VUDT/PBPU KEYBOARD	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
2.2	Equipment	5995-01-531-6165	VUDT/PBPU KEYBOARD CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3	Equipment	5995-99-280-2454	**BDF CABLE KIT consisting of:**	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.1	Equipment	5140-01-422-5426	BDF CABLE KIT BAG	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

3.2	Equipment	5995-99-358-5766	BEC ADAPTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.3	Equipment	5995-99-481-9589	BIDS CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.4	Equipment	5995-99-235-4799	BUCD ADAPTOR CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.5	Equipment	5995-99-133-3931	BUCD POWER CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.6	Equipment	5995-99-975-2075	EPI ADAPTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.7	Equipment	5895-99-313-4456	ETHERNET AUI ADAPTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.8	Equipment	5995-99-988-2859	ETHERNET CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.9	Equipment	5965-99-300-4202	HANDSET - PRESSEL & CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.10	Equipment	5995-99-666-2340	HF RADIO POWER CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.11	Equipment	5995-99-851-8283	UKVRC340 SDE PP CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.12	Equipment	5995-99-975-2074	UKVRC340 SDE WP CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
3.13	Equipment	5995-99-608-9477	VHF RADIO CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
4	Equipment	-	**BDF TERMINAL consisting of:**		IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
4.1	Equipment	7025-99-391-3166	BDF HDD	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

4.2	Equipment	7010-01-664-3710	BUDT (CT1) MK3	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
4.3	Equipment	6130-01-508-0225	BUDT/PBPU/VUDT AC-DC ADAPTOR - BDF	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5	Equipment	5895-99-835-6589	**BUDT/PBPU TEST KIT consisting of:**	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.1	Equipment	5935-99-509-7271	45901 D-SUB ADAPTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.2	Equipment	7025-99-693-1002	DISPLAY	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.3	Equipment	6120-99-148-5099	DISPLAY POWER SUPPLY UNIT (PSU)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.4	Equipment	5935-99-835-6588	ETHERNET LOOPBACK	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.5	Equipment	5935-99-515-2294	ETHERNET LOOPBACK CONNECTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.6	Equipment	5995-99-323-1147	KEYBOARD/USB CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.7	Equipment	5340-99-566-2445	MONITOR STAND	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.8	Equipment	5935-99-666-2678	PARALLEL LOOKBACK CONNECTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.9	Equipment	5995-99-148-5164	PSU AC INPUT CABLE (KETTLE LEAD)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.10	Equipment	5935-99-880-0221	SERIAL LOOKBACK CONNECTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.11	Equipment	5305-99-488-8347	THUMBSCREW	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

5.12	Equipment	5305-99-836-5882	THUMBSCREW	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.13	Equipment	5995-99-984-8157	UDT CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
5.14	Equipment	5995-99-443-7080	VIDEO CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6	Equipment	-	**DIGITAL TEST SET consisting of:**		IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.1	Equipment	-	BAGS consisting of:		IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.1.1	Equipment	8465-20-002-1521	CABLE BAG LARGE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.1.2	Equipment	8465-20-001-9124	CABLE BAG SMALL	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.2	Equipment	5975-20-001-7281	DISPLAY MOUNT ERV	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3	Equipment	-	**DTS - INTERFACE CABLES consisting of:**		IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.1	Equipment	6150-20-001-3250	CABLE ASSEMBLY - DTS EPS	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.2	Equipment	6150-20-001-3470	CABLE ASSEMBLY - DTS EPS-T	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.3	Equipment	6150-20-001-3471	CABLE ASSEMBLY - EUT POWER	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.4	Equipment	6150-20-001-3241	EUT 1	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.5	Equipment	6150-20-001-3242	EUT 2	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

6.3.6	Equipment	6150-20-001-3251	INTERFACE CABLES DTS TO BAIU + SAIU	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.7	Equipment	6150-20-001-3233	INTERFACE CABLES DTS TO BEOM	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.8	Equipment	6150-20-001-3226	INTERFACE CABLES DTS TO BNAU	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.9	Equipment	6150-20-002-3307	INTERFACE CABLES DTS TO RSB + USB	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.10	Equipment	6150-20-001-3249	INTERFACE CABLES DTS TO SIU	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.11	Equipment	5995-20-002-1449	INTERFACE CABLES DTS TO TSB	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.12	Equipment	5895-20-002-6658	SMALL PARTS KIT COMPLETE consisting of:	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.12.1	Equipment	6060-99-549-7719	DTS-BEOM SHORTING PLUG-OPT LOOPBACK	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.3.12.2	Equipment	6150-20-001-3343	POWER LOOPBACK CONNECTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.4	Equipment	5975-20-001-7259	DTS RACK ASSEMBLY	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.5	Equipment	5999-99-690-7078	EARTH BRAID - M6 R-M6 RF-800-25X2.2	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.6	Equipment	5999-99-474-6718	EARTH BRAID - M8S 1500 M8R	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7	Equipment	-	INTERCONNECTION/POWER CABLES consisting of:		IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.1	Equipment	6150-20-001-3473	CABLE ASSEMBLY - DC POWER	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

6.7.2	Equipment	5995-20-001-7271	CABLE ASSEMBLY - LOW SMOKE - ENET	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.3	Equipment	5995-20-001-7274	CABLE ASSEMBLY - LOW SMOKE - ENET	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.4	Equipment	6150-20-001-3474	CABLE ASSEMBLY - RS232 -901	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.5	Equipment	6150-20-001-7283	CABLE ASSEMBLY - RS232 -902	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.6	Equipment	6150-20-002-3475	DTS USER POWER OU	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.7	Equipment	6150-01-522-0436	POWER CORD 2.5M UK MOULDED PLUG	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.8	Equipment	6150-20-001-7278	POWER CORD AC TO BRITISH STYLE 4	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.7.9	Equipment	6150-20-001-7279	POWER CORD AC TO BRITISH STYLE 4	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.8	Equipment	5895-20-002-1458	INTERFACE UNIT FOR EQUIPMENT	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.9	Equipment	5915-20-001-7266	LCD POWER FILTER	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.10	Equipment	7021-20-002-3134	MAINTENANCE AID COMPUTER	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.11	Equipment	7025-20-002-1995	MAINTENANCE AID COMPUTER DISPLAY	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.12	Equipment	7025-01-518-9342	MAINTENANCE AID COMPUTER KEYBOARD	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
6.13	Equipment	6130-20-002-3126	POWER SUPPLY FOR DIGITAL TEST SET	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

7		-	**MICRO PROBE SET consisting of:**						
7.1	Equipment	6625-01-525-7773	PROBES TIP	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
7.2	Equipment	8465-01-525-8194	TEST LEAD POUCH	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
7.3	Equipment	6625-01-525-7772	TEST LEAD PROBES	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
7.4	Equipment	6625-01-504-4827	TEST LEADS	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
8		-	**MISC TEST CABLES consisting of:**						
8.1	Equipment	5995-99-288-7089	B-PDU-B TEST CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
8.2	Equipment	5995-99-399-0869	B-PDU-C TEST CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
8.3	Equipment	6150-99-724-3633	EUT POWER CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
8.4	Equipment	5995-01-536-1145	HQ PRINTER TEST CABLES SERIAL/PARA	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
8.5	Equipment	5995-99-156-2460	HQ PRINTER TEST CABLES UBS TEST	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9	Equipment	6625-20-002-4757	**Radio Test Set consisting of:**	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.1	Equipment	6150-01-519-4342	Cable W1 - PCGU1 to SMU 1	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.2	Equipment	6150-01-519-4341	Cable W2 - PCGU2 to SMU 2	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.3	Equipment	6150-01-519-9309	Cable W3 - PCGU PWR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

9.4	Equipment	5975-20-001-7281	DISPLAY MOUNT ERV	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.5	Equipment	5915-20-001-7266	LCD POWER FILTER	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.6	Equipment	6130-01-542-5175	POWER CONTROL GENERATION UNIT	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7		-	**RTS - Test Program Hardware consisting of:**						
9.7.1	Equipment	8465-20-001-9124	CABLE BAG SMALL	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.2	Equipment	5995-01-565-7356	Cable - BNC-BNC	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.3	Equipment	6150-01-564-8081	Cable W21 - RTS to HF Radio	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.4	Equipment	6150-01-519-3828	Cable W22 - RTS to HFPA	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.5	Equipment	6150-01-519-4055	Cable W23 - RTS to PPS	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.6	Equipment	6150-01-564-7640	Cable W24 - SP G1-59-5050-802	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.7	Equipment	6150-01-573-2469	Cable W25 - RTS to VPT	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.8	Equipment	6150-01-536-0739	Cable W26 - RTS to VPT OTS	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.9	Equipment	6150-01-519-4061	Cable W27 - RTS to DRM	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.10	Equipment	6150-01-519-4056	Cable W28 - RTS to IFPA/RFPA	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

9.7.11	Equipment	6150-01-564-7642	Cable W29 - SP G1-59-5100-802	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.12	Equipment	5995-01-600-2750	Cable W32 - SP G1-59-5130-801	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.13	Equipment	5995-01-519-4320	Cable W33 - ELEC (TNC/BNC)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.14	Equipment	5995-01-519-4321	Cable W34 - ELEC (N/N)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.15	Equipment	5995-01-519-4322	Cable W35 - ELEC (N/TNC)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.16	Equipment	6150-01-519-4981	Cable W36 - ELEC, BR, AAC	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.17	Equipment	5995-01-569-2140	Cable W38 - ELEC - AAC	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.18	Equipment	6150-01-564-7643	Cable W39 - ELEC - UKVRC340	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.19	Equipment	6150-01-531-2247	Cable W4 - Tx Duplex	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.20	Equipment	5995-01-577-9602	Extender Cable (HF Radio)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.21	Equipment	5975-01-526-8453	Holding Fixture (EUT Holding Brac)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.22	Equipment	5340-01-577-3222	Holding Fixture (HF Radio)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.23	Equipment	5975-01-567-5641	Holding Fixture (IFPA/RFPA)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.24	Equipment	5920-99-216-0079	LIGHTNING ARRESTOR KEEP WITH VRC340	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

9.7.25	Equipment	5935-01-505-4191	RF Adaptor	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.26	Equipment	5820-99-155-5380	UKVRC340 (BCIP 5.6)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.7.27	Equipment	5985-01-291-9167	UKVRC340 Attenuator	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.8		-	**RTS Cable Test Accessory Kit (CTAK) consisting of:**						
9.8.1	Equipment	5935-01-507-1732	Adaptor - COAX ADAPTOR	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.8.2	Equipment	5935-01-520-7538	Adaptor - RF ADAPTOR to HF RADIO	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.8.3	Equipment	6625-01-557-3979	FLUKE TL221 SUREGRIP 1 C NOT PROVISIO	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.8.4	Equipment	6625-01-353-4383	FLUKE TP80 PROBES 1 NOT PROVISIO	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.8.5	Equipment	6625-01-597-0420	Probe, Scope (RTS DIAGNOSTICS)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.9	Equipment	5975-20-002-4090	RTS Rack Assembly	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.10	Equipment	8145-99-151-4091	RTS Transit Case	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.11	Equipment	7025-20-002-1995	SMU Display (Shark SL-15)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.12	Equipment	7025-01-518-9342	SMU Keyboard (RTS/DTS KEYBOARD)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
9.13	Equipment	5935-01-564-7639	Shorting Plug (Self-Test)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

9.14	Equipment	5820-99-939-2661	STIMULUS MEASUREMENT UNIT (SMU)	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
10	Equipment	6625-01-511-8080	**SURGE PROTECTOR TEST KIT consisting of:**	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
10.1	Equipment	6625-01-511-7645	BLACK TEST CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
10.2	Equipment	6625-01-511-6263	RED TEST CABLE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
10.3	Equipment	6625-01-433-2218	SURGE TESTER	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
10.4	Equipment	6625-01-525-2902	SURGE TESTER CASE	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11	Equipment	4320-99-151-4634	**VACUUM/PRESSURE PUMP KIT consisting of:**	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.1	Equipment	5330-99-226-0560	DOWTY SEAL, 12MM	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.2	Equipment	6685-99-334-6058	GAUGE AND VALUE ASSEMBLY	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.3	Equipment	4720-99-212-7360	HOSE ASSEMBLY	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.4	Equipment	5310-99-850-4144	NUT, M4	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.5	Equipment	5331-99-740-0550	O-RING	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.6	Equipment	5331-99-302-0991	O-RING	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.7	Equipment	4310-99-958-3794	PUMP ASSEMBLY	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		

11.8	Equipment	4730-99-968-4144	RECTUS PLUG (1), M12	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.9	Equipment	4730-99-425-4619	RECTUS PLUG (2), 42491 UNF	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.10	Equipment	4730-99-676-4902	RECTUS PLUG (3), 43556 UNF	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
11.11	Equipment	4730-99-551-7658	RECTUS PLUG, M4	1	IOC	Acceptance of FOC and SOR 3.2, 4.1 and 5.1	Contract End		
Government Furnished Information									
1	Information		Access to BIWMS		CA	SOR 2.1.2.8 2.1.2.9 2.2.2.3 2.4.1.8	Contract End	Contractor must ensure they have completed all relevant BIWMS training	
2	Information		Sponsor access to the BUCK+ portal		CA	All requirements that require access to information that is available through BUCK+	Contract End	It is likely that the Contractor will need to enter into a formal arrangement with GDUK for this access	
3	Information		Sponsor access to the CSIS portal		CA	All requirements that require access to information that is only available in CSIS	Contract End		
4	Information		BATCIS Product Catalogue		CA		Contract End		The information is correct at the time of publication but may be subject to change and amendment.
5	Information		List of newly codified items for the BCIP 5.6 baseline		CA		FOC		This is issued to help the Contractor understand how supersessions driven by baseline change

									effect the inventory. The NSN is only valid up to the point it is superseded.
6	Information		Sponsor access to the Defence Courier Service		CA	SOR 2.1.5.2	Contract End		
7	Information		Access to JAMES		CA	SOR 2.1.4.7 2.3.2.3	Contract End	Maintain JAMES training currency and compliance with all JAMES access policies and procedures	
8	Information		UID tagging information, including UID marking schema		CA	SOR 2.1.2.6 2.1.5.7 2.1.5.14	Contract End		
9	Information		Critical Items List		CA	Unable to meet the higher level of availability for critical items	Contract End		
10	Information		5 years of historic demand data		CA	SOR 2.2.2.3	Contract End		The Authority does not warrant the accuracy of this data until final issue after negotiations are complete and Contract has been awarded.
11	Information		LE TacCIS Equipment Portfolio as updated by the Authority from time to time		CA		Contract End		
12	Information		List of all ITAR items		CA	Technical Services where controlled items and controlled information cannot be handled and/or accessed by the Contractor	Contract End	The Contractor must ensure all necessary licenses and permissions to handles items are in place	The Authority will sponsor and support Import/Export control applications in support of the LSC service.
13	Information		List of cryptographic items		CA	Technical Services where controlled	Contract End	The Contractor must ensure all	

						items and controlled information cannot be handled and/or accessed by the Contractor		necessary licenses and permissions to handles items are in place.	
14	Information		ASSC (Assets Subject to Special Control)		CA	Technical Services where controlled items and controlled information cannot be handled and/or accessed by the Contractor	Contract End	The Contractor must ensure all necessary licenses and permissions to handles items are in place.	The Authority will sponsor and support special control applications in support of the LSC service.
15	Information		Authority to provide access to BOWMAN level 3 maintainer training course		CA	Technical Services: Level-3 Screening and Maintenance	FOC	As per SOR 3.2.1.2	Training will be made available at the request of the Contractor any time after CA.
16	Information		Authority to provide access to JAMES user training course		IOC	JAMES related requirements	FOC		Training will be made available at the request of the Contractor any time after IOC achievement.
17	Information		Authority to provide access to BIWMS user training		CA	JAMES related requirements	IOC		
18	Information		Access to IETP (Interactive Electronic Technical Publications)		CA	1. SOR 2.3.5 3.2 Technical Services: Level-3 Screening and Maintenance	Contract End		Access to IETP subject to Contractor demonstrating all necessary ITAR/EAR licenses and permissions are executed.
19	Information		Access to TDOL (Technical Documents On Line)		CA	Technical Services: Level-3 Screening and Maintenance	Contract End		Access to TDOL subject to Contractor demonstrating all necessary ITAR/EAR licenses and permissions are executed.
20	Information		LSC Level-3 Screening list		CA	SOR 3.2	Contract End		
21	Information		LSC Level-3 Repair list		CA	SOR 3.2	Contract End		

22	Information		Weekly Transition Progress Report Template		CA	Weekly reporting requirements from CA to FOC	FOC		
23	Information		LSC Remedial Action Plan Templates		CA	Delivery of remedial action plans in relation to performance issues	Contract End		
24	Information		Transition Organisation Chart template		CA	SOR 2.5.1	FOC		
25	Information		RACI template		CA	SOR 2.5.1	FOC		
26	Information		Purchasing Catalogue template		CA	SOR 2.1.3.2	Contract End		
27	Information		Repair Catalogue template		CA	SOR 2.1.4.2	Contract End		
28	Information		E-purge certificate template		IOC	SOR 3.2.4.3	Contract End		
29	Information		MOD Form 683 Incident Reporting		IOC	SOR 2.1.4.6	Contract End		
30	Information		Discrepancy report template MOD form 445		CA	SOR 2.1.5.10	Contract End		
31	Information		Authority to provide Access to Defence Connect and to the Defence Logistics Framework		CA	SOR 2.1.6.1 2.1.5.6 2.2.3.1	Contract End		
32	Information		Design Services Contractor (General Dynamics UK) 'LSC Collaboration Plan' ref: DSCLSCCP DSC-0298-0004		CA	SOR 2.3.5	Contract End		
33	Information		Authority to provide BCIP 5.6 baseline image for Technical Services as updated by the Authority from time to time		IOC	3.2.4.1	Contract End		The Authority will ensure that any directions given by Army HQ about the unitary build image are passed on to the Contractor.

Part 3 – Discretionary GFA

This Part 3 of Schedule 7 (*Authority Obligations*) is in the Agreed Form document entitled "Discretionary GFA Table"

This Table details the Discretionary GFA which the Authority elects to provide to the Contractor

1	2	3	4	5	6
No	**GFA Discretionary**	**Description**	**Date Authority agrees to provide Discretionary GFA**	**Duration (for each item commencing after the relevant date specified in column 4)**	**No risk to the Authority**
					The provisions of Part 1 of this Schedule 7 (*Authority Obligations*) and Clauses 31.8 to 31.13 (*Authority Performance Failures*) shall apply to the provision of all items of Discretionary GFA and all such Discretionary GFA provided by the Authority is at the sole risk of the Contractor.

Schedule 8

Governance and Management

Part 1 – Governance and Management Framework

1 Purpose

1.1 The purpose of this Schedule 8 (*Governance and Management*) is to set out the structures and processes that the Authority and the Contractor will use in order to manage this Contract to ensure delivery of the Contractor Deliverables and all the other obligations of the Contractor under this Contract.

2 Authority's Governance Structure

2.1 It is noted that this Contract comes within the wider LE TacCIS Programme and therefore comes under the governance of the LE TacCIS Programme Board. However, the details of this MOD governance regime are not needed for the day-to-day management of this Contract. Any engagement with wider MOD governance will be through the Dep Head In-Service Support or his/her nominated and empowered representative.

3 Routine Lines of Communication

3.1 The Authority's Project Manager will be the day-to-day point of contact for the Contractor and, as such, the Contractor shall communicate with the Authority's Project Manager unless such communications are of a commercial nature (when such communications shall be referred to the BATCIS Commercial Manager) or unless otherwise stipulated in this Contract.

3.2 The Parties may agree to waive the requirement detailed in paragraph 3.1 (*Routine Lines of Communication*) from time to time in writing.

4 Transition Period – Weekly Project Review and Reporting from Effective Date to IOC Date

4.1 The Authority's Project Manager is responsible for managing and reviewing the Contractor's performance of its obligations and the delivery of the Transition Deliverables pursuant to this Contract through the weekly Project report as more particularly referred to in paragraph 4.6 (the "**Weekly Project Report**").

4.2 During the period from the Effective Date to the IOC Date, a weekly Project review will be held face-to-face at the Contractor's Premises (or by another method if deemed suitable by the Authority) ("**Weekly Project Review**").

4.3 The Weekly Project Review shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to Transition.

4.4 The Contractor shall provide to the Authority's Project Manager the Weekly Project Report by 4.30 p.m. on the last Working Day of the week to which the Weekly Project Report relates.

4.5 The Weekly Project Review shall be held on a day and time agreed from time to time by the Parties and, if the Parties fail to agree, on the Working Day following the provision of the Weekly Project Report pursuant to paragraph 4.4 at 2.00 p.m.

4.6 The Weekly Project Report shall detail the Contractor's performance of its obligations and the delivery of the Transition Deliverables pursuant to this Contract by providing information on:

4.6.1 the activities performed by the Contractor in the week just ended pursuant to the Transition Plan;

4.6.2 current progress in relation to the Transition IOC Completion Requirements referred to in Appendix 1 to Schedule 10 (*Transition*);

4.6.3 the status of the then current MAC IOC Evidence Checklist referred to in paragraph 11.4.2 of Schedule 10 (*Transition*);

4.6.4 if applicable, a discussion on any proposal relating to the Transition IOC Remediation Plan that is required in accordance with paragraph 3 of Schedule 10 (*Transition*);

4.6.5 where there is a current Transition IOC Remediation Plan, an up-date on the status of the Transition IOC Remediation Plan for the week just ended;

4.6.6 any other matters, risks, threats, issues or impediments required to be notified to the Authority in relation to the Transition Deliverables (including in relation to behaviours); and

4.6.7 any other matter reasonably required by the Authority in relation to the Transition Deliverables.

4.7 The Contractor's Project Manager shall minute the Weekly Project Review and shall distribute such minutes and a record of decisions and actions to the Authority for agreement or subsequent amendment within one (1) Working Day of the review to the Authority's Project Manager. The Authority's Project Manager shall incorporate such amendments and distribute the agreed minutes to all other attendees at the review within one (1) Working Day after receipt of the draft minutes from the Contractor.

5 Transition Period – Fortnightly Project Review and Reporting from IOC Date to the Actual FOC Date

5.1 The Authority's Project Manager is responsible for managing and reviewing the Contractor's performance of its obligations and the delivery of the Transition Deliverables pursuant to this Contract through the fortnightly Project report as more particularly referred to in paragraph 5.6 (the "**Fortnightly Project Report**").

5.2 During the period from the IOC Date to the Actual FOC Date, a fortnightly Project review will be held face-to-face at the Contractor's Premises (or by another method if deemed suitable by the Authority) ("**Fortnightly Project Review**").

5.3 The Fortnightly Project Review shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to Transition.

5.4 The Contractor shall provide to the Authority's Project Manager the Fortnightly Project Report by 4.30 p.m. on the last Working Day of the week to which the Fortnightly Project Report relates.

5.5 The Fortnightly Project Review shall be held on a day and time agreed from time to time by the Parties and, if the Parties fail to agree, on the Working Day following the provision of the Fortnightly Project Report pursuant to paragraph 5.4 at 2.00 p.m.

5.6 The Fortnightly Project Report shall detail the Contractor's performance of its obligations and the delivery of the Transition Deliverables pursuant to this Contract by providing information on:

5.6.1 the activities performed by the Contractor in the week just ended pursuant to the Transition Plan;

5.6.2 current progress in relation to Transition FOC Completion Requirements referred to in Appendix 1 to Schedule 10 (*Transition*);

5.6.3 the status of the then current MAC FOC Evidence Checklist referred to in paragraph 12.4.2 of Schedule 10 (*Transition*);

5.6.4 if applicable, a discussion on any proposal in relation to the Transition FOC Remediation Plan that is required in accordance with paragraph 5 of Schedule 10 (*Transition*);

5.6.5 where there is a current Transition FOC Remediation Plan, an up-date on the status of the Transition FOC Remediation Plan for the week just ended;

5.6.6 any other matters, risks, threats, issues or impediments required to be notified to the Authority in relation to the Transition Deliverables (including in relation to behaviours); and

5.6.7 any other matter reasonably required by the Authority in relation to the Transition Deliverables.

5.7 The Contractor's Project Manager shall minute the Fortnightly Project Review and shall distribute such minutes and a record of decisions and actions to the Authority for agreement or subsequent amendment within one (1) Working Day of the review to the Authority's Project Manager. The Authority's Project Manager shall incorporate such amendments and distribute the agreed minutes to all other attendees at the review within one (1) Working Day after receipt of the draft minutes from the Contractor.

6 LSC Working Group Meeting (LSCWGM)

6.1 From the Actual FOC Date, the LSCWGM will be held in each Contract Month and the venue for such LSCWGM will be held in alternate months at Abbey Wood and the Contractor's Premises (or by telephone or email or at such other location as notified by the Authority to the Contractor from time to time) and the Contractor shall (as the context requires) ensure suitable facilities are booked at the Contractor's Premises (or at the Authority notified alternative venue). In between each LSCWGM, there shall be a fortnightly teleconference on a day and time as notified by the Authority to the Contractor in writing between the Authority's Representatives and the Contractor's Representatives to discuss progress of actions and emerging issues. The LSCWGM will be co-chaired by the Authority's Representative (or other authorised representative) and the Contractor's Representative.

6.2 The LSCWGM shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to this Contract from time to time.

6.3 The LSCWGM shall be held on the second Working Day in the third week of each Contract Month (or on such other day as is reasonably notified by the Authority to the Contractor from time to time) and pursuant to the LSCWGM Terms of Reference. The LSCWGM shall be held on the second Working Day in the third week of each Contract Month provided that:

6.3.1 if the Actual FOC Date occurs on or before the tenth (10th) day of the relevant Contract Month, the first LSCWGM will be held in the same Contract Month as the Actual FOC Date;

6.3.2 if the Actual FOC Date occurs after the tenth (10th) day of the relevant Contract Month, the first LSCWGM will be held in the Contract Month following the Actual FOC Date; and

6.3.3 the first LSCWGM shall be in respect of the period from the Actual FOC Date to the day immediately prior to the date of the meeting.

6.4 Notwithstanding the LSCWGM Terms of Reference, the LSCWG shall review the matters in the LSCWG Monthly Report referred to in paragraph 6.6 and any other business either Party wishes to raise.

6.5 The Contractor's Representative shall provide to the Authority's Representative the LSCWG Monthly Report no less than five (5) Working Days in advance of the relevant LSCWGM.

6.6 The LSCWG Monthly Report shall:

6.6.1 detail the Contractor's performance of its obligations and the delivery of the Contractor Deliverables pursuant to this Contract by providing information on:

(i) the day-to-day management of this Contract with the aim of ensuring that the Contractor performs and delivers within the agreed boundaries of performance, quality, cost and time;

(ii) the status of any outstanding actions from the last Monthly Performance Report, minutes from the last LSCWGM and the associated record of Authority recommendations and actions;

(iii) any relationship matters;

(iv) any Demand matters, including Demand prioritisation, current Demands satisfaction levels, any Demands satisfaction issues and options for resolution;

(v) Actual Demands versus Contractor Demand Forecast, any demand versus forecast issues and options for resolution;

(vi) current state of backorder, any backorder issues and options for resolution;

(vii) current Stock at Hand levels, any Stock at Hand level issues and options for resolution;

(viii) current supply chain issues and options for resolution;

(ix) the number of Repairs submitted and the number of Repairs completed;

(x) any MADS Proposals put forward by the Contractor in response to notification by the Authority pursuant to Schedule 5 (*MADS Process for Catalogue, Critical Items List and/or the LE TacCIS Equipment Portfolio Amendments*);

(xi) current Technical Services activities, any Technical Services issues and options for resolution;

(xii) any LSC Inventory Disposals, any Disposal discrepancies and options for resolution;

(xiii) any proposals and/or opportunities that the Contractor wishes to raise with the Authority to offer added value and/or other benefits to the overall programme or individual projects and, if of interest to the Authority, may later form part of a future Contractor Change Notice;

(xiv) any other matters, risks, threats, issues or impediments required to be notified to the Authority in relation to the Contractor Deliverables (including in relation to behaviours);

(xv) the outcome of any GAR undertaken in the relevant month including GAR Entry Criteria and GAR Exit Criteria in accordance with Schedule 4 (*Assurance and Acceptance Process*);

(xvi) progress of the Contractor Deliverables, considering whether Acceptance of any of GAR Relevant Contractor Deliverable has or has not been achieved pursuant to Schedule 4 (*Assurance and Acceptance Process*); and

(xvii) any other matter reasonably required by the Authority in relation to the Contractor Deliverables,

(the "**LSCWG Monthly Report**").

6.7 The Contractor's Project Manager shall minute the LSCWGM and shall distribute such draft minutes and a record of decisions and actions to the Authority for agreement or subsequent amendment within one (1) Working Day of the review to the Authority's Project Manager. The Authority's Project Manager shall incorporate such amendments and distribute the agreed minutes to all other attendees at the review within five (5) Working Days after receipt of the draft minutes from the Contractor.

7 LSC Monthly Performance Review and Monthly Performance Report

7.1 From the Actual FOC Date, the LSCMPR will be held each Contract Month and the venue for such LSCWGM will be held face-to-face in alternate months at Abbey Wood and the Contractor's Premises (or by telephone or email or at such other location as notified by the Authority to the Contractor from time to time) and the Contractor shall

(as the context requires) ensure suitable facilities are booked at the Contractor's Premises (or at the Authority notified alternative venue).

7.2 The LSC Monthly Performance Review ("**LSCMPR**") will be co-chaired by the Authority's Project Manager and the Contractor's Project Manager.

7.3 The LSCMPR shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to this Contract from time to time and pursuant to the LSCMPR Terms of Reference.

7.4 Notwithstanding the LSCMPR Terms of Reference, the LSCMPR shall be held on a day and time as agreed between the Parties and, where the Parties cannot agree a date in any Contract Month, at 2.00 pm on the day which is the tenth (10th) Working Day following the commencement of the then relevant Contract Month, provided that:

7.4.1 where the Actual FOC Date occurs on or prior to **REDACTED**, the first LSCMPR shall be scheduled to be held on the tenth (10th) Working Day of **REDACTED**; and

7.4.2 where the Actual FOC Date occurs after **REDACTED**, the first LSCMPR shall be scheduled to be held on the tenth (10th) Working Day of the next Contract Month following the Actual FOC Date (unless the Authority approves an alternative date in accordance with a Transition FOC Remediation Plan) and shall be in respect of the period from the Actual FOC Date to the end of the Contract Month in which the Actual FOC Date occurs.

7.5 The Contractor shall provide to the Authority's Representative a draft Monthly Performance Report (including the content specified in paragraphs 7.9, 8.4, and 9.3 of this Schedule 8 (*Governance and Management*) (as the case may be)) no later than five (5) Working Days after the end of each Contract Month and, following receipt by the Authority's Representative of the relevant Monthly Performance Report, the Contractor shall provide to the Authority any additional reasonable substantiating evidence as may be required by the Authority relating to the relevant Contract Month, with a view to, without prejudice to paragraph 17 of Schedule 6 (*Incorrect Reporting - Incentivisation*), agreeing the contents of the Monthly Performance Report for the relevant Contract Month at the relevant LSCMPR (or, in any event, as soon as reasonably practicable after such review) so as to enable the Contractor to submit its then proposed Monthly Performance Report to the Authority (whether or not agreed at the relevant time) with the relevant form under Clause 20 (*Payment under CP&F*).

7.6 The Authority's Representatives and the Contractor's Representatives shall review the matters in the Monthly Performance Report and any other business at the LSCMPR and the LSCMPR shall last no longer than three (3) hours.

7.7 The Contractor shall minute the LSCMPR and shall distribute such minutes and a record of decisions and actions for agreement or subsequent amendment within five (5) Working Days of the review to the Authority's Project Manager. The Authority's Project Manager shall incorporate such amendments and distribute the agreed minutes to all other attendees at the review within ten (10) Working Days after receipt of the draft minutes from the Contractor.

7.8 Failure to agree the Monthly Performance Report shall not prejudice the Contractor's rights to submit the same in accordance with Clause 20 (*Payment under CP&F*) and/or

the Authority's rights under Clause 24 (*Disputed Amounts*) in respect of any disputed amounts.

7.9 The Monthly Performance Report shall, as a minimum, detail the Contractor's performance of its obligations and the delivery of the Contractor Deliverables pursuant to this Contract and shall, subject to paragraph 9.3 (*LSC Annual Project Review and Annual Performance Report*), provide information on, in respect of the previous Contract Month, as follows:

7.9.1 the minutes of the LSCWG Monthly Report in respect of the previous Contract Month and the associated record of recommendations of the Authority, and actions;

7.9.2 the status of any outstanding actions from the last Monthly Performance Report, minutes from the last LSCMPR and the associated record of Authority recommendations and actions;

7.9.3 overall management of this Contract with the aim of ensuring that the Contractor delivers within the agreed boundaries of performance, quality, cost and time;

7.9.4 any Contractor or Authority requests for a Change and, subject to receipt of any required Authority internal approvals to such Change, following due compliance with the procedures set out in Schedule 11 (*Change Procedure*);

7.9.5 the KPI Report (detailing the performance by the Contractor against each of the KPIs and identifying whether the Contractor has met or has failed to meet the required outputs together with the background data from which the KPI Report has been drawn and the information more particularly referred to in paragraph 7.1 of Schedule 6 (*Incentivisation*);

7.9.6 the Deductions to be levied in respect of the relevant Contract Month in accordance with Schedule 6 (*Incentivisation*) and Schedule 9 (*Pricing and Payment*), including any other adjustments made pursuant to the mechanism for making Deductions;

7.9.7 the information relating to the purchase and location of Spares in accordance with paragraphs 6.1.1 and 6.1.2 of Schedule 9 (*Pricing and Payment*);

7.9.8 the information relating to the carrying out of Repairs in accordance with paragraphs 6.1.1 and 6.1.2 of Schedule 9 (*Pricing and Payment*);

7.9.9 in relation to Directed Purchase Spares, the information required in accordance with paragraph 7.3 of Schedule 9 (*Pricing and Payment*);

7.9.10 in relation to Directed Repairs, the information required in accordance with paragraph 7.4 of Schedule 9 (*Pricing and Payment*);

7.9.11 in relation to any Demand Volume Adjustment, the information required in accordance with paragraph 8.2 of Schedule 9 (*Pricing and Payment*);

7.9.12 the Monthly Payment proposed to be payable in respect of the relevant Contract Month, including itemised information on:

(i) provided that the Authority has (pursuant to paragraph 6.1.3 of Schedule 9 (*Pricing and Payment*)) confirmed to the Contractor, during or after the relevant LSCMPR, that it accepts that the Contractor has complied with its obligations contemplated in paragraphs 6.1.1 and 6.1.2 of Schedule 9 (*Pricing and Payment*):

(A) the aggregate cost of relevant Spares;

(B) the aggregate cost of relevant Repairs;

(ii) provided that the Authority has (pursuant to paragraph 7.3.5 of Schedule 9 (*Pricing and Payment*)) confirmed to the Contractor, during or after the relevant LSCMPR, that it accepts that the Contractor has complied with its obligations contemplated in paragraph 7.3 of Schedule 9 (*Pricing and Payment*), Directed Purchases Spares;

(iii) provided that the Authority has (pursuant to paragraph 7.4.5 of Schedule 9 (*Pricing and Payment*)) confirmed to the Contractor, during or after the relevant LSCMPR, that it accepts that the Contractor has complied with its obligations contemplated in paragraph 7.4 of Schedule 9 (*Pricing and Payment*), Directed Repairs; and

(iv) any proposals of the Contractor pursuant to Clause 5.1.21 of this Contract (*Contractor Warranties*);

7.9.13 progress against the Contract Programme;

7.9.14 Milestones met and details of Milestones that were due to be performed in the Contract Month just ended which the Contractor has failed to meet;

7.9.15 in the first Contract Month of the second Contract Year (and thereafter in the first Contract Month of each subsequent Contract Year), the Demand Volume Adjustment for the Contract Year just ended calculated in accordance with paragraph 8 of Schedule 9 (*Pricing and Payment*);

7.9.16 the outcome of any GAR undertaken in the relevant month including GAR Entry Criteria and GAR Exit Criteria in accordance with Schedule 4 (*Assurance and Acceptance Process*);

7.9.17 progress of the Contractor Deliverables, considering whether Acceptance of any of GAR Relevant Contractor Deliverable has or has not been achieved pursuant to Schedule 4 (*Assurance and Acceptance Process*);

7.9.18 the Authority's performance of Authority Obligations under Schedule 7 (*Authority Obligations*);

7.9.19 the Contractor's General LSC Remedial Action Plan where its performance has fallen below the relevant required output;

7.9.20 the LSC KPI Failure Action Plan where required by the Authority pursuant to paragraph 14 of Schedule 6 (*Incentivisation*);

7.9.21 any disputes which are to be resolved in line with the procedures mutually agreed before the award of this Contract;

7.9.22 any risks, issues, assumptions, dependencies, opportunities and constraints in connection with the project;

7.9.23 any proposals and/or opportunities that the Contractor wishes to raise with the Authority to offer added value and/or other benefits to the overall programme or individual projects and, if of interest to the Authority, may later form part of a future Contractor Change Notice;

7.9.24 a description of any complaints and/or comments made in relation to the performance of the Contractor Deliverables;

7.9.25 at the LSCMPR that is held following the requirement to update and submit the Exit Plan to the Authority pursuant to paragraph 4.5 of Schedule 17 (*Exit Plan*), the Exit Plan;

7.9.26 any other matters, risks, threats, issues or impediments required to be notified to the Authority in relation to the Contractor Deliverables (including in relation to behaviours); and

7.9.27 any other matter reasonably required by the Authority in relation to the Contractor Deliverables.

8 LSC Quarterly Review (LSCQR) and Report

8.1 The first LSC Quarterly Review shall be held on the occurrence of the **REDACTED** LSCMPR and thereafter on each anniversary of a Quarter during the Contract Period and shall replace (but shall not be in addition to) the LSCMPR for the relevant Contract Month.

8.2 The LSCQR shall be held at the location according to the monthly rotation of the LSCMPR referred to in paragraph 7 (*LSC Monthly Performance Review and Monthly Performance Report*).

8.3 Subject to paragraph 8.4 and (where applicable), paragraph 8.5, the provisions of paragraph 6 (*LSC Monthly Performance Review and Monthly Performance Report*) shall apply to the LSCQR.

8.4 The LSCQR shall review the same matters as set out in paragraph 7.9 (*Monthly Performance Report*) and shall also review and report on:

8.4.1 the current Contractor Demand Forecast; and

8.4.2 Key Performance Indicators that are measured quarterly.

8.5 In addition to the matters referred to in paragraph 8.4, the LSCQR shall, in every second Quarter, include a relationship review in line with the Relationship Management Plan pursuant to and in accordance with Serial 2.3.4.3 of Annex 1 to Schedule 2 (*Statement of Requirements*).

8.6 The Contractor shall attend a Quarterly Disposal Working Group ("**DWG**") if requested by the Authority.

8.7 The Contractor shall attend a Quarterly Army Headquarters Availability Working Group if requested and prepare a summary of availability information for all inventory in accordance with Serial 2.1.8.5 of Annex 1 to Schedule 2 (*Statement of Requirements*).

9 LSC Annual Performance Review and Annual Performance Report

9.1 The first LSC Annual Performance Review shall be held on the occurrence of the **REDACTED** LSCMPR and thereafter on each annual anniversary of the **REDACTED** LSCMPR during the Contract Period. The LSC Annual Performance Review shall review the same matters as set out in paragraph 7 (*LSC Monthly Performance Review and Monthly Performance Report*) and paragraph 8 (*LSC Quarterly Review*) and shall also:

9.1.1 review the Contractor's performance of the Contractor Deliverables for the preceding twelve (12) Contract Months; and

9.1.2 the Authority shall confirm any changes it is aware of which it requires to the Critical Items List for the following Contract Year,

and shall be known as the "**LSC Annual Performance Review** ("**LSCAPR**").

9.2 The LSCAPR shall replace (but shall not be in addition to) the LSCMPR (or the LSCQR, as the case may be) for the relevant Contract Month and shall be held at the location according to the monthly rotation of the LSCMPR referred to in paragraph 7 (*LSC Monthly Performance Review and Monthly Performance Report*).

9.3 The Monthly Performance Report to be provided at each LSCAPR shall, in addition to the requirements as detailed at paragraph 7.9 (*LSC Monthly Performance Review and Monthly Performance Report*) and paragraph 8.4 (*LSC Quarterly Review*), include, in a new Part 2:

9.3.1 the KPI results for the preceding twelve (12) Contract Months;

9.3.2 KPIs that are measured annually;

9.3.3 a recommendation as to whether any of the KPIs should be amended and, if so, the proposed Monitoring Methodology and, in the event that any KPIs are amended, such amended KPIs shall be processed in accordance with Schedule 11 (*Change Procedure*);

9.3.4 the relationship status; and

9.3.5 any other matters, risks, threats, issues or impediments required to be notified to the Authority in relation to the Contractor Deliverables (including in relation to behaviours),

and shall be known as the "**Annual Performance Report**".

10 Ad-Hoc Project Review and Ad-Hoc Project Report

10.1 Notwithstanding paragraphs 6 (*LSC Working Group Meeting*), 7 (*LSC Monthly Performance Review and Monthly Performance Report*), 8 (*LSC Quarterly Review and Report*) and 9 (*LSC Annual Performance Review and Annual Performance Report*), the Authority may require an Ad-Hoc Project Review, including the LSC Ad-Hoc Meetings set out in the Table below.

Table: LSC Ad-Hoc Meetings

SoR Serial	Description	Host	Frequency	Location	Inputs	Outputs
2.1.8.4	Obsolescence Review Meeting (BCIP)	GDUK	Monthly	Oakdale	All identified obsolescence issues and completion of actions from previous meeting/s	Record of Decisions and Actions
2.1.8.3	Design Authority configuration management meetings	TBD	As and when required	TBD (could be a physical location or a tele conference)	Logistics updates and information as requested	Record of Decisions and Actions
2.1.8.2	Design Authority Release Control Point meeting	TBD	As and when required	TBD (could be a physical location or a tele conference)	Logistics updates and information as requested	Record of Decisions and Actions
2.1.8.1	ILS Logistic Support Workshops	TBD	As and when required	TBD (could be a physical location or a tele conference)	Logistics updates and information as requested	Record of Decisions and Actions

10.2 The Authority shall notify the Contractor in the event it determines there to be a critical problem in need of addressing to maintain the Contract Programme and/or delivery of the Contractor Deliverables or otherwise.

10.3 In the event of an Ad-Hoc Project Review being required pursuant to paragraph 10.2 (*Ad-Hoc Project Review and Ad-Hoc Project Report*) the Authority shall notify the Contractor of the time, location and format of such review and notify the Contractor if it is to produce an Ad-Hoc Project Report and, if so, the contents required from such report.

10.4 The Contractor shall minute the Ad-Hoc Project Review and shall distribute such minutes and a record of decisions and actions for agreement or subsequent amendment within five (5) Working Days of the review to the Authority's Project Manager. The Authority's Project Manager shall incorporate such amendments and distribute the agreed minutes to all other attendees at the review within ten (10) Working Days after receipt of the draft minutes from the Contractor.

Part 2 - Authority Representatives and Contractor Representatives

Part A - Summary of References to Authority's Representative(s)

"Authority's Representatives" means the persons referred to in Clause 87.5 (Authority's Representatives);

"Representatives" means the Authority's Representatives or the Contractor's Representatives (as appropriate);

LSC Contract – Main Body

Clause	Reference / Context	Representative
2.3	If a Party becomes aware of any conflict or inconsistency within or between the documents referred to in Clauses 2.1 and/or 2.2 (Precedence) such Party's Representative shall notify the other Party's Representative forthwith and the Parties will seek to resolve such inconsistency and if either Party considers the inconsistency to be material, then the matter shall be determined in accordance with the Dispute Resolution Procedure.	Commercial Officer
4.7	Within ten (10) Working Days (or such other period as the Parties may agree) from the date of receipt of the Option Notice from the Authority in accordance with Clause 4.4, the Contractor shall notify the Authority's Representative (together with all supporting detail as is deemed necessary by the Authority)	Commercial Officer
4.8.2	The Contractor shall…work with the Authority's Representative to seek to agree the proposed Option Firm Price (and any consequential adjustment to the Contract respectively); and	Commercial Officer
4.9	4.9 If the Authority's Representative does not accept the proposed Option Firm Price and/or the Milestones and/or the Milestone Payments Schedule and/or other changes to this Contract, the Authority's Representative shall give details of the reasons as to why it does not accept such proposed Option Firm Price and/or Milestones and/or Milestone Payments Schedule and/or proposed changes and the Authority's Representative may request that the Contractor:	Commercial Officer

	4.9.1 provides such further information as the Authority's Representative may require to verify such proposed Option Firm Price and/or Milestones and/or Milestone Payments Schedule and/or proposed changes; and/or 4.9.2 carries out a further calculation of such proposed Option Firm Price and/or revises such Milestones and/or Milestone Payments Schedule and/or proposed changes and provides details of such calculation and/or revisions to the Authority's Representative, in each case in writing and to be provided within a reasonable time period, such time period as specified by the Authority's Representative (by notice in writing) to the Contractor.	
5.2.8	The Contractor undertakes that for so long as this Contract remains in full force the Contractor shall… unless it is unable to do so, assign to the Authority on the Authority Representative's written request and at the cost of the Contractor any such warranties and/or indemnities as are referred to in Clause 5.2.7	Commercial Officer
5.2.10	The Contractor undertakes that for so long as this Contract remains in full force the Contractor shall… gather, collate and provide such information and co-operation as the Authority's Representative may reasonably request for the purposes of ascertaining the Contractor's compliance with its obligations under this Contract	Commercial Officer
9.3	Any Contract Programme submitted in accordance with the provisions set out below shall be prepared in accordance with Good Industry Practice and shall be in sufficient detail so as to enable the Authority's Representative to monitor (as a minimum) ….	Project Manager
9.5	The Contractor shall promptly submit to the Authority's Representative a copy of any version of the Contract Programme varied in accordance with Clause 9 (Compliance with the Contract Programme).	Commercial Officer & Project Manager
9.6	If it appears to the Authority's Representative at any time that the actual progress of the delivery of the whole or any part of the Contractor Deliverables has fallen behind the Contract Programme or the Contract Programme is otherwise delayed, then the Authority's Representative shall be entitled to require the Contractor to submit to the Authority's Representative a report identifying the reasons for the delay and, unless the event causing the delay is still subsisting and it is not possible to predict with any certainty when the delay might come to an end, require the Contractor (at the Authority's option)	Commercial Officer & Project Manager

9.6.1	to produce and submit to the Authority's Representative for approval a revised Contract Programme showing the manner and the periods in which the Contractor Deliverables will be carried out to ensure: (i) Acceptance of each such Contractor Deliverable by the corresponding date specified for Acceptance of that Contractor Deliverable in Schedule 2 (Statement of Requirements) or the relevant Option; and/or (ii) that the relevant part of the Contractor Deliverables to be delivered is delivered by its corresponding date for delivery; and/or	Commercial Officer
9.6.2	to produce and submit to the Authority's Representative for approval a revised Contract Programme showing the steps which are to be taken to eliminate or reduce the delay.	Commercial Officer
9.7	During the Transition Period, the Contractor shall notify the Authority's Representative if at any time the actual progress of the whole or any part of the Contractor Deliverables is significantly ahead of the Contract Programme so that the Contractor anticipates: ….	Commercial Officer & Project Manager
9.8	If the Contractor notifies the Authority's Representative pursuant to Clause 9.7 (Compliance with the Contract Programme) that the actual progress of the whole or any part of the Transition Deliverables is significantly ahead of the Contract Programme, the Authority's Representative shall be entitled to require the Contractor to produce …	Commercial Officer & Project Manager
9.8	require the Contractor to… submit to the Authority's Representative for approval a revised Contract Programme	Commercial Officer
17.2	the Contractor shall… submit to the Authority's Representative its proposed plan for the work to be performed or for the supplies to be provided under that Sub-Contract …	Commercial Officer
17.3	The Contractor shall provide to the Authority's Representative details of the approximate value of each Tender Requirement, together with the proposed list of tenderers… the Authority's Representative will notify the Contractor whether there are any special circumstances which might require, for example, ….	Commercial Officer
17.5	Within twenty (20) Working Days of receipt of the information referred to in Clause 17.4 (Competition in Sub-Contracts) or Clause 17.8 (Competition in Sub-Contracts) or as otherwise agreed, the	Commercial Officer

	Authority's Representative will advise whether the Contractor's proposals are accepted… The Authority's Representative will also notify the Contractor whether and in what manner it wishes to be associated with the pricing of the Sub-Contract or order.	
17.9	The Contractor 17.9.1 has on or prior to the Effective Date, provided details of each Single Source Item known at the time of the Effective Date, and the source from which each Single Source Item was acquired including the company (or relevant entity) name and contact details to the Authority Representative; and 17.9.2 shall provide details of each Single Source Item proposed to be acquired following the Effective Date and the source from such Single Source Item is proposed to be acquired including the company (or relevant entity) name and contact details to the Authority Representative, not less than thirty (30) Working Days before such Single Source Item is proposed to be acquired.	Commercial Officer
17.15	The SSTDP and any such updates shall be issued to the Authority's Representative promptly following production and/or updating.	Commercial Officer
18.4	Where there is no requirement under this Contract for a risk management plan the Contractor shall submit this information to the Authority's Representative.	Commercial Officer
18.16	For a period of up to two (2) years from the end of the Contract Period however extended in accordance with the terms of this Contract and in response to a specific request by the Authority's Representative, the Contractor shall notify the Authority as soon as reasonably practicable of any changes in the information notified previously under Clause 18.13 or 18.14 (Contractor obligation to provide information)….	Commercial Officer
28.3	The Contractor is responsible for the determination of VAT liability. The Contractor is to consult its client relationship manager or the HMRC enquiries desk (and not the Authority's Representative) in cases of doubt. The Contractor shall notify the Authority's Representative of the Authority's VAT liability under this Contract and any changes to it within twenty (20) Working Days of becoming aware the liability is other than at the standard rate of VAT. In the event of any doubt about the applicability of the tax in such cases, the Authority's Representative may require the Contractor to obtain and pass to the Authority a formal ruling from HMRC.	Commercial Officer

28.7	The Contractor shall supply the Authority with a copy of all correspondence between HMRC and the Contractor's advisors regarding the VAT assessment within three (3) Working Days of a written request from the Authority's Representative for such correspondence.	Commercial Officer
29.2	Without prejudice to Schedule 9 (Pricing and Payment), Schedule 6 (Incentivisation) and Schedule 8 (Governance and Management), the Authority, the Authority's Representative and any agents or consultants of the Authority may… undertake inspection of any of the Contractor Deliverables, and make any audit or check of any aspect of the Contractor's performance of this Contract	Commercial Officer & Project Manager
31.7	If the Contractor requests that the Authority provide to the Contractor any Discretionary GFA, it shall do so by written notice to the Authority Representative and any such notice shall…..	Commercial Officer
31.9	The Authority Representative may (but shall not be obliged to) consider any Contractor notice issued in accordance with Clause 31.7 (Discretionary GFA). If the Authority's Representative does consider such notice, he may (but shall not be obliged to) respond to the Contractor by an Authority notice to be issued to the Contractor at any time following receipt of the relevant Contractor notice	Commercial Officer
31.9.1	such Authority notice (if issued by the Authority's Representative) shall… require further information relating to the subject matter of the notice and/or invite the Contractor to discuss the proposal further at a time and place convenient to the Authority's Representative	Commercial Officer
31.11	Notwithstanding any agreement between the Parties as to the period during which the Contractor and/or any Sub-Contractor may have use of any Discretionary GFA, the Authority's Representative may require any Discretionary GFA to be returned to the Authority or delivered to any Third Party ….	Commercial Officer
36.3	If Clause 36.1 (Grounds for Step-In) applies and the Authority wishes to take action, the Authority's Representative shall notify (the "Step-In Notice") the Contractor's Representative in writing	Commercial Officer
36.6	The Authority's Representative shall provide the Contractor's Representative with reasonable notice of the Authority's intention to cease the performance of the Required Action ("Step-Out") and the date on which it intends to do so.	Commercial Officer
40.1.3	the Contractor shall, as a minimum… provide the Financial Management Information to the Authority's Representative ….	Commercial Officer

45B.5.2	The Contractor shall, and shall ensure that any Sub-Contractor shall, on request provide the Authority, the Authority's Representatives and/or the Contractor's NSA/DSA such access to those records as may be required in connection with this Contract.	Commercial Officer
49.1	The Contractor shall, and shall procure that each Sub-Contractor shall, notify the Authority's Representative immediately it becomes aware that an Employee or an accompanied emergency reactive worker pursuant to Clause 48.8 (Admission to Authority Sites and/or Other Contractor's Premises) has breached Clause 47 (Security – Secret Matters) and/or Clause 48 (Personnel Security).	Commercial Officer
49.2	The Contractor shall, and shall procure that its Sub-Contractors shall, give reasonable assistance to the Authority's Representative and/or any other representative or adviser of the Authority for the purposes of carrying out any investigation that the Authority undertakes (acting reasonably)	Commercial Officer & Project Manager
51.2.7	not without the written consent of the Authority's Representative erect any temporary structure.	Commercial Officer
52.5	Where the Contractor's Representatives are required by the Contract to join or visit a Government Establishment overseas, transport…may be provided by the Authority…The Contractor shall make such arrangements through the Authority's Representative.	Project Manager
56.11.1(i)	If the Contractor or their Sub-Contractor is the PDA they shall: (i) on receipt of instructions received from the Authority's Representative nominated in Box 2 of DEFFORM 111 ….	Project Manager
56.12	If Special Jigs and Tools etc. are required for the production of MLP, the Contractor shall obtain written approval from the Authority's Representative before providing them.	Commercial Officer
56B.8.3	The Contractor shall supply the following additional information to the Codification Authority to enable automated item introduction on the Authority's relevant base inventory system. Where this information is not known, the Authority's Representative shall be contacted for guidance	Commercial Officer
57.8	Any SDS to be provided in accordance with this Clause 57 (Supply of Hazard Data)……. shall be sent directly to the Authority's Representative as soon as practicable	Commercial Officer

58.1	…. delivery of Articles shall occur upon the Articles being handed over by the Contractor to the Authority or to the Authority's Representative at the then relevant address in the United Kingdom ….	Commercial Officer & Project Manager as notified by the Authority from time to time
59.14	The Contractor shall at least once in every two (2) Contract Months forward a list of Issued Property ….. to the Authority's Representative. The Authority's Representative shall, within two (2) Contract Months from receipt of the relevant list notify the Contractor of a place or places within the United Kingdom where the Contractor should deliver such Issued Property.	Commercial Officer & Project Manager
59.15	….. on completion or termination of this Contract, the Contractor shall forward a list of Issued Property still held to the Authority's Representative.	Commercial Officer
63.7.4	Pending the transfer to the Public Store Account, the Contractor shall: 63.7.4 forward the list to the Authority's Representative following first Article acceptance and prior to transfer of Special Jigs, Tools Etc. to the Public Store Account	Commercial Officer & Project Manager
75.4	The Authority's Representative may alter the Statement of Requirements, provided always that any such alterations shall not alter the fit, form, function or characteristics of the Contractor Deliverables or otherwise give rise to any change of the nature referred to in Clause 75.6 ("Minor Changes")	Commercial Officer & Project Manager
75.5.1	The Minor Changes referred to in Clause 75.4 shall 75.5.1 be notified by the Authority's Representative in writing	Commercial Officer
76.1	This Contract may not be amended except by the written agreement of the duly authorised Representatives of the Parties	Commercial Officers of both Parties
80.2	The Contractor shall notify the Authority's Representative in writing… if any proposed Change of Ownership is contemplated, including details of the proposed new ownership structure	Commercial Officer
89.1	The Parties will attempt in good faith to resolve any Dispute through negotiations between the respective representatives of the Parties having authority to settle the matter, which attempts may include the use of any Alternative Dispute Resolution ("ADR") procedure on which the Parties may agree.	Commercial Officers of both Parties

Schedule 4 – Assurance and Acceptance Process

Paragraph	Reference / Context	Representative
Part 1 – Assurance and Acceptance Process for certain Contractor Deliverables		
1.3.1	the Contractor shall or shall procure that the relevant Programmed Contractor Deliverable or Unprogrammed Contractor Deliverable ….. is provided to the Authority's Representative on or prior to the GAR Submission Date ….	Project Manager
1.3.2	after the GAR Review Period has commenced and on or prior to the GAR Review Date, the Authority's Representative shall notify the Contractor (in writing) whether it has any comments or objections in relation to the GAR Relevant Deliverable.	Project Manager & Commercial Officer
1.4	If the Authority's Representative intends to raise comments and/or raise objections and/or raises comments on or objects to any GAR Relevant Deliverable, he shall state the reasons for (and shall provide such evidence or other information as may be reasonably necessary to substantiate) such comments or objections.	Project Manager & Commercial Officer
1.5.1	a GAR shall not (unless otherwise agreed in writing by the Authority's Representative) take place if the GAR Entry Criteria in respect of that GAR has not been satisfied	Commercial Officer
1.5.2	the GAR Review Period shall not (unless otherwise agreed in writing by the Authority's Representative) commence until receipt by the Authority's Representative of the GAR Relevant Deliverable …..	Commercial Officer & Project Manager
1.7	The Contractor shall submit any further or other information, data, documents and/or Items and/or items that the Authority's Representative reasonably requires in relation to any GAR to be conducted under this Schedule 4 (Assurance and Acceptance Process).	Commercial Officer
1.8	If the Contractor does not submit any such information, data, documents and/or Items and/or items, the Authority's Representative shall be entitled to: 1.8.1 comment on or object to the GAR Relevant Deliverable ….; or	Commercial Officer

	1.8.2 reject the GAR Relevant Deliverable on the grounds that insufficient information, data, documents and/or Items and/or items have been provided.	
1.9.1	… any GAR Relevant Deliverable ….in respect of which the Authority's Representative has confirmed that it does not have any comments or objections shall	Project Manager
1.9.2	if the Authority's Representative raises comments or objections in relation to a Relevant Deliverable …..	Commercial Officer & Project Manager
1.9.2	…. the Authority's Representative (in his absolute discretion) is satisfied that the GAR Exit Criteria for that GAR can be considered to have been achieved ….	Commercial Officer & Project Manager
1.9.2 (i)	the Contractor shall …. to the extent that such comments or objections do not require the Contractor to undertake further or additional activities and re-submit the GAR Relevant Deliverable …. after amendment and/or adjustment (as the case may be) in accordance with the comments or objections of the Authority's Representative	Commercial Officer & Project Manager
1.9.2 (ii) (B)	to the extent that such comments or objections do require the Contractor to undertake further or additional activities and re-submit the GAR Relevant Deliverable … undertake such further or additional activities as are necessary to address each of the comments and/or objections of the Authority's Representative	Commercial Officer & Project Manager
1.9.2 (ii) (C)	to the extent that such comments or objections do require the Contractor to undertake further or additional activities and re-submit the GAR Relevant Deliverable re-submit the GAR Relevant Deliverable ……. to address the comments or objections raised by the Authority's Representative) to the Authority's Representative within such period and in the manner as the Authority's Representative shall specify at the time of issuing such comments or objections to the Contractor or as otherwise specified at the relevant GAR	Commercial Officer & Project Manager
1.9.2 (ii) (C)	provided always that where: 2) the Authority's Representative has further comments and/or objections in relation to such amendments, adjustments and/or changes (and/or any failure by the Contractor to make such amendments, adjustments and/or changes as would be reasonably required to address such	Commercial Officer & Project Manager

	comments and/or objections of the Authority's Representative) when the GAR Relevant Deliverable ……. is re-submitted, then such GAR Relevant Deliverables (and such information, data, documents and/or Items and/or items) shall be deemed to be a required to be submitted as part of any subsequent GAR as may be notified to the Authority's Representative	
1.9.2 (iii)	the Contractor shall… if it does not accept the comments or objections of the Authority's Representative (and the Parties are otherwise unable to agree such matter), refer the matter for determination in accordance with the Dispute Resolution Procedure (and the Contractor shall not act on and/or proceed on the basis of the GAR Relevant Deliverable and/or such information, data, documents) until such matter is so determined in accordance with this paragraph 1.9.2 or otherwise agreed in writing).	Commercial Officer & Project Manager
1.10.1 (i) (B) and (C)	if the Authority's Representative raises comments or objections in relation to a Relevant Deliverable …….., the Contractor shall: (B) undertake such further or additional activities as are necessary to address each of the comments and/or objections of the Authority's Representative; and (C) re-submit the GAR Relevant Deliverable …… to address the comments or objections raised by the Authority's Representative for the GAR Subsequent Review	Commercial Officer & Project Manager
1.10.1 (ii)	if it does not accept the comments or objections of the Authority's Representative (and the Parties are otherwise unable to agree such matter), refer the matter for determination in accordance with the Dispute Resolution Procedure …..	Commercial Officer & Project Manager
1.10.2	the Authority's Representative shall notify the Contractor of (i) a further date for the GAR Subsequent Review …..	Commercial Officer & Project Manager
1.10.3	the Authority's Representative shall notify the Contractor of the Items and/or items required for that GAR Subsequent Review shall be the GAR Relevant Deliverable together with any additional information, data, documents and/or Items and/or items referred to in (and/or as the Authority's Representative may require) pursuant to paragraph 1.7 above	Project Manager & Commercial Officer

1.11	Confirmation by the Authority's Representative that it has no comments and/or objections shall mean that the GAR Relevant Deliverable may be used or implemented …..	Commercial Officer & Project Manager
1.13	If having received comments or objections from the Authority's Representative, the Contractor considers that compliance with those comments or objections would amount to an Authority Change, the Contractor shall, before complying with the comments or objections, notify the Authority of the same	Commercial Officer & Project Manager
1.14	Any failure by the Contractor to notify the Authority that it considers compliance with any comments or objections of the Authority's Representative would amount to an Authority Change shall constitute an irrevocable acceptance by the Contractor that any compliance with the Authority's comments or objections shall be without cost to the Authority and without any further relief for the Contractor.	Commercial Officer & Project Manager
1.15	The Contractor shall issue each GAR Relevant Deliverable to the Authority's Representative in the format required by the Authority as notified by the Authority from time to time.	Commercial Officer & Project Manager
1.16	The Contractor shall compile and maintain a register of the date of receipt and content of all GAR Relevant Deliverables that are returned by the Authority's Representative.	Commercial Officer & Project Manager
Parts 2 – GAR Entry Criteria and GAR Exit Criteria		
1.1	The receipt by the Authority's Representative of: 1.1.1 the GAR Relevant Deliverable; and 1.1.2 any additional information required by the Authority and notified to the Contractor prior to the relevant GAR Submission Date ……	Commercial Officer & Project Manager
2.1	Where the Authority's Representative: 2.1.1 is satisfied that the Contractor has delivered the GAR Relevant Deliverable on or prior to the GAR Submission Date and where the Authority has received all information it has requested from the Contractor in accordance with paragraph 1.7……; and 2.1.2 has confirmed to the Contractor that it has no comments and/or objections in relation to the GAR Entry Criteria; or	Commercial Officer & Project Manager

	2.1.3 having raised comments and/or objections in accordance with paragraph 1.9.2 of Part 1 of this Schedule 4 (Assurance and Acceptance Process), is satisfied that all of the GAR Entry Criteria have been reviewed, amended, developed, modified and/or updated (as necessary) to address such comments and/or objections; and 2.1.4 subject to and in accordance with paragraph 1.9.1 of Part 1 of this Schedule 4 (Assurance and Acceptance Process), the Authority's Representative is satisfied that the GAR Exit Criteria for the relevant GAR can be considered to have been achieved.	

Schedule 5 – MADS Process for Catalogue, Critical Items List and/or LE TacCIS Equipment Portfolio Amendments

Paragraph	Reference / Context	Representative
2.3	Where the Contractor considers that any MADS Proposals being put forward by it would amount and/or give rise to a Change of the nature referred to in paragraph 2.2 (Governance of Change in the MADS Process), the Contractor shall, when making such proposals, notify the Authority's Representative of the same and ……...	Commercial Officer
2.4	Any failure by the Contractor to notify the Authority's Representative that any MADS Proposals being put forward by the Contractor would amount to a Change shall constitute an irrevocable acceptance by the Contractor that the implementation of such proposals and/or any compliance with such comments or objections shall be without cost to the Authority …..	Commercial Officer
3.1	The Authority's Representative shall notify the Contractor of each change it wishes to make to the Catalogues (including Critical Items List) and/or the LE TacCIS Equipment Portfolio. Within five (5) Working Days (or such other period as is agreed by the Parties) following the issue by the Authority's Representative to the Contractor of the notification the Contractor shall prepare a written proposal ("MADS Proposal") and issue the same to the Authority's Representative …	Commercial Officer
3.1	and the Authority's Representative may request any additional information in relation to the proposed changes …….	Commercial Officer & Project Manager
3.2	the Authority and the Contractor shall discuss the proposed changes at the LSC Working Group Meeting which follows the Authority's Representative's notification referred to in paragraph 3.1.	Commercial Officer & Project Manager
4.1	The Contractor acknowledges that any costs and/or expenses incurred by the Contractor in the preparation and/or progression of any MADS Proposal (including the provision of any additional information and/or assistance requested by the Authority's Representative pursuant to paragraph 3.1 (MADS Proposals) ……	Commercial Officer & Project Manager

Schedule 6 - Incentivisation

Paragraph	Reference / Context	Representative
7.2	The Contractor shall, as part of the Monthly Performance Report, to be provided in accordance with paragraph 7 of Schedule 8 (Governance and Management), issue to the Authority's Representative ……..	Commercial Officer & Project Manager
7.4	Where the Contractor has fully complied with its obligations in paragraph 7.1 of this Schedule 6 (Incentivisation) and paragraph 7 of Schedule 8 (Governance and Management) and where the Authority's Representative informs the Contractor's Representative at the LSC Monthly Performance Review or otherwise (in each case in writing) that the Authority does not dispute the content of the relevant KPI Report, such KPI Report shall, subject to paragraph 9 (Assessment of KPIs) and paragraph 17 (Incorrect Reporting), be deemed accepted and the Contractor shall reflect any Deductions in the next invoice it submits to the Authority under this Contract.	Commercial Officer & Project Manager
7.5	The Authority's Representative may, without prejudice to Clause 29 (Key Performance Indicators and Performance Monitoring), undertake routine checks and random verification audits of any KPI Report and the Contractor shall promptly (and in any event within two (2) Working Days of such request) provide all information, documents and/or records as may be requested by the Authority's Representative to support any such activity.	Commercial Officer & Project Manager
18.1	The Contractor shall provide to the Authority's Representative a draft Monthly Performance Report in accordance with paragraph 7.5 of Schedule 8 (Governance and Management).	Commercial Officer & Project Manager

Schedule 7 – Authority Obligations

Paragraph	Reference / Context	Representative
Part 1 – Purpose and Principles of Authority GFA		
2.3	Without prejudice to the provisions of Clause 31 (Authority Performance Failures), the Contractor shall also notify any alleged GFA Failures to the Authority's Representative forthwith following such GFA Failure.	Commercial Officer & Project Manager

Schedule 8 – Governance and Management

Paragraph	Reference / Context	Representative
Part 1 – Government and Management Framework		
4.3	The Weekly Project Review shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to Transition	Commercial Officer & Project Manager
5.3	The Fortnightly Project Review shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to Transition.	Commercial Officer & Project Manager
6.1	In between each LSCWGM, there shall be a fortnightly teleconference on a day and time as notified by the Authority to the Contractor in writing between the Authority's Representatives and the Contractor's Representatives to discuss progress of actions and emerging issues. The LSCWGM will be co-chaired by the Authority's Representative (or other authorised representative) and the Contractor's Representative.	Commercial Officer & Project Manager
6.2	The LSCWGM shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to this Contract from time to time.	Commercial Officer & Project Manager
6.5	The Contractor's Representative shall provide to the Authority's Representative the LSCWG Monthly Report no less than five (5) Working Days in advance of the relevant LSCWGM.	Commercial Officer & Project Manager
7.3	The LSCMPR shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to this Contract from time to time and pursuant to the LSCMPR Terms of Reference.	Commercial Officer & Project Manager
7.5	The Contractor shall provide to the Authority's Representative a draft Monthly Performance Report…no later than five (5) Working Days after the end of each Contract Month and, following	Commercial Officer & Project Manager

	receipt by the Authority's Representative of the relevant Monthly Performance Report, the Contractor shall provide to the Authority any additional reasonable substantiating evidence as may be required by the Authority relating to the relevant Contract Month	
7.6	The Authority's Representatives…shall review the matters in the Monthly Performance Report and any other business at the LSCMPR and the LSCMPR shall last no longer than three (3) hours.	Commercial Officer & Project Manager

Schedule 9 – Pricing and Payment

Paragraph	Reference / Context	Representative
Part 1 – Part 1 – Identifying the Transition Deliverables Firm Price, how the Transition Milestone Payments are to be made and Calculating the Monthly Payment after the FOC Date		
10.2	The Authority shall be entitled to reduce the Monthly Payment….. provided that the Authority's Representative has notified the Contractor's Representative at any time prior to making the relevant deduction.	Commercial Officer

Schedule 10 – Transition

Paragraph	Reference / Context	Representative
11.4.2	When the Contractor is of the opinion that the Contractor has satisfied the Transition IOC Completion Requirements it shall: 11.4.2 issue to the Authority a MAC IOC Evidence Checklist (in the form set out at Appendix 5 (MAC IOC Evidence Checklist) to this Schedule 10 (Transition)) which identifies that all relevant matters and tests have been fully satisfied, confirming the dates when the relevant Authority Representative accepted that the relevant matters and tests were satisfied.	Commercial Officer & Project Manager
12.4.2	When the Contractor is of the opinion that the Contractor has satisfied the Transition FOC Completion Requirements it shall: 12.4.2 issue to the Authority a MAC FOC Evidence Checklist (in the form set out at Appendix 6 (MAC FOC Evidence Checklist) to this Schedule 10 (Transition)) which identifies that all relevant matters and tests have been fully satisfied, confirming the dates when the relevant Authority Representative accepted that the relevant matters and tests had been satisfied.	Commercial Officer & Project Manager

Schedule 11 – Change Procedure

Paragraph	Reference / Context	Representative
8.1	As soon as reasonably practicable after the contents of the Estimate have been agreed or otherwise determined pursuant to the Dispute Resolution Procedure, the Authority's Representative shall: 8.1.1 confirm in writing to the Contractor that the Estimate …. is approved ….; or 8.1.2 withdraw the Authority Change Notice ….	Commercial Officer
11.5	If the Authority's Representative wishes to proceed with the Contractor Change Notice (with or without modification), the Authority's Representative shall confirm such intention by notice in writing to the Contractor and the Parties shall enter into any documents which are necessary to give effect to the change as contemplated in paragraph 2 of this Schedule 11 (Change Procedure).	Commercial Officer

Schedule 14 - IPR

Paragraph	Reference / Context	Representative
3.3	The Contractor shall not use Authority Background IPR or Vesting IPR for any purpose other than those specified in paragraphs 3.1 and 3.2 without the prior written consent of the Authority's Representative, which, if given, will include conditions attaching to such wider use.	Commercial Officer
5.1	The Contractor shall promptly notify the Authority's Representative whenever the Contractor or any of its Sub-contractors requires use of any: 5.1.1 Contractor Background IPR; or 5.1.2 Third Party IPR, other than those subject to the provisions of paragraph 4 (Sub-licence of Third Party IPR Provided by the Authority), for the purpose of providing and performing the Contractor Deliverables or the Authority's exercise of its rights vested or granted under this Schedule 14 (IPR).	Commercial Officer
5.5	The Contractor shall procure the grant to the Authority of a licence of that Third Party IPR on the best available terms closest to those set out in paragraph 5.4.2 and consult with the Authority's Representative prior to the grant of that licence	Commercial Officer
9.3.2	The indemnity in paragraph 9.2 …shall not apply in respect of a claim: 9.3.2 that arises from the use of Contractor IPR or Third Party IPR by the Authority otherwise than in accordance with the terms of this Contract and any applicable licence or sub-licence conditions provided that these have been notified to the Authority's Representative on the grant of the applicable licences or sub-licence	Commercial Officer
9.9.3	If the Authority is the Indemnified Party…..provided always that the Contractor: 9.9.3 shall not settle or compromise any claim without the Authority's Representative's prior written consent (such consent not to be unreasonably withheld or delayed).	Commercial Officer

9.12	If a claim, demand or action for infringement or alleged infringement of any IPR is made in connection with the Contract… the Contractor may at its own expense and subject to the consent of the Authority's Representative (such consent not to be unreasonably withheld or delayed) ……..	Commercial Officer

Schedule 20 – Directed Purchases and Repairs

Paragraph	Reference / Context	Representative
2.1	The Contractor shall, subject to paragraph 2.2.1, within fifteen (15) Working Days (or such other period as is agreed by the Parties) following the issue by the Authority's Representative to the Contractor of a Request, submit to the Authority's Representative a Proposal in respect of the relevant Request, containing, as a minimum, the information set out in paragraph 2.2.	Commercial Officer & Project Manager
2.2.2	Each Proposal issued pursuant to paragraph 2.1 shall set out… details of the Contractor's proposed methodology for the performance of the Proposal, including evidence to demonstrate to the Authority's Representative that the Contractor will be able to perform all the obligations outlined in the Request and the Proposal (including as to timing)	Commercial Officer & Project Manager
2.2.8	Each Proposal issued pursuant to paragraph 2.1 shall set out… any other information the Contractor believes may be relevant and any other information requested by the Authority's Representative from time to time.	Commercial Officer & Project Manager
3.1	Following receipt of a proposal … the Authority's Representative shall be entitled to request any reasonable additional information and/or reasonable assistance (as the case may be) from the Contractor which the Authority's Representative considers appropriate to enable it to decide whether to approve the relevant Proposal	Commercial Officer & Project Manager
3.3	As soon as reasonably practicable following the later of the submission to the Authority's Representative of a Proposal and the receipt by the Authority's Representative of any additional information requested by the Authority's Representative pursuant to paragraph 3.1 in respect of such Proposal, the Authority's Representative shall notify the Contractor (in writing) whether the Authority: 3.3.3 requires the Contractor to review and/or amend the whole or any part of the relevant Proposal to address any comments and/or concerns of the Authority's Representative… provided always that …….the Authority's Representative may, at any time after receipt of the notice referred to in paragraph 2.2.1 (Preparation of Proposals), notify the Contractor (in writing) that the Authority intends to issue an Authority Change Notice in relation to the Request that is the subject of such notice and not proceed with the Proposal.	Commercial Officer & Project Manager

3.4	The Contractor shall as soon as reasonably practicable following receipt of the comments and/or concerns from the Authority's Representative referred to in paragraph 3.3.3 review and/or amend (as applicable) such Proposal and re-submit such amended Proposal (addressing each of the comments and/or concerns raised by the Authority's Representative) to the Authority's Representative for approval pursuant to paragraph 2.1 (Preparation of Proposals)…… and reference to the "Request" in paragraph 2.1 (Preparation of Proposals) is a reference to such notice containing the comments and/or concerns of the Authority's Representative.	Commercial Officer & Project Manager
4.1	The Contractor acknowledges that any costs and/or expenses incurred by the Contractor in the preparation and/or progression of any Proposal (including the provision of any additional information and/or assistance requested by the Authority's Representative pursuant to paragraph 3.1 (Approval of Proposals), any review and/or amendment of any Proposal pursuant to paragraph 3 (Approval of Proposals) have been taken into account in determining (and shall form part of) the Core Contractor Deliverables Firm Price	Commercial Officer & Project Manager

Schedule 25 – Security Conditions

Paragraph	Reference / Context	Representative
10.1	The Contractor shall immediately report any loss or otherwise compromise of any OFFICIAL or OFFICIAL-SENSITIVE information to the Authority's Representative.	Commercial Officer

Part B - Summary of References to Contractor's Representative(s)

"Contractor's Representatives" means the persons referred in Clause 87.2 (Contractor's Representatives);

"Representatives" means the Authority's Representatives or the Contractor's Representatives (as appropriate);

LSC Contract – Main Body

Paragraph	Reference/Description	Contractor Representative
2.3	If a Party becomes aware of any conflict or inconsistency within or between the documents referred to in Clauses 2.1 and/or 2.2 (Precedence) such Party's Representative shall notify the other Party's Representative forthwith and the Parties will seek to resolve such inconsistency and if either Party considers the inconsistency to be material, then the matter shall be determined in accordance with the Dispute Resolution Procedure.	Commercial
31.11	the Authority's Representative may require any Discretionary GFA to be returned to the Authority or delivered to any Third Party at any place within the United Kingdom by notice in writing to the Contractor's Representative	Commercial
36.3	"Step-In Notice" to be provided to the Contractor's Representative in the event of Grounds for Step-In	Commercial
36.6	The Authority's Representative shall provide the Contractor's Representative with reasonable notice of the Authority's intention to cease the performance of the Required Action ("Step-Out") and the date on which it intends to do so.	Commercial
48.10.2	refuse any person admission to an Authority Site and/or any Other Contractor's Premises…if such person… represents a risk to themselves and/or an Authority Related Party and/or any other Third Party and/or property and the Authority has given written notice to the Contractor's Representative to this effect	Commercial Officer & Project Manager

48.10.3	refuse any person admission to an Authority Site and/or any Other Contractor's Premises if such person…is undesirable and the Authority and/or Other Contractor has given written notice to the Contractor's Representative to this effect	Commercial Officer & Project Manager
52.1	Liability for any Contractor's Representative in respect of damage to Government Property	All Contractor employees
52 various	Reference to the Contractor's representative visiting a Government Establishment overseas.	Any Contractor employees
87.1	Reference to the Authority and the Contractor in respect of the giving of consent; the delivering of any notices; or 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.	Commercial
87.3	The Contractor's Representative shall have full authority to act on behalf of the Contractor for all purposes of this Contract	Commercial, unless expressly agreed otherwise (e.g. Agile)
88.1	Notices to be marked for the attention of the appropriate Authority's Representative or the Contractor's Representative	Commercial
89.1	The Parties will attempt in good faith to resolve any Dispute through negotiations between the respective representatives of the Parties having authority to settle the matter, which attempts may include the use of any Alternative Dispute Resolution ("ADR") procedure on which the Parties may agree.	Commercial Officers of both parties

Schedule 6 - Incentivisation

Paragraph	Reference / Context	Representative
7.4	Where the Contractor has fully complied with its obligations…and where the Authority's Representative informs the Contractor's Representative at the LSC Monthly Performance Review or otherwise (in each case in writing) that the Authority does not dispute the content of the relevant KPI Report	Commercial Officer & Project Manager

Schedule 8 – Governance and Management

Paragraph	Reference/Description	Contractor Representative
Part 1 – Government and Management Framework		
4.3	The Weekly Project Review shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to Transition	Commercial Officer & Project Manager
5.3	The Fortnightly Project Review shall consist of the Authority's Representatives and the Contractor's Representatives together with such other persons that either Party reasonably considers are appropriate to consider particular issues arising in relation to Transition.	Commercial Officer & Project Manager
6.1	In between each LSCWGM, there shall be a fortnightly teleconference on a day and time as notified by the Authority to the Contractor in writing between the Authority's Representatives and the Contractor's Representatives to discuss progress of actions and emerging issues.	Commercial Officer & Project Manager
6.2	The LSCWGM shall consist of the Authority's Representatives and the Contractor's Representatives	Commercial Officer & Project Manager
7.3	The LSCMPR shall consist of the Authority's Representatives and the Contractor's Representatives	Commercial Officer & Project Manager
7.6	the Contractor's Representatives shall review the matters in the Monthly Performance Report and any other business at the LSCMPR and the LSCMPR shall last no longer than three (3) hours.	Commercial Officer & Project Manager

Schedule 9 – Pricing and Payment

Paragraph	Reference/Description	Contractor Representative
Part 1 – Identifying the Transition Deliverables Firm Price, how the Transition Milestone Payments are to be made and Calculating the Monthly Payment after the FOC Date		
10.2	The Authority shall be entitled to reduce the Monthly Payment and/or the Transition Milestone Payment to reflect any sums that are agreed or determined to be payable by the Contractor to the Authority in respect of this Contract (including any sums contemplated in Clause 27.2 (Recovery of Sums Due)) in the Contract Month immediately following such agreement or determination, provided that the Authority's Representative has notified the Contractor's Representative at any time prior to making the relevant deduction	Commercial Officer

Schedule 14 - IPR

Paragraph	Reference / Context	Representative
9.5.2	The indemnity in paragraph 9.4 (Authority's IPR Indemnity) shall not apply in respect of a claim 9.5.2 that arises from the use of Authority Background IPR by the Contractor otherwise than in accordance with the terms of this Contract and any applicable licence or sub-licence conditions provided that these have been notified to the Contractor's Representative on the grant of the applicable licences or sub-licence	Commercial Officer

Schedule 20 – Directed Purchases and Repairs

Paragraph	Reference / Context	Representative
3.5	……. the Authority shall issue to the Contractor's Representative a Directed Purchases and Repairs Approval or Cancellation Form (as the case may be) in the form set out in Appendix 3 (DPR Approval/Cancellation Form).	Commercial Officer

Schedule 9

Pricing and Payment

Part 1 - Identifying the Transition Deliverables Firm Price, how the Transition Milestone Payments are to be made and Calculating the Monthly Payment after the FOC Date

1 Milestone payments prior to and including the Full Operation Date

1.1 In respect of the period from the Effective Date to and including the FOC Date the Contractor shall be paid the relevant part of Transition Deliverables Firm Price on achievement of the Transition Milestones, being:

1.1.1 satisfaction of the Transition IOC Completion Requirements, as more particularly referred to in paragraphs 2, 4 and 11 of Schedule 10 (*Transition*); and

1.1.2 Full Operating Capability (where the Contractor has satisfied the Transition FOC Completion Requirements, as more particularly referred to in paragraphs 2, 5, 6 and 12 of Schedule 10 (*Transition*).

1.2 The Transition Deliverables Firm Price is divided into two (2) tranches, the first tranche relating to the activities required to be carried out by the Contractor in the period between Contract Award and the IOC Date (being the Transition IOC Milestone Payment) and the second tranche relating to the period between the IOC Date and the FOC Date (being the Transition FOC Milestone Payment). The Transition Milestones and the Transition Milestone Payments may change as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*)).

1.3 The Transition Deliverables Firm Price may increase or decrease as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*) or may decrease as a result of an approved Transition FOC Remediation Plan, and is the aggregate of the Firm Prices for each of the Transition Milestones.

IOC Milestone retention and satisfaction of the Transition IOC Milestone Payment

1.4 On full satisfaction of the Transition IOC Completion Requirements the Contractor shall be entitled to receive fifty percent (50%) of the Transition IOC Milestone Payment. In order to receive such payment the Contractor shall submit an invoice for such amount in accordance with Clause 20 (*Payment under CP&F*).

1.5 The invoice referred to in paragraph 1.4 shall be prepared by the Contractor following satisfaction of the Transition IOC Completion Requirements and such invoice shall be for fifty percent (50%) of the Transition IOC Milestone Payment and the Authority shall only pay the Accepted Costs relating to such Transition IOC Milestone Payment and the provisions of Clause 24 (*Disputed Amounts*) shall apply.

1.6 On satisfaction of the Transition FOC Completion Requirements the Contractor shall be entitled to receive the remaining balance of the Transition IOC Milestone Payment. In order to receive such payment the Contractor shall submit an invoice for such amount in accordance with Clause 20 (*Payment under CP&F*).

1.7 The invoice referred to in paragraph 1.6 shall be prepared by the Contractor following satisfaction of the Transition FOC Completion Requirements and such invoice shall be for the remaining balance of the Transition IOC Milestone Payment and the Authority shall only pay the Accepted Costs relating to such Transition IOC Milestone Payment and the provisions of Clause 24 (*Disputed Amounts*) shall apply.

1.8 Following the resolution of any dispute arising under paragraphs 1.5 and/or 1.7 of Part 1 of this Schedule 9 (*Pricing and Payment*):

1.8.1 any sums paid by the Authority and which are later agreed or determined to be due to the Authority shall be deducted from the Monthly Payment in the Contract Month immediately following such agreement or determination (as the case may be) in accordance with paragraph 10.2 of Part 2 of this Schedule 9 (*Pricing and Payment*); or

1.8.2 any sums withheld by the Authority and which are later agreed or determined to be payable to the Contractor shall be added to the Monthly Payment in the Contract Month immediately following such agreement or determination (as the case may be) in accordance with paragraph of 10 of Part 2 of this Schedule 9 (*Pricing and Payment*).

1.9 For the avoidance of doubt:

1.9.1 any such payment made by the Authority shall not be construed as acceptance by the Authority of the performance by the Contractor of the Contractor Deliverables nor as a waiver of any of the Authority's rights and remedies either under this Contract or otherwise; and

1.9.2 the Contractor shall not be entitled to any payment in respect of the Transition IOC Milestone Payment if it has not fully satisfied the Transition IOC Completion Requirements.

Satisfaction of the Transition FOC Milestone Payment

1.10 Where the Contractor has fully satisfied the Transition IOC Completion Requirements and where the Contractor has also fully satisfied the Transition FOC Completion Requirements, the Contractor shall be entitled to receive the Transition FOC Milestone Payment. In order to receive such payment the Contractor shall submit an invoice for such amount in accordance with Clause 20 (*Payment under CP&F*).

1.11 The invoice referred to in paragraph 1.10 shall be prepared by the Contractor following satisfaction of the Transition FOC Completion Requirements and such invoice shall be for the Transition FOC Milestone Payment and the Authority shall only pay the Accepted Costs relating to such Transition FOC Milestone Payment and the provisions of Clause 24 (*Disputed Amounts*) shall apply.

1.12 Following the resolution of any dispute arising under paragraph 1.11 of Part 1 of this Schedule 9 (*Pricing and Payment*):

1.12.1 any sums paid by the Authority and which are later agreed or determined to be due to the Authority shall be deducted from the Monthly Payment in the Contract Month immediately following such agreement or determination (as the case may be) in accordance with paragraph 10.2 of Part 2 of this Schedule 9 (*Pricing and Payment*); or

1.12.2 any sums withheld by the Authority and which are later agreed or determined to be payable to the Contractor shall be added to the Monthly Payment in the Contract Month immediately following such agreement or determination (as the case may be) in accordance with paragraph of 10 of Part 2 of this Schedule 9 (*Pricing and Payment*).

1.13 The Contractor acknowledges that:

1.13.1 any payment made by the Authority shall not be construed as acceptance by the Authority of the performance by the Contractor of the Transition Deliverables nor as a waiver of any of the Authority's rights and remedies either under this Contract or otherwise;

1.13.2 the Contractor shall not be entitled to the Transition FOC Milestone Payment if it has not fully satisfied the Transition IOC Completion Requirements and the Transition FOC Completion Requirements; and

1.13.3 the Contractor shall not be entitled to any payment (calculated in accordance with paragraph 2 of this Part 1 of Schedule 9 (*Pricing and payment*) or otherwise), where it has failed to fully satisfy the Transition FOC Completion Requirements.

Clawback of IOC Transition Milestone Payment

1.14 Where the Contractor has failed to fully satisfy the Transition FOC Completion Requirements on or before the later of:

1.14.1 the FOC Date, where no Transition FOC Remediation Plan has been proposed by the Contractor by the FOC Date or where any Transition FOC Remediation Plan proposed by the Contractor has been rejected by the Authority; or

1.14.2 any later FOC Date (as notified by the Authority to the Contractor following the agreement by the Authority to a Transition FOC Remediation Plan),

then the Contractor acknowledges that any sums it has received relating to the Transition Deliverables to be performed by the Contractor on or prior to the IOC Date, including any element of the Transition Milestone Payments, is to be repaid to the Authority by the Contractor and the Contractor further acknowledges that such sum is a debt which is immediately due and payable by the Contractor to the Authority on the relevant date (as referred to above) and that the Contractor shall, not later than two (2) Working Days after such relevant date, pay to the Authority such sum.

2 <u>Calculating the Monthly Payment after the FOC Date</u>

2.1 The Monthly Payment ("**MP**") in respect of each Contract Month ("**Contract Month n**") during the Contract Period shall be calculated in accordance with the following formula:

$$\mathbf{MP = GMP + OPPAY - \sum D + \sum CS + \sum CRS + \sum DP + \sum DRS + \sum DVA + \sum TP + \sum EP + \sum CA - \sum AA}$$

where:

2.1.1 **MP** is the Monthly Payment for Contract Month n;

2.1.2 **GMP** is the Gross Monthly Payment for Contract Month n;

2.1.3 **OPPAY** is the Option Payment for Contract Month n;

2.1.4 **∑D** is the sum of the Deductions which the Authority shall be entitled to make in accordance with paragraph 5 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.5 **∑CS** is the aggregate cost of Spares (at the prices set out in the Spares Catalogue) which the Contractor has purchased on behalf of the Authority (but excluding any purchase of Spares subject to a Directed Purchase Proposal) at the prices set out in the Spares Catalogue and where the relevant Spares have been transferred to the possession of the Authority by the Contractor, following delivery of the relevant Spares by the Contractor in accordance with the LCS(T) Supplier Manual (and have not been subsequently rejected in accordance with the LCS(T) Supplier Manual) and where such Spares are also identified in the Monthly Performance Report relating to the relevant Contract Month, in each case as more particularly referred to and calculated in accordance with paragraph 6 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.6 **∑CRS** is the aggregate cost of the Repairs at the prices set out in the Repairs Catalogue for repairs which the Contractor has fully carried out and where the relevant Spares (which have been repaired and/or screened) have been returned to the possession of the Authority by the Contractor in accordance with the LCS(T) Supplier Manual (and have not been subsequently rejected in accordance with the LCS(T) Supplier Manual) and where such repairs are also identified in the Monthly Performance Report relating to the relevant Contract Month, in each case as more particularly referred to and calculated in accordance with paragraph 6 of this Part 1 of Schedule 9 (*Pricing and Payment*).

2.1.7 **∑DP** is the aggregate value of the Spares and spares which the Contractor has purchased on behalf of the Authority following a Request and following an agreed Directed Purchase Proposal (in accordance with Schedule 20 (*Directed Purchases, Repairs*) and where the Authority has taken possession of such Spares and spares following delivery of such Spares and spares by the Contractor in accordance with the LCS(T) Supplier Manual (and have not been subsequently rejected in accordance with the LCS(T) Supplier Manual) and where such Spares and spares are also identified in the Monthly Performance Report relating to the relevant Contract Month, in each case as more particularly referred to and calculated in accordance with paragraph 7 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.8 **∑DRS** is the aggregate value of the Directed Repairs which the Contractor has fully carried out on behalf of the Authority following a Request and an agreed Directed Repairs Proposal (in accordance with Schedule 20 (*Directed Purchases, Repairs*)) and where the Authority has taken possession of the Spares and spares which were the subject of such Proposal following delivery of the relevant Spares and spares by the Contractor in accordance with the LCS(T) Supplier Manual (and have not been subsequently rejected in accordance with the LCS(T) Supplier Manual) and where such activity relating to such Spares and spares is also identified in the Monthly Performance Report relating to the relevant

Contract Month, as more particularly referred to and calculated in accordance with paragraph 7 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.9 ∑**DVA** is the amount of any Demand Volume Adjustment, adjusting the sum payable to the Contractor in relation the Inventory Management Service and/or the Technical Service (as the case may be), and calculated in accordance with paragraph 8 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.10 ∑**TP** is the sum of any Transition Milestone Payments (or part thereof) that are payable by the Authority to the Contractor during any Contract Month after the Actual FOC Date where the Contractor has fully satisfied the Transition IOC Completion Requirements and the Transition FOC Completion Requirements (as more particularly contemplated and in accordance with paragraph 1 of this Part 1 of Schedule 9 (*Pricing and Payment*)) less any sums which the Authority has previously paid to the Contractor in a Contract Month prior to the first Contract Month which follows the Actual FOC Date in accordance with paragraph 1.5 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.11 ∑**EP** is the Exit Payment due to the Contractor when it has satisfied conditions relating to the Exit Plan, in accordance with paragraph 9 of this Part 1 of Schedule 9 (*Pricing and Payment*);

2.1.12 ∑**CA** is the sum of any other amounts that are agreed or determined to be payable by the Authority to the Contractor in the relevant Contract Month in accordance with paragraph 10 of this Part 1 of Schedule 9 (*Pricing and Payment*).

2.1.13 ∑**AA** is the sum of any other amounts that are agreed or determined to be payable by the Contractor to the Authority in the relevant Contract Month in accordance with paragraph 10 of this Part 1 of Schedule 9 (*Pricing and Payment*).

2.2 The Authority shall be entitled to apply the amount of any Deductions incurred and/or other amounts payable to the Contractor and/or credited to the Authority in respect of a Contract Month to the Monthly Payment next due to be paid by the Authority (following the Contract Month in which the agreement or determination of the amount payable by the Authority (if any) in respect of Contract Month n occurs), provided that any failure by the Authority to apply any Deductions incurred and/or other amounts payable to the Contractor and/or credited to the Authority to the Monthly Payment next due to be paid by the Authority (following the Contract Month in which the agreement or determination of the amount payable by the Authority (if any) in respect of Contract Month n occurs), shall not prejudice the Authority's right to apply such Deductions incurred and/or other amounts payable to the Contractor and/or credited to the Authority, in respect of any subsequent Monthly Payment that becomes due to be paid.

2.3 Where the product of the calculation carried out pursuant to paragraph 2.1 would reduce the Monthly Payment in Contract Month n to an amount less than zero (0), then the Authority shall be entitled to carry forward and apply the amount to which such Monthly Payment is less than zero (0) (the "**Excess Monthly Payment**") to the next and any subsequent Monthly Payment due in respect of any subsequent Contract Month until the amount of such Excess Monthly Payment relating to such Contract Month n has been recovered in full by the Authority.

3 Calculating the Gross Monthly Payment

3.1 The Gross Monthly Payment for each Contract Month during the Contract Period prior to the Original Expiry Date shall be calculated in accordance with the following formula:

$$\mathbf{GMP = \sum AC}$$

where:

3.1.1 **GMP** is, subject to paragraph 3.2, the Gross Monthly Payment for the relevant Contract Month; and

3.1.2 **∑AC** is the aggregate of the Accepted Costs incurred by the Contractor in the relevant Contract Month, relating to the Contractor Deliverables to be undertaken by the Contractor in connection with:

(i) the Inventory Management Service, being a Firm Price (subject to adjustment in accordance with agreed Firm Price bandings as more particularly described in the Demand Volume Adjustment Process); and

(ii) the Technical Service, being a Firm Price (subject to adjustment in accordance with agreed Firm Price bandings as more particularly described in the Demand Volume Adjustment Process); and

(iii) the Inventory Modelling Service, being a Firm Price (which is not subject to any adjustment); and

(iv) the Information Management Service, being a Firm Price (which is not subject to any adjustment).

3.2 To the extent that the Gross Monthly Payment in Contract Month n (as calculated in accordance with paragraph 3.1) would (when aggregated with the Aggregate Monthly Payment) exceed the Aggregate Milestone Payment Amount at that Contract Month, then:

3.2.1 the Gross Monthly Payment for Contract Month n shall be deemed to be an amount equal to the Aggregate Milestone Payment Amount as at Contract Month n (as may be adjusted downwards in accordance with any Transition FOC Remediation Plan) and, when so adjusted the provisions of Clause 3.2A (*The Contractor's Obligations*) of this Contract shall apply less the Aggregate Monthly Payment;

3.2.2 an amount equal to the difference between the Gross Monthly Payment for Contract Month n that would have applied but for the provisions of this paragraph 3.2 and the amount of the Gross Monthly Payment for Contract Month n taking into account this paragraph 3.2 (a **Gross Monthly Excess**") shall be carried forward and paid to the Contractor in any subsequent Contract Month in which (and only to the extent to which) the amount of the Gross Monthly Payment in that Contract Month (when aggregated with the Aggregate Monthly Payment) is less than the Aggregate Milestone Payment Amount in that relevant Contract Month, until the Gross Monthly Excess for that Contract Month has been recovered in full by the Contractor; and

3.2.3 in the event that any Accepted Costs have not been paid to the Contractor on the Expiry Date or the Termination Date (as the case may be), such Accepted Costs shall be taken into account in any reconciliation of sums due to the Parties following the Expiry Date or the Termination Date (as the case may be) in accordance with paragraph 10.3.2 of this Part 1 (*Other Payments Due*), provided always that payment of any such Accepted Costs when aggregated with all previous payments made by the Authority to the Contractor will not result in a payment to the Contractor of a sum in excess of the Core Contractor Deliverables Firm Price subject to any permitted adjustments in accordance with the Demand Volume Adjustment Process.

4 Calculating the Option payment

4.1 The Option Payment for each Exercised Option for each Contract Month during the Contract Period shall, prior to any changes to such Exercised Options arising as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*), be calculated in accordance with the following formula:

$$\mathbf{OPPAY = \sum ACEO}$$

where:

4.1.1 **OPPAY** is the Option Payment in respect of all Exercised Options for the relevant Contract Month; and

4.1.2 **∑ACEO** is, subject to paragraph 4.2, the sum of the Accepted Costs incurred by the Contractor in respect of each Exercised Option in the relevant Contract Month.

4.2 To the extent that the sum arising from the calculation of the Accepted Costs for an Exercised Option in Contract Month n (as calculated in accordance with paragraph 4.1) would (when aggregated with the Aggregate Option Accepted Costs for that Exercised Option) exceed the Aggregate Milestone Option Payment Amount for such Exercised Option at that Contract Month, then:

4.2.1 **ACEO** for that Exercised Option for that Contract Month n shall be deemed to be an amount equal to the Aggregate Milestone Option Payment Amount for that Exercised Option as at Contract Month n less the Aggregate Option Accepted Costs for that Exercised Option; and

4.2.2 an amount equal to the difference between **ACEO** for that Exercised Option for Contract Month n that would have applied but for the provisions of this paragraph 4.2 and **ACEO** for that Exercised Option for that Contract Month n taking into account this paragraph 4.2 (an "**Option Excess**") shall be carried forward and paid to the Contractor in any subsequent Contract Month in which (and only to the extent to which) the amount of **ACEO** for that Exercised Option in that Contract Month (when aggregated with the Aggregate Option Accepted Costs for such Exercised Option) is less than the Aggregate Milestone Option Payment Amount in respect of such Exercised Option in that relevant Contract Month, until the Option Excess for that Contract Month has been recovered in full by the Contractor; and

4.2.3 in the event that any Accepted Costs in respect of an Exercised Option have not been paid to the Contractor on the Expiry Date, such Accepted Costs shall be taken into account in any reconciliation of sums due to the

Parties in accordance with paragraph 10.3.2 of this Part 1 (*Other Payments Due*), provided always that payment of any such Accepted Costs when aggregated with all previous payments made by the Authority to the Contractor in respect of the relevant Exercised Option will not result in a payment to the Contractor in excess of the relevant Option Firm Price.

4.3 The Option Payment for each Contract Month during the Contract Period shall, following any changes to an Exercised Option arising as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*), be calculated in accordance with the following formula:

$$\mathbf{OPPAY = \sum AACEO}$$

where:

4.3.1 **OPPAY** is the Option Payment in respect of all Exercised Options for the relevant Contract Month as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*); and

4.3.2 **∑AACEO** is, subject to paragraph 4.4, the sum of the Accepted Costs incurred by the Contractor in respect of all the Exercised Options in the relevant Contract Month, taking into account any agreed increase or decrease in the Articles and/or services to be provided by the Contractor as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*).

4.4 To the extent that the sum arising from the calculation of the Accepted Costs for an Exercised Option in Contract Month n (as calculated in accordance with paragraph 4.3) would (when aggregated with the Aggregate Option Accepted Costs for that Exercised Option) exceed the Aggregate Milestone Option Payment Amount for such Exercised Option at that Contract Month, then:

4.4.1 **AACEO** for that Exercised Option for that Contract Month n shall be deemed to be an amount equal to the Aggregate Milestone Option Payment Amount for that Exercised Option as at Contract Month n less the Aggregate Option Accepted Costs for that Exercised Option; and

4.4.2 an amount equal to the difference between **AACEO** for that Exercised Option for Contract Month n that would have applied but for the provisions of this paragraph 4.4 and **AACEO** for that Exercised Option for that Contract Month n taking into account this paragraph 4.4 (an "**Option Adjusted Excess**") shall be carried forward and paid to the Contractor in any subsequent Contract Month in which (and only to the extent to which) the amount of **AACEO** for that Exercised Option in that Contract Month (when aggregated with the Aggregate Option Accepted Costs for such Exercised Option) is less than the Aggregate Milestone Option Payment Amount in respect of such Exercised Option in that relevant Contract Month, until the Option Adjusted Excess for that Contract Month has been recovered in full by the Contractor; and

4.4.3 in the event that any Accepted Costs in respect of an Exercised Option have not been paid to the Contractor on the Expiry Date, such Accepted Costs shall be taken into account in any reconciliation of sums due to the Parties in accordance with paragraph 10.3.2 of this Part 1 (*Other Payments Due*), provided always that payment of any such Accepted Costs when

aggregated with all previous payments made by the Authority to the Contractor in respect of the relevant Exercised Option will not result in a payment to the Contractor of a sum in excess of the relevant Option Firm Price.

5 Deductions

5.1 The Authority shall be entitled to make Deductions from the Monthly Payment in accordance with the provisions of paragraph 11 of Schedule 6 (*Incentivisation*) and as contemplated in accordance with the formula at paragraph 2.1.

5.2 The Deductions calculated in accordance with Schedule 6 (*Incentivisation*), shall be subject to adjustment in accordance with the provisions of paragraph 8 (*Demand Volume Adjustment Process*) and where any agreed Demand Volume Adjustment is payable by the Authority to the Contractor it shall be paid net of the sum of any Deductions Adjustment.

6 Calculating the Spares and Repairs Fixed Price Pass Through Cost Payments

6.1 The Contractor shall be entitled to receive from the Authority, in addition to the Contract Price, the Spares Price and/or the Repairs Price, where:

6.1.1 the Contractor has purchased the Spares as required in accordance with Serial 2.1.3 of Annex 1 to Schedule 2 (*Statement of Requirements*); and

(i) procured that the relevant Spares are in the possession of the Authority, following compliance by the Contractor with Serial 2.1.5 of Annex 1 to Schedule 2 (*Statement of Requirements*); and

(ii) notified to the Authority that such Spares have been purchased (together with evidence that full payment for the Spares have been made by the Contractor to the relevant seller); and

(iii) notified to the Authority that such Spare is in the possession of the Authority (as contemplated in 6.1.1(ii) above); and

(iv) where all relevant information relating to such purchase and the location of such Spares is set out in a Monthly Performance Report for a Contract Month following the Contract Month in which the relevant Spares were all in the possession of the Authority (as contemplated in 6.1.1(ii) above); and

(v) notified the Authority that the purchase of the relevant Spares shall not result in the total amount of the Spares Price payable by the Authority in the relevant Contract Year (when aggregated with the total amount of the Repairs Price already paid and/or due to be paid by the Authority in the relevant Contract Year) exceeding the amount notified to the Contractor by the Authority before the commencement of each Contract Year (the "**Annual Spares and Repairs Cap**"); and/or

6.1.2 the Contractor has:

(i) fully carried out a relevant Repair activity as required in accordance with Serial 2.1.4 of Annex 1 to Schedule 2 (*Statement of*

Requirements) and have not been rejected by the LCS(T) Contractor; and

(ii) procured that the relevant Spares which are the subject of the repair activity have been returned to the possession of the Authority following compliance by the Contractor with Serial 2.1.5 of Annex 1 to Schedule 2 (*Statement of Requirements*) and have not been rejected by the LCS(T) Contractor; and

(iii) notified the Authority that the relevant repair activity has been fully carried out (together with evidence that full payment for such activity has been made by the Contractor to the relevant contractor); and

(iv) notified the Authority that the Spares which are the subject of the repair activity have been returned to the possession of the Authority (as contemplated in 6.1.2(ii) above); and

(v) where all relevant information relating to such activity and the location of the relevant Spares is set out in a Monthly Performance Report for a Contract Month following the Contract Month in which the relevant Spares were all returned to the possession of the Authority (as contemplated in 6.1.2(ii) above); and

(vi) notified the Authority that the purchase of the relevant Repairs shall not result in the total amount of the Repairs Price payable by the Authority in the relevant Contract Year (when aggregated with the total amount of the Spares Price paid and due to be paid by the Authority in the relevant Contract Year) exceeding the Annual Spares and Repairs Cap; and

6.1.3 in the case of both purchases and repairs referred to in 6.1.1 and 6.1.2 above, where the Authority has also confirmed to the Contractor, during or after the relevant Monthly Project Review, that it accepts that the Contractor has purchased the Spare, fully carried out the relevant repair activity (as the case may be) and, in all cases, that the relevant Spares are in the possession of the Authority as contemplated in paragraphs 6.1.1 and 6.1.2 above.

6.2 The Spare Price and the Repair Price shall be calculated by reference to the relevant Agreed Catalogue Prices for the relevant Contract Year in accordance with paragraph 6.4 below.

6.3 The Agreed Catalogue Prices are subject to adjustment (in accordance with the Schedule 5 (*MADS Process*)) and/or as the result of the Change pursuant to Schedule 11 (*Change Procedure*) and are subject to the Agreed Indexation. The Authority acknowledges that it is obliged to pay the Agreed Catalogue Prices together with the Agreed Indexation for the relevant Contract Year.

6.4 The Agreed Indexation which shall be permitted in relation to each Contract Year shall:

6.4.1 be determined by reference to the relevant table set out at Appendix 3 to Part 1 of this Schedule 9 (*Pricing and Payment*) in respect of the Spares Catalogue and the Repairs Catalogue, as the case may be; and

6.4.2 shall be applied on **REDACTED** and each anniversary of such date during the Contract Period at the relevant rate as identified in the table referred to in paragraph 6.4.1.

6.5 Where the Contractor has notified the Authority that the Annual Spares and Repairs Cap may be exceeded (as contemplated in paragraphs 6.1.1(v) and 6.1.2(v)(vi) above as the result of any future intended purchase of Spares by the Contractor and/or payment for the carrying out of future Repairs activity, the Contractor shall meet with the Authority within two (2) Working Days of such notification to identify the process for purchasing future Spares and carrying out future Repair activity in the remainder of the relevant Contract Year. The Contractor acknowledges that where the Authority informs the Contractor that it may carry out only certain purchases of Spares and/or carry out certain Repair activity and/or make no further purchases of Spares and/or carry out no Repair activity, in each case for the remainder of the then current Contract Year, the Contractor shall still be obliged to satisfy in full all of the Contractor Deliverables and the Authority's right to make Applicable Deductions and its other rights as set out in Schedule 6 (*Incentivisation*) and elsewhere in this Contract shall remain in full force and effect.

7 Directed Purchases and Directed Repairs

7.1 Where the Authority and the Contractor have agreed a Directed Purchase Proposal, in accordance with the procedure set out in paragraph 3 of Schedule 20 (*Directed Purchases and Repairs*) the Contractor shall undertake the relevant purchase of Spares in accordance with the procedure set out in the Proposal and in accordance with Serials 2.1.3.3, 2.1.3.7(iii) and 2.1.3.7(iv) of Annex 1 to Schedule 2 (*Statement of Requirements*).

7.2 Where the Authority and the Contractor have agreed a Directed Repairs Proposal, in accordance with the procedure set out in paragraph 3 of Schedule 20 (*Directed Purchases and Repairs*) the Contractor shall undertake the relevant repair activity in accordance with the procedure set out in the Proposal and in accordance with Serials 2.1.4.3, 2.1.4.7(iii) and 2.1.4.7(iv) of Annex 1 to Schedule 2 (*Statement of Requirements*).

7.3 The Authority shall only be obliged to pay the Proposal Price for an agreed Directed Purchase Proposal where:

7.3.1 the Contractor has purchased all of the Spares and spares as set out in an agreed Directed Purchase Proposal in accordance with the relevant Proposal;

7.3.2 the Contractor has made full payment to the relevant contractor in respect of all such purchased Spares and spares; and

7.3.3 the Contractor has notified the Authority that such purchased Spares and spares are in the possession of the Authority and have not been rejected by the LCS(T) Contractor in accordance with the Serial 2.1.5 of Annex 1 to Schedule 2 (*Statement of Requirements*); and

7.3.4 where all relevant information relating to such proposed Spares and spares is set out in a Monthly Performance Report relating to a Contract Month which follows the date when the relevant purchased Spares and spares are in the possession of the Authority (as contemplated above); and

7.3.5 where the Authority has confirmed to the Contractor during the Monthly Project Review that it accepts that the Contractor has purchased all the relevant Spares and spares and, that the relevant Spares and spares are in the possession of the Authority as contemplated in this paragraph 7.

7.4 The Authority shall only be obliged to pay the Proposal Price for an agreed Directed Repair Proposal where:

7.4.1 the Contractor has fully carried out all of the repairs relating to the Spares and spares set out in the agreed Directed Repairs Proposal; and

7.4.2 the Contractor has made full payment to the relevant contractor in respect of all such repairs activities; and

7.4.3 the Contractor has notified the Authority that Spares and spares which were subject to the repairs are in the possession of the Authority and have not been rejected by the LCS(T) Contractor in accordance with the Serial 2.1.5 of Annex 1 to Schedule 2 (*Statement of Requirements*); and

7.4.4 where all relevant information relating to such proposed repairs is set out in a Monthly Performance Report relating to a Contract Month after all the relevant purchased Spares or spares are in the possession of the Authority (as contemplated above); and

7.4.5 where the Authority confirms to the Contractor during the Monthly Project Review that it accepts that the Contractor has fully carried out all the repairs relating to the relevant Spares and spares and, that the relevant Spares and spares are in the possession of the Authority as contemplated in this paragraph 7;

7.5 Following satisfaction of all of the relevant conditions referred to in paragraph 7.3 (in relation to an agreed Directed Purchase Proposal) and paragraph 7.4 (in relation to an agreed Directed Repairs Proposal), the Authority shall pay the relevant Proposal Price in the next Contract Month.

8 Demand Volume Adjustment Process

8.1 Subject to any extension to the Contract Period in accordance with Clauses 4.2 to 4.6 (inclusive) (*Contract Period and Options*) within ten (10) Working Days of:

8.1.1 the end of each of the second (2nd), third (3rd), fourth (4th) and fifth (5th) Contract Years; or

8.1.2 on such other dates as may be agreed in accordance with a Change pursuant to Schedule 11 (*Change Procedure*),

the Parties shall consider whether the Contractor is entitled to an adjustment to the payment it has received in the preceding Contract Year in relation to the Inventory Management Service, the Inventory Modelling Service, the Technical Service and the Information Management Service in accordance with the following provisions of this paragraph 8 ("the **Demand Volume Adjustment Process**").

8.2 The Contractor shall not be entitled to receive any Demand Volume Adjustment unless the Contractor has:

8.2.1 identified to the Authority in each Monthly Performance Report for each Contract Month in the relevant Contract Year to which the potential Demand Volume Adjustment applies:

(i) the total number of Actual Demands resulting in Spares being purchased by the Contractor in accordance with the provisions of paragraph 6.1.1 of Part 1 of this Schedule 9 (*Pricing and Payment*)) in the relevant Contract Month; and

(ii) the total number of Actual Demands resulting in repairs activities being undertaken by the Contractor in accordance with the provisions of paragraph 6.1.2 of Part 1 of Schedule 9 (*Payment and Pricing*)), in the relevant Contract Month; and

(iii) the cumulative aggregate number of Actual Demands identified in paragraphs 8.2.1(i) and 8.2.1(ii) above in relation to the then current Contract Year as at the date of the relevant Monthly Performance Report; and

8.2.2 issued to the Authority, within five (5) Working Days of the end of the relevant Contract Month or month (as the case may be) a detailed analysis comparing the number of items referred to in paragraph 8.2.1(iii) above as against the Baseline Activity together with the Contractor's view as to whether past, current and future Demands may give rise to any future potential Demand Volume Adjustment, together with any proposal by the Contractor which may assist the Authority to avoid being required to make any future Demand Volume Adjustment.

8.3 Where the Contractor has fully complied with its obligations in paragraph 8.2, the Contractor may, in the Contract Month following the end of the relevant Contract Year include, in the Monthly Performance Report to be submitted in respect of such Contract Month, its proposed Demand Volume Adjustment for the relevant Contract Year, calculated in accordance with paragraph 8.4 provided always (for the avoidance of doubt) that there shall be no Demand Volume Adjustment relating to the sixth (6th) Contract Year unless the Parties agree otherwise as the result of any extension of the Contract Period (as contemplated in paragraph 8.1) .

8.4 The Demand Volume Adjustment shall be calculated in accordance with paragraphs 8.5 to 8.8 (inclusive).

8.5 The Contractor shall calculate the Annual Activity Percentage in accordance with the following formula (subject always to paragraph 8.6):

$$\mathbf{AAP = \frac{AD}{BA} \times 100}$$

where:

8.5.1 AAP is the percentage by which the number Actual Demands is greater than the agreed Baseline Activity for the relevant Contract Year;

8.5.2 BA is the Baseline Activity for the relevant Contract Year; and

8.5.3 AD is the Actual Demands for the relevant Contract Year.

8.6 Where the Contractor has not complied with its obligations in paragraph 8.2 and/or where the Actual Demands in the relevant Contract Year are less than the Baseline Activity for that Contract Year, the Annual Activity Percentage shall equal 99%.

8.7 Following calculation of the Annual Activity Percentage, the Contractor shall notify the Authority and the Contractor and the Authority shall, as soon as reasonably practicable following notification, meet to discuss such percentage and whether or not the Contractor has fully complied with its obligations in paragraph 8.2. When the Authority is satisfied that the Annual Activity Percentage is correctly calculated and that the Contractor has also fully satisfied such obligations, the Annual Activity Percentage shall be used to determine what, if any, percentage uplift shall be applied to the Firm Price payable by the Authority in the relevant Contract Year (in respect of total sum payable for the Inventory Management Service, the Inventory Modelling Service, the Technical Service and the Information Management Service in the relevant Contract Year).

8.8 The percentage uplift referred to in in paragraph 8.7 shall be determined by:

8.8.1 comparing the Annual Activity Percentage for the relevant Contract Year against the sliding scale in column one of the table in Appendix 2 (*Activity Bandings for Demand Volume Adjustment*) to this Part 1 of Schedule 9 (*Pricing and Payment*), to identify what row in such table is applicable;

8.8.2 identifying whether there is any percentage uplift to be applied as the result of the relevant Annual Activity Percentage, as identified in column two (2) of the applicable row of such table; and

8.8.3 where there is a percentage uplift:

(i) multiplying the Firm Price for the aggregate sum payable for the Inventory Management Service, the Inventory Modelling Service, the Technical Service and the Information Management Service for the relevant Contract Year by the relevant percentage uplift and the product shall be the Demand Volume Adjustment for the relevant Contract Year; and

(ii) the relevant sum shall be payable by the Authority to the Contractor in the Contract Month following the later of the agreement by the Parties of such sum and the agreement by the Authority to any

Deductions Adjustment (to be calculated in accordance with paragraph 8.9).

8.9 Where a Demand Volume Adjustment is payable in relation to any Contract Year, such sum shall only be payable when the Authority has agreed the amount of any Deductions Adjustment and deducted the relevant sum from the Demand Volume Adjustment. The Deductions Adjustment shall be calculated as follows:

8.9.1 the amount of any Demand Volume Adjustment shall be divided between each of the Inventory Management Monthly Payment, the Inventory Modelling Monthly Payment, the Technical Services Monthly Payment and the Information Management Monthly Payment pro rata as to the respective values of each such payments in the relevant Contract Year; and

8.9.2 the relevant pro rata sum for each relevant Service shall then be divided into twelve (12) equal amounts for each of the Contract Months in the relevant Contract Year and one (1) twelfth (12th) of the relevant amount shall be added to each of the relevant Service Monthly Payments in that Contract Year;

8.9.3 the Contractor shall then recalculate all the Deductions which were payable in each of the Contract Months in the relevant Contract Year, applying the relevant Applicable Deductions against the relevant Services Monthly Payment (as increased as contemplated in this paragraph 8.9) and the aggregate of such sum, less the amount of the Applicable Deductions already made by the Authority in respect of such Contract Year, shall be the proposed Deductions Adjustment for the relevant Contract Year.

8.10 The Contractor shall notify the Authority (together with supporting evidence) of the proposed Deductions Adjustment.

8.11 The Authority and the Contractor shall meet to consider the Contractor's proposal and, when the Authority has agreed the Deductions Adjustment, such sum shall be deducted from the Demand Volume Adjustment and the balance of the Demand Volume Adjustment shall then be payable by the Authority to the Contractor within five (5) Working Days following such agreement.

9 Exit Payment

9.1 The Contractor shall be paid the Exit Payment on the date that it has fully complied with all of its obligations as set out in the Exit Plan.

9.2 Where the final Monthly Payment is greater than zero (0) (following the reconciliation to be carried out in accordance with paragraph 10.3.2 of this Part 1 (*Other Payments Due*):

9.2.1 the relevant fixed Monthly Payment shall not be paid by the Authority to the Contractor unless the Contractor has fully satisfied its obligations in relation to the Exit Plan (as referred to in paragraph 9.1); and

9.2.2 where the Contractor fails to fully satisfy such obligations by the date which is six (6) months following the Expiry Date or the Termination Date (as the case may be):

(i) the Contractor shall have no right to be paid the Exit Payment and the final Monthly Payment; and

(ii) the Contractor shall continue to be liable to carry out all unsatisfied obligations in the Exit Plan and the Authority may recover from the Contractor, as a debt, any costs and Losses the Authority incurs in carrying out and/or procuring a Third Party to carry out any such obligations.

10 Other Payments Due

10.1 The Authority shall increase the Monthly Payment to reflect any sums that are agreed or determined to be payable to the Contractor in respect of this Contract in the Contract Month immediately following such agreement or determination.

10.2 The Authority shall be entitled to reduce the Monthly Payment and/or the Transition Milestone Payment to reflect any sums that are agreed or determined to be payable by the Contractor to the Authority in respect of this Contract (including any sums contemplated in Clause 27.2 (*Recovery of Sums Due*)) in the Contract Month immediately following such agreement or determination, provided that the Authority's Representative has notified the Contractor's Representative at any time prior to making the relevant deduction.

10.3 The Parties:

10.3.1 may, during the Contract Period and on written notice to the other, carry out a reconciliation to determine the amount of any payments that are due to the Authority and/or the Contractor (as the case may be) in accordance with this Contract; and

10.3.2 following the Expiry Date or Termination Date (and subject to Clause 71.10.1 (*Miscellaneous Provisions*)), carry out a reconciliation to determine the amount of any payments that are due to the Authority and/or the Contractor (as the case may be) in accordance with this Contract.

10.4 The reconciliations referred to in paragraph 10.3, shall take place:

10.4.1 where either Party gives written notice to the other of a requirement for a reconciliation at any time during the Contract Period, at a time to be agreed by the Parties or in the absence of agreement within ten (10) Working Days following the date of receipt of the notice issued by the other Party as referred to paragraph 10.3.1; and/or

10.4.2 in the case of early termination or Expiry of this Contract, within ten (10) Working Days of the Termination Date or Expiry Date (as the case may be) or such other date as is agreed by the Parties,

and shall be carried out in accordance with a methodology to be agreed by the Parties or as determined in accordance with paragraph 10.5.

10.5 In the event that the Parties fail to agree any matter arising from the conduct of or the conclusion of any matter arising from a reconciliation, either Party may refer such matter for resolution to the Dispute Resolution Procedure.

Appendix 1 (to Part 1)

Baseline Assumed Demands

Estimated baseline activity for each Contract Year based on demand history made available to the Contractor on or before the Effective Date

From the Effective Date to **REDACTED**

Appendix 2 (to Part 1)

Activity Bandings for Demand Volume Adjustment

Annual Activity Percentage (calculated in accordance with paragraph 8 of Part 1 of Schedule 9 (*Pricing and Payment*))	**Percentage Uplift of Contract Price for relevant Contract Year in respect of the aggregate of the Inventory Management Service, the Inventory Modelling Service, the Technical Service and the Information Management Service for the relevant Contract Year**
100% or less	**0%**
>100% - <120%	**0%**
>120% - <130%	**5%**
>130% - <140%	**10%**
>140% - <150%	**15%**
>150% - <160%	**20%**
>160% - <170%	**25%**
>170% - <180%	**30%**
>180% - <190%	**35%**
>190% - <200%	**40%**

Appendix 3 (to Part 1)

Agreed Indexation Table

K388 Escalation Index (only applicable to the Spares Catalogue)

Cost Escalation	2020/21	2021/22	2022/23	2023/24	2024/25	2025/2026
K388 Escalation Index	112.6	114	115.6	117.2	118.7	120.4
K388 Escalation Rate	Not Applicable	1.3%	1.4%	1.4%	1.4%	1.4%

K8ZU Escalation Index (only applicable to the Repair Catalogue)

Cost Escalation	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
K8ZU Escalation Index	112.8	114.3	115.8	117.2	118.7	120.2
K8ZU Escalation Rate	Not Applicable	1.3%	1.3%	1.3%	1.2%	1.2%

Appendix 4 (to Part 1)

Part 1 – Spares Catalogue

Appendix 4 (to Part 1) of this Schedule 9 (*Pricing and Payment*) Part 1 - Spares Catalogue is the document in the Agreed Form, entitled “LSC Contract – Spares Catalogue”

Part 2 – Repairs Catalogue

Appendix 4 (to Part 1) of this Schedule 9 (*Pricing and Payment*), Part 2 - Repairs Catalogue is the document in the Agreed Form, entitled “LSC Contract – Repairs Catalogue”

Part 2 - The Contract Price

1 Core Contractor Deliverables Firm Price, Option Firm Price and Fixed Price Pass Through Costs

Core Contractor Deliverables Firm Price

1.1 The Core Contractor Deliverables Firm Price is the Contract Price payable by the Authority in respect of the Core Contractor Deliverables and all of the other obligations of the Contractor under this Contract and is the aggregate of the Firm Prices for each of the grouping of Contractor Deliverables which the Contractor has provided individual prices for, being:

1.1.1 Inventory Management Service **REDACTED**

1.1.2 Inventory Modelling Service **REDACTED**

1.1.3 Technical Service **REDACTED**

1.1.4 Information Management Service **REDACTED**

1.1.5 Exit **REDACTED**

1.2 The Core Contractor Deliverables Firm Price has been divided into Monthly Payments, having been calculated by dividing the price agreed between the Parties for the provision of the Core Contractor Deliverables (excluding the Exit Payment Firm Price) ("**Milestones**"). The Milestones and Milestone Payments Schedule may change as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*).

1.3 The Core Contractor Deliverables Firm Price may increase or decrease as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*).

1.4 Not Used.

Option Firm Price

1.5 The Option Firm Price is that part of the Contract Price payable by the Authority in respect of that part of the Contractor Deliverables to be performed by the Contractor in respect of:

1.5.1 an Exercised Option, in accordance with Clause 4.11 (*Contract Period and Options*);

1.5.2 an Exercised Option but in relation to which an Option Firm Price has previously been agreed or determined in accordance with Schedule 11 (*Change Procedure*) and/or this Part 2 of Schedule 9 (*Pricing and Payment*) (as the case may be) in respect of such Option; and

1.5.3 all of the other obligations of the Contractor under this Contract in respect of the relevant Exercised Option.

1.6 The Option Firm Price in respect of each Option has been divided be divided into Monthly Payments having been calculated by dividing the price agreed between the Parties for the provision of the Contractor Deliverables in respect of the relevant Option ("**Milestones**").

1.7 The Milestones and Milestone Payments Schedule in respect of the Exercised Options referred to in paragraph 1.5.1 may change as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*).

1.8 An Option Firm Price may increase or decrease to take account of the calculation of the Option Adjustment Firm Price as a result of an approved Change pursuant to Schedule 11 (*Change Procedure*).

Fixed Price Pass Through Costs

1.9 The Fixed Price Pass Through Costs are payable by the Authority in addition to the Contract Price when the Contractor has fully satisfied the obligations in paragraph 6 of Part 1 of this Schedule 9 (*Pricing & Payment*).

1.10 The Contractor acknowledges that the Fixed Price Pass Through Costs shall be subject to downwards adjustment where required by the Authority following any notification by the Contractor in accordance with Clause 5.1.21 (*Contractor Warranties and Undertakings*) or as the result of an approved Change pursuant to Schedule 11 (*Change Procedure*).

Payment of the Contract Price

1.11 The sum payable by the Authority each of the Contract Months is the Milestone Payment Amount (subject to adjustment in accordance with the provisions of this Schedule 9 (*Pricing and Payment*)), as set out in the Milestone Payments Schedule and subject to the provisions of Part 3 and Part 4 of this Schedule 9 (*Pricing and Payment*).

1.12 The Authority shall load onto the CP&F system:

1.12.1 each of the Milestones identified in the Milestone Payments Schedule; and

1.12.2 following a Change in relation to the Exercised Options (as referred to in paragraph 1.6), any additional Milestones as a result of the Change as identified in the revised Milestone Payments Schedule,

in each case, in order to facilitate payment of completed Milestones in accordance with this Contract, provided always that:

(i) the loading of the Milestones is not an acceptance by the Authority that any Milestone will be paid (and the provisions of Part 1 of this Schedule 9 (*Pricing and Payment*) shall apply to determine the Monthly Payment for the relevant Contract Month);

(ii) the Authority shall only confirm payment of any Milestone when it has receipted the relevant payment for the Milestone through the CP&F system, receipt shall normally be within five (5) Working Days of agreement of the Milestone subject always to the provisions of paragraph 2 (*Accepted Costs*) and Clause 20 (*Payment Under CP&F*);

(iii) the Authority shall only pay the Accepted Costs in respect of any Milestone and each such Milestone shall be subject to any adjustment in accordance with the provisions of this Schedule 9 (*Pricing and Payment*); and

(iv) the Authority shall only pay the payment due in respect of the final Contract Month and the Exit Payment when the relevant provisions of paragraph 9 (*Exit Payment*) of Part 1 of this Schedule 9 (*Pricing and Payment*) have been satisfied.

Payment of the Fixed Price Pass Through Costs

1.13 The Authority shall load onto the CP&F system:

1.13.1 the sum it considers will be likely to be payable to the Contractor in respect of the Spares Price and the Repairs Price for the relevant Contract Month based upon the estimated type of and number of purchases of Spares and Repairs that are likely to be made as evidenced from the available modelling and other information available to the Authority;

in order to facilitate payment of the Spares Price and the Repairs Price in accordance with this Contract, provided always that:

(i) the loading of such sums is not an acceptance by the Authority that any such sum will be paid (and the provisions of Part 1 of this Schedule 9 (*Pricing and Payment*) shall apply to determine the Monthly Payment for the relevant Contract Month);

(ii) the Authority shall only confirm payment of any such sum when it has receipted the relevant payment for the Milestone through the CP&F system, receipt shall normally be within five (5) Working Days of agreement of the Milestone subject always to the provisions of paragraph 2 (*Accepted Costs*) and Clause 20 (*Payment Under CP&F*);

(iii) the Authority shall only pay the Accepted Costs in respect of any such sums (which shall be based on the information provided by the Contractor and verified by the Authority following compliance by the Contractor with its obligations set out in paragraph 6 of Part 1 of this Schedule 9 (*Pricing and Payment*)) and all sums shall be subject to any adjustment in accordance with the provisions of this Schedule 9 (*Pricing and Payment*); and

(iv) any of the sums loaded onto the CP&F system may be adjusted by the Authority at its sole discretion at any time.

2 <u>Accepted Costs</u>

2.1 The Authority shall, at its sole discretion, pay for those costs it considers that the Contractor has properly and appropriately incurred in respect of any Contract Month in relation to the relevant Contractor Deliverables, Proposal Prices, Spare Price and Repair Price in that Contract Month.

Part 3 – Payment of the Contract Price (other than the Transition Deliverables Firm Price) and the Fixed Price Pass through Costs

1 Payment

1.1 In each Contract Month the Contractor shall submit an invoice in accordance with Clause 20 (*Payment Under CP&F*) for the relevant Monthly Payment.

1.2 The invoice referred to in paragraph 1.1 shall be prepared by the Contractor following the LSC Monthly Performance Review during which the Authority and the Contractor have discussed the Monthly Performance Report including the Contractor Deliverables which are the subject of the relevant invoice and the proposed Monthly Payment for the relevant Contract Month (including the relevant Accepted Costs) and such invoice shall be based on the agreed payment due in respect of the relevant Contract Month, or where the Monthly Performance Report is not agreed and in so far as such disagreement refers to the amount to be paid by the Authority to the Contractor in respect of the relevant Contract Month, the Contractor shall submit such invoice as it considers is due and payable and if the Authority disputes such invoice the Authority shall only pay the Accepted Costs and the provisions of Clause 24 (*Disputed Amounts*) shall apply.

1.3 Following the resolution of any dispute:

1.3.1 any sums paid by the Authority and which are later agreed or determined to be due to the Authority shall be deducted from the Monthly Payment in the Contract Month immediately following such agreement or determination (as the case may be) in accordance with paragraph 10 of Part 1 of this Schedule 9 (*Pricing and Payment*); or

1.3.2 any sums withheld by the Authority and which are later agreed or determined to be payable to the Contractor shall be added to the Monthly Payment in the Contract Month immediately following such agreement or determination (as the case may be) in accordance with paragraph 10 of Part 1 of this Schedule 9 (*Pricing and Payment*).

1.4 Any payment made by the Authority shall not be construed as acceptance by the Authority of the performance by the Contractor of the Contractor Deliverables nor as a waiver of any of the Authority's rights and remedies either under this Contract or otherwise.

Part 4 – No Adjustments to Firm Prices

1 No Adjustments to Firm Prices

1.1 The Contractor acknowledges and agrees that none of the Transition Deliverables Firm Price, the Core Contractor Deliverables Firm Price, any Option Firm Price, any Core Contractor Deliverables Adjustment Firm Price and/or any Option Adjustment Firm Price shall, notwithstanding anything to the contrary in this Contract, be increased during the performance of the relevant Contractor Deliverables and/or otherwise be subject to adjustment, other than:

1.1.1 in relation to Accepted Costs arising as a result of the implementation of an approved Change in accordance with Schedule 11 (*Change Procedure*) and only where and to the extent that such approved Change expressly contemplates an increase in the Transition Deliverables Firm Price, the Core Contractor Deliverables Firm Price and/or the Option Firm Price; and

1.1.2 in the case of certain identified elements of the Core Contractor Deliverables Firm Price, as may be adjusted in accordance with the Demand Volume Adjustment Process.

Appendix 1 (to Part 2)

Milestone Payments Schedule for Core Contractor Deliverables

Appendix 1 (*Milestone Payments Schedule for the Core Contractor Deliverables*) of this Schedule 9 (*Pricing and Payment*) is the document in the Agreed Form, entitled “LSC Contract - Milestone Payment Plan”

Appendix 2 (to Part 2)

Milestone Payments Schedule for Options

Appendix 2 (*Milestone Payments Schedule for Options*) of this Schedule 9 (*Pricing and Payment*) is the document in the Agreed Form, entitled “LSC Contract - Milestone Payment Plan”

Schedule 10

Transition

1 Transition Obligations

1.1 During the Transition Period the Contractor shall carry out and perform in accordance with the Transition Plan:

1.1.1 in the period commencing on the Effective Date and ending on the IOC Date (or such later date as may be agreed in accordance with a Transition IOC Remediation Plan in accordance with the provisions of paragraphs 3 (*Transition IOC Remediation Plan*) and 4 (*Approval of Transition IOC Remediation Plan*) of this Schedule 10 (*Transition*)), those Transition Deliverables as more particularly set out in Serial 2.1.5 of Annex 1 to Schedule 2 (*Statement of Requirements*); and

1.1.2 in the period commencing on the IOC Date (or such later date as may be agreed in accordance with a Transition IOC Remediation Plan in accordance with paragraphs 3 (*Transition IOC Remediation Plan*) and 4 (*Approval of Transition IOC Remediation Plan*) of this Schedule 10 (*Transition*)) and ending on the FOC Date (or such later date as may be agreed in accordance with a Transition FOC Remediation Plan in accordance with the provisions of paragraphs 5 (*Transition FOC Remediation Plan*) and 6 (*Approval of Transition FOC Remediation Plan*) of this Schedule 10 (*Transition*)), those Transition Deliverables as more particularly set out in Serial 3.2.1 of Annex 1 to Schedule 2 (*Statement of Requirements*).

2 Transition IOC and FOC Completion Requirements

2.1 In order for the Contractor to be permitted to carry out the Transition Deliverables and/or any other Contractor Deliverables (other than the Transition Deliverables referred to in paragraph 1.1.1 (*Transition Obligations*)) the Contractor must satisfy the Transition IOC Completion Requirements (as more particularly referred to in paragraph 11 (*Satisfaction of the Transition IOC Completion Requirements*)).

2.2 Where the Contractor is of the opinion that it may not satisfy the Transition IOC Completion Requirements by the IOC Date or has not satisfied the Transition IOC Completion Requirements by the IOC Date the provisions of paragraphs 3 (*Transition IOC Remediation Plan*) and 4 (*Approval of Transition IOC Remediation Plan*) shall apply.

2.3 In order for the Contractor to be permitted to carry out the Transition Deliverables and/or any other Contractor Deliverables (other than the Transition Deliverables referred to in paragraphs 1.1.1 and 1.1.2 (*Transition Obligations*)), the Contractor must satisfy the Transition FOC Completion Requirements (as more particularly referred to in paragraph 12 (*Satisfaction of the Transition FOC Completion Requirements*)).

2.4 Where the Contractor is of the opinion that it may not satisfy the Transition FOC Completion Requirements by the FOC Date or has not satisfied the Transition FOC Completion Requirements by the FOC Date the provisions of paragraphs 5 (*Transition FOC Remediation Plan*) and 6 (*Approval of Transition FOC Remediation Plan*) shall apply.

3 Transition IOC Remediation Plan

3.1 Without prejudice to any other rights and/or remedies of the Authority under this Contract, if during the Contract Period the Contractor is of the opinion that it may not be able to achieve the Transition IOC Completion Requirements by the IOC Date it shall immediately (and in any event no later than ten (10) Working days prior to the IOC Date or such other date as the Parties may agree before the IOC Date), submit to the Authority a Transition IOC Remediation Plan identifying in detail:

3.1.1 the reasons why the IOC Date will not be achieved;

3.1.2 which of the Transition IOC Completion Requirements will not be met by the IOC Date and why;

3.1.3 the proposed steps and activities to be taken by the Contractor to enable the Contractor to achieve the Transition IOC Completion Requirements;

3.1.4 the date by which the Contractor will achieve the Transition IOC Completion Requirements in accordance with the proposed Transition IOC Remediation Plan;

3.1.5 how the proposed Transition IOC Remediation Plan will enable the Contractor to achieve satisfaction of the Transition FOC Completion Requirements by the FOC Date;

3.1.6 any proposed variation to the Contract that the Contractor proposes will be required to enable the Transition IOC Completion Requirements to be met and/or to give effect to any of the rights, remedies or benefits referred to in paragraph 3.1.7 (*Transition IOC Remediation Plan*) below; and

3.1.7 any additional rights, remedies and/or benefits the Contractor proposes that the Authority shall be entitled to if it agrees to accept the proposed Transition IOC Remediation Plan.

3.2 The Authority shall approve or reject any Transition IOC Remediation Plan in accordance with paragraph 4 (*Approval of Transition IOC Remediation Plan*) and the provisions of paragraph 4 (*Approval of Transition IOC Remediation Plan*) shall apply to the assessment by the Authority of the proposed terms of such Transition IOC Remediation Plan, the consequences of the Contractor carrying out and completing the Transition IOC Remediation Plan, or the failure by the Contractor to carry out and complete the Transition IOC Remediation Plan.

4 Approval of Transition IOC Remediation Plan

4.1 The Authority shall consider any Transition IOC Remediation Plan proposed by the Contractor in accordance with paragraph 3 (*Transition IOC Remediation Plan*) and, within ten (10) Working Days of receipt of such Transition IOC Remediation Plan, notify the Contractor, in writing, whether:

4.1.1 the Authority approves such Transition IOC Remediation Plan and/or any proposed changes to such remediation plan, and following such notification of approval and/or subsequent approval to any amended plan (all to take place within such ten (10) Working Day period), the Contractor shall expeditiously carry out and complete all the activities contained within the Transition IOC Remediation Plan, and:

(i) if the Contractor fully carries out and completes all the activities contained within the Transition IOC Remediation Plan within the agreed timescales and achieves the Transition IOC Completion Requirements by the agreed revised date, in each case as set out in the Transition IOC Remediation Plan, the Contractor shall then continue to satisfy its obligations under this Contract (as may be amended as contemplated in paragraph 3.1.6 (*Transition IOC Remediation Plan*)); or

(ii) if the Contractor fails to fully carry out and complete all the activities contained within the Transition IOC Remediation Plan within the agreed timescales and/or fails to achieve the Transition IOC Completion Requirements by the revised date, in each case as set out in the Transition IOC Remediation Plan, such failure shall entitle the Authority to (without prejudice to any of its other rights under this Contract) and in its absolute discretion, to:

(A) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(B) elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default).*

4.1.2 the Authority rejects the Transition IOC Remediation Plan and, if so, the Authority may then (without prejudice to any of its other rights under this Contract) and in its discretion:

(i) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(ii) at any time thereafter, elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default).*

4.1.3 if the Contractor fails to submit a Transition IOC Remediation Plan within the period referred to in paragraph 3.1 (*Transition IOC Remediation Plan*) the Authority may then (without prejudice to any of its other rights under this Contract) and in its discretion:

(i) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(ii) at any time thereafter, elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default).*

4.2 The Contractor acknowledges that in the event of a termination of the Contract pursuant to paragraph 4.1 (*Approval of Transition IOC Remediation Plan*), the Authority shall be entitled to recover all of its costs and Losses arising (including any costs and Losses arising as the result of the need to retender similar services to those which are the subject of this Contract and/or engage the contractor who is responsible

for providing similar services at the Effective Date to provide services similar to the services which are the subject of this Contract or in carrying out such similar services itself).

5 Transition FOC Remediation Plan

5.1 Without prejudice to any other rights and/or remedies of the Authority under this Contract, if during the Contract Period the Contractor is of the opinion that it may not be able to achieve the Transition FOC Completion Requirements by the FOC Date it shall immediately (and in any event no later than ten (10) Working days prior to the FOC Date or such other date as the Parties may agree before the FOC Date), submit to the Authority a Transition FOC Remediation Plan identifying in detail:

5.1.1 the reasons why the FOC Date will not be achieved;

5.1.2 which of the Transition FOC Completion Requirements will not be met by the FOC Date and why;

5.1.3 the proposed steps and activities to be taken by the Contractor to enable the Contractor to achieve the Transition FOC Completion Requirements;

5.1.4 the date by which the Contractor will achieve the Transition FOC Completion Requirements in accordance with the proposed Transition FOC Remediation Plan,

5.1.5 any proposed variation to the Contract that the Contractor proposes will be required to enable the Transition FOC Completion Requirements to be met and/or to give effect to any of the rights, remedies or benefits referred to in paragraph 5.1.5 (*Transition FOC Remediation Plan*) below; and

5.1.6 any additional rights, remedies and/or benefits the Contractor proposes that the Authority shall be entitled to if it agrees to accept the proposed Transition FOC Remediation Plan.

5.2 The Authority shall approve or reject any Transition FOC Remediation Plan in accordance with paragraph 6 (*Approval of Transition FOC Remediation Plan*) and the provisions of paragraph 6 (*Approval of Transition FOC Remediation Plan*) shall apply to the assessment by the Authority of the proposed terms of such Transition FOC Remediation Plan, the consequences of the Contractor carrying out and completing the Transition FOC Remediation Plan, or the failure by the Contractor to carry out and complete the Transition FOC Remediation Plan.

6 Approval of Transition FOC Remediation Plan

6.1 The Authority shall consider any Transition FOC Remediation Plan proposed by the Contractor in accordance with paragraph 5 (*Transition FOC Remediation Plan*) and, within ten (10) Working Days of receipt of such Transition FOC Remediation Plan, notify the Contractor, in writing, whether:

6.1.1 the Authority approves such Transition FOC Remediation Plan and/or any proposed changes to such remediation plan, and following such notification of approval and/or subsequent approval to any amended plan (all to take place within such ten (10) Working Day period), the Contractor shall expeditiously carry out and complete all the activities contained within the Transition FOC Remediation Plan, and:

(i) if the Contractor fully carries out and completes all the activities contained within the Transition FOC Remediation Plan within the agreed timescales and achieves the Transition FOC Completion Requirements by the agreed revised date, in each case as set out in the Transition FOC Remediation Plan, the Contractor shall then continue to satisfy its obligations under this Contract (as may be amended as contemplated in paragraph 5.1.5 (*Transition FOC Remediation Plan*)); or

(ii) if the Contractor fails to fully carry out and complete all the activities contained within the Transition FOC Remediation Plan within the agreed timescales and/or fails to achieve the Transition FOC Completion Requirements by the revised date, in each case as set out in the Transition FOC Remediation Plan, such failure shall entitle the Authority to (without prejudice to any of its other rights under this Contract) and in its absolute discretion, to:

(A) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(B) elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default).*

6.1.2 the Authority rejects the Transition FOC Remediation Plan and, if so, the Authority may then (without prejudice to any of its other rights under this Contract) and in its discretion:

(i) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(ii) at any time thereafter, elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default).*

6.1.3 If the Contractor fails to submit a Transition FOC Remediation Plan within the period referred to in paragraph 5.1 (*Transition FOC Remediation Plan*) the Authority may then (without prejudice to any of its other rights under this Contract) and in its discretion:

(i) step-in, as contemplated in Clause 36.1 (*Authority Step-In*) (and any such step-in shall be subject to the provisions of Clause 36.5 (*Effects of Step-In following the Contractor's breach*); and/or

(ii) at any time thereafter, elect to terminate the whole or part of this Contract pursuant to Clause 69.2 (*Termination for Contractor Default).*

6.2 The Contractor acknowledges that in the event of a termination of the Contract pursuant to paragraph 4.1 (*Approval of Transition IOC Remediation Plan*), the Authority shall be entitled to recover all of its costs and Losses arising (including any costs and Losses arising as the result of the need to retender similar services to those which are the subject of this Contract and/or engage the contractor who is responsible

for providing similar services at the Effective Date to provide services similar to the services which are the subject of this Contract or in carrying out such similar services itself).

7 No Contract Extension and Loss of Monthly Payment for Delayed FOC

7.1 The Contractor acknowledges that where there is an Actual FOC Date and where the delay to the FOC Date is caused by or contributed to by the Contractor, the Contractor shall not be entitled:

7.1.1 to any extension of the Contract Period; or

7.1.2 to receive any payment in respect of any period between the FOC Date and the Actual FOC Date and there shall be a pro rata reduction in the Monthly Payment in respect of the number of days during which the delay subsists in any relevant Contract Month (subject to any other agreement of the Parties in a Transition FOC Remediation Plan, as contemplated in paragraph 7.3 (*No Contract Extension and Loss of Monthly Payment*), or otherwise).

7.2 Notwithstanding any pro rata reduction in any Monthly Payment as contemplated in paragraph 7.1.2 (*No Contract Extension and Loss of Monthly Payment*), there shall be no reduction in the amounts of the Monthly Payments which the Authority is permitted to make Deductions from as set out and/or referred to in Schedule 6 (*Incentivisation*).

7.3 In the event that the Contractor prepares a Transition IOC Remediation Plan and/or a Transition FOC Remediation Plan, the Contractor shall propose what additional rights, remedies and/or benefits which the Authority may have in the event that it accepts such plan, in accordance with paragraphs 3.1 (*Transition IOC Remediation Plan*) and 5.1 (*Transition FOC Remediation Plan*) of this Schedule 10 (*Transition*) and the Contractor acknowledges that this may further reduce the relevant Monthly Payments.

7.4 Notwithstanding any reduction in any Monthly Payment as contemplated in paragraph 7.3 (*No Contract Extension and Loss of Monthly Payment*), there shall be no reduction in the amounts which the Authority is permitted to make Deductions from as set out and/or referred to in Schedule 6 (*Incentivisation*).

8 Authority GFA Obligations

8.1 The Authority shall provide the GFA identified in the table set out at Part 2 of Schedule 7 (*Authority Obligations*) in respect of:

8.1.1 the period commencing on the Effective Date and ending on the IOC Date; and

8.1.2 period commencing on the IOC Date and ending on the FOC Date,

provided always that in the event that the Contractor has prepared a Transition IOC Remediation Plan and/or a Transition FOC Remediation Plan, the Authority's obligation to provide all GFA is suspended until such time as:

(i) the Authority has agreed such remediation plan; and

(ii) such remediation plan identifies what (if any) adjustments are required to be made to the Authority's obligations to provide GFA in

accordance with this paragraph *8* (*Authority GFA Obligations*) Clause 31 (*Authority Performance Failures*) and Schedule 7 (*Authority Obligations*) arising as a result of the failure of the Contractor to satisfy the Transition IOC Completion Requirements and/or the Transition FOC Completion Requirements (as the case may be) and the Authority has accepted such proposals.

9 Governance and Reporting

9.1 The Contractor acknowledges that the governance regime is set out at paragraphs 4 and 5 of Schedule 8 (*Governance and Management*) shall apply during the Transition Period.

10 Disapplication of Schedule 6 (*Incentivisation*) during the Transition Period

10.1 During the Transition Period the provisions of Schedule 6 (*Incentivisation*) shall not apply and the measurement and monitoring of the KPIs shall commence on the first to occur of the FOC Date and the Actual FOC Date.

11 Satisfaction of the Transition IOC Completion Requirements

11.1 The Transition IOC Completion Requirements are set out in Appendix 1 (*Transition IOC Completion Requirements*) to this Schedule 10 (*Transition*).

11.2 The Contractor shall satisfy the Transition IOC Completion Requirements in accordance with the Transition Plan and the Contract Programme.

11.3 Not Used.

11.4 When the Contractor is of the opinion that the Contractor has satisfied the Transition IOC Completion Requirements it shall:

11.4.1 notify the Authority; and

11.4.2 issue to the Authority a MAC IOC Evidence Checklist (in the form set out at Appendix 5 (*MAC IOC Evidence Checklist*) to this Schedule 10 (*Transition*)) which identifies that all relevant matters and tests have been fully satisfied, confirming the dates when the relevant Authority Representative accepted that the relevant matters and tests were satisfied.

11.5 Within five (5) Working Days of receipt of the MAC IOC Evidence Checklist the Authority shall notify the Contractor if it requires any further information in support of the MAC IOC Evidence Certificate.

11.6 Within five (5) Working Days of receipt of the MAC IOC Evidence Checklist or from receipt by the Authority of the last of the information requested by the Authority in accordance with paragraph 11.5 (*Satisfaction of the Transition IOC Completion Requirements*), the Parties shall meet to review the Transition IOC Completion Requirements ("**Transition IOC Review**").

11.7 Following the Transition IOC Review, where the Authority:

11.7.1 accepts that the Contractor has satisfied all of the Transition IOC Completion Requirements, the Authority shall issue the MAC IOC Certificate (in the form set out in Appendix 3 (*MAC IOC Certificate*) to this

Schedule 10 (*Transition*)) to the Contractor within three (3) Working Days of the Transition IOC Review; or

11.7.2 disputes that the Contractor has satisfied all of the Transition IOC Completion Requirements, the Authority shall, within three (3) Working Days of the Transition IOC Review, notify the Contractor that it disputes that the Contractor has satisfied the Transition IOC Completion Requirements and, if so, the Contractor may:

(i) request that the Authority permit the Contractor more time to satisfy the Transition IOC Completion Requirements, which the Authority may permit in its absolute discretion on the basis of any terms acceptable to the Authority, but where such terms as proposed by the Authority are not acceptable to the Contractor the Authority may terminate the Contract immediately pursuant to Clause 69.2 (*Termination for Contractor Default*)*;* or

(ii) dispute the Authority's right to refuse to issue the MAC IOC Certificate and refer the matter for resolution pursuant to the Dispute Resolution Procedure.

12 Satisfaction of the Transition FOC Completion Requirements

12.1 The Transition FOC Completion Requirements are set out in Appendix 2 (*Transition FOC Completion Requirements*) to this Schedule 10 (*Transition*).

12.2 The Contractor shall satisfy the Transition FOC Completion Requirements in accordance with the Transition Plan and the Contract Programme.

12.3 Not Used.

12.4 When the Contractor is of the opinion that the Contractor has satisfied the Transition FOC Completion Requirements it shall:

12.4.1 notify the Authority; and

12.4.2 issue to the Authority a MAC FOC Evidence Checklist (in the form set out at Appendix 6 (*MAC FOC Evidence Checklist*) to this Schedule 10 (*Transition*)) which identifies that all relevant matters and tests have been fully satisfied, confirming the dates when the relevant Authority Representative accepted that the relevant matters and tests had been satisfied.

12.5 Within five (5) Working Days of receipt of the MAC FOC Evidence Checklist the Authority shall notify the Contractor if it requires any further information in support of the MAC FOC Evidence Certificate.

12.6 Within five (5) Working Days of receipt of the MAC FOC Evidence Checklist or from receipt by the Authority of the last of the information requested by the Authority in accordance with paragraph 12.5 (*Satisfaction of the Transition IOC Completion Requirements*), the Parties shall meet to review the Transition FOC Completion Requirements ("**Transition FOC Review**").

12.7 Following the Transition FOC Review where the Authority:

12.7.1 accepts that the Contractor has satisfied all of the Transition FOC Completion Requirements, the Authority shall issue the MAC FOC Certificate (in the form set out in Appendix 4 (*MAC FOC* Certificate) to this Schedule 10 (*Transition*)) to the Contractor within three (3) Working Days of the Transition FOC Review; or

12.7.2 disputes that the Contractor has satisfied all of the Transition FOC Completion Requirements the Authority shall, within three (3) Working Days of the Transition FOC Review, notify the Contractor that it disputes that the Contractor has satisfied the Transition FOC Completion Requirements and, if so, the Contractor may:

(i) request that the Authority permit the Contractor more time to satisfy the Transition FOC Completion Requirements which the Authority may permit in its absolute discretion on the basis of any terms acceptable to the Authority, but where such terms as proposed by the Authority are not acceptable to the Contractor the Authority may terminate the Contract immediately pursuant to Clause 69.2 (*Termination for Contractor Default*)*;* or

(ii) dispute the Authority's right to refuse to issue the MAC FOC Certificate and refer the matter for resolution pursuant to the Dispute Resolution Procedure.

Appendix 1

Transition IOC Completion Requirements

Part 1: IOC Documents

(A)	**(B)**	**(C)**	**(D)**	**(E)**
Item #	Documents to be delivered	Format	Content	Supporting Evidence
DocIOC1	Transition RAID register	A soft copy as an editable Microsoft Excel document	The Contractor shall provide a RAID register that shall include as a minimum: 1. identified transition risks which are: • defined in the format of: - due to……; - there is a risk that……; - causing a…….; - which will result in…….. • risk start and end dates • element of transition impacted, performance, cost, deliverables achievement, declaration of transition states • pre-mitigation impact assessment scored by probability of happening and impact of happening • mitigation activities including owners and action due dates • post mitigation impact assessment scored by probability of happening and impact of happening 2. identified transition issues which are: • defined in the format of: - due to……; - there is a risk that……; - causing a…….; - which will result in…….. • risk start and end dates	RAID Register

			• element of transition impacted, performance, cost, deliverables achievement, declaration of transition states • pre-mitigation impact assessment which is scored by probability of happening and impact of happening • mitigation activities including owners, action due dates, • post mitigation impact assessment scored by probability of happening and impact of happening 3. a list of all transition assumptions made 4. a list of all transition dependencies which include: • a list of dependent requirements • dependency owners • dependency dates required • dependency planned dates (agreed with dependency owners)	
DocIOC2	Technical architecture model	A soft copy as an editable Microsoft Office document	A technical architecture model for all Contractor systems which will interface within the Authority's systems, describing: • all LSC systems which are to be integrated • how LSC systems intend to interact (read/write) with the Authority's LogIS system • which of the Authority's systems will be interfaced with • any required Authority compliancy, such as Security Framework requirements • connection configuration requirements • data feeds into / out of the Authority systems	Technical architecture model
DocIOC3	Transition strategy	A soft copy as an editable Microsoft Word document	The Contractor will identify, categorise, evaluate, mitigate, escalate and manage risks for the Transition phases CA to IOC and IOC to FOC.	RAID Register
DocIOC4	Disaster Recovery Plan	A soft copy as an editable Microsoft Word document	The Contractor will manage disaster recovery, including but not limited to: • an analysis of business processes and recovery need through a business impact analysis • precautions to minimise the effects of a disaster	Disaster Recovery Plan

			• actions to continue to operate or quickly resume critical outputs (recovery time objective, recovery point objective)	
DocIOC5	Security Management Plan	A soft copy as an editable Microsoft Word document	The Contractor will provide a Security Management Plan ensuring information assurance and security management, including but not limited to: • Security Management Plan ownership and maintenance • security management approach • security threats and risks • security policies and standards v. physical security environment • personnel security environment • security stakeholders • stakeholder engagement	Security Management Plan
DocIOC6	Process map for management of Issued Property	A soft copy as an editable Microsoft Visio document	The Contractor will manage Issued Property and respond to Authority Audit requests, including but not limited to: • recording of all Issued Property within their Public Stores Account • an annual internal 100% physical stocktake • facilitating access to the Authority for the conduct of audit of any Issued Property	Process map for management of Issued Property
DocIOC7	Draft Relationship Management Plan (RMP)	A soft copy as an editable Microsoft Word document	The Contractor will provide a Draft Relationship Management Plan, that includes but is not limited to: • general overview including: • joint business objectives - roles and responsibilities - outline of management / governance structure - principles for visions, values & behaviours • awareness including: - constraints and initial risks - resources & skills development requirements • knowledge including: - operating models - performance objectives	Draft Relationship Management Plan (RMP) Breakthrough event completed with the Authority representative

			- levels of authority - communications plan aligned to stakeholder management • working together including: - key areas of concern or constraint within each organisation - joint processes to manage knowledge and information flow across relationship - joint programme for reviews, performance measurement and reporting. - processes for issue resolution at the appropriate levels - measures to monitor and maintain appropriate behaviours - bi-annual strategic meetings to set joint strategic objectives including appropriate key attendees and the organisation responsible.	
DocIOC8	Process map for the Purchasing Capability detailing the end-to-end Repair Capability including the process start & end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will manage routine purchases, including but not limited to: • Managing and updating the Purchasing Catalogue (adding, changing and retiring individual NSN price lines) • Placing Works Orders. • Managing extant Works Orders from placement of Works Order to delivery of asset to the Authority. • Rectifying Works Order discrepancies. Management of Authority Directed Purchases for: • Providing the Authority with a purchasing solution within 10 business days of request. • Placing Works Orders. • Managing extant Works Orders from placement of Works Order to delivery of asset to the Authority. • Rectifying Works Order discrepancies.	Process map for Purchasing Capability Purchasing Register Purchasing Catalogue

DocIOC9	Process map(s) detailing the end-to-end process for the Repairs activities including trigger points, logical flow diagram, decision points, process hand-offs, end points.	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will manage routine Level-3 and Level-4 Repairs in accordance with the Contractor Demand Forecast, including but not limited to: 1. manage routine Level-3 and Level-4: • managing and updating the Repair Catalogue • placing Works Orders. • managing extant Works Orders. • managing and expediting overdue Works Orders. • passing on any revised Works Order dates to the Authority. • rectifying repair discrepancies. 2. management of Authority Directed Repairs for: • providing option for a repair solution within 10 business days. • placing Works Orders. • managing extant Works Orders. • managing and expediting overdue Works Orders. • passing on any revised Works Order dates to the Authority. • rectifying order discrepancies. 3. managing the administration of the Repair Catalogue (adding, changing or retiring individual NSN price lines) 4. managing Level-3 repairs: • analysing Level-4 repairs that could be re-categorised as Level-3. • analysing root cause of repair items to identify and inform the	Process map for Purchasing Capability Repair Register Repair Catalogue
DocIOC10	Process map for storage; receipt and onward distribution of Inventory items including the process start &	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will manage items that are not subject to Cryptographic Controlled Items requirements, including but not limited to: • Delivering Inventory into the LCS(T) Facility • Collecting Inventory returned to LCS(T) Facility through the reverse supply chain	Process map for storage; receipt and onward distribution of Inventory items

	end points, logical flow diagram, decision points, process hand-offs		• Arranging transportation from the LCS(T) Facility to Level-4 repair The Contractor will manage items that are subject to Cryptographic Controlled Items requirements, including but not limited to: • Transporting ITAR/ACTO Inventory that has been sentenced for disposal • Arranging transportation for Cryptographic Controlled Items by the Defence Courier Services	
DocIOC11	Process map for the end-to-end management of disposals service including the process start & end points, Logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will manage Authority directed disposals including Cryptographic Controlled Items, in accordance with Defence Logistics Framework (DLF), including but not limited to: • The Authority will track disposals by individual serial number in accordance with requirement 2.1.2.2 • JAMES updates to mark the item's instance record as inactive • JAMES updates to mark the item's instance record as retired • Defence LogIS updates via the Authority when a whole NSN is sentenced for disposal	Process map for the end-to-end management of disposals service
DocIOC12	Process map for technical logistic Support services including the process start & end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will provide technical logistic support i.a.w SoR Serial 2.1.7.1, including but not limited to: • a process to respond to urgent questions • a process to respond to priority questions • a process to respond to routine questions • a process to capture and record logistic support questions and responses. • a process to conduct analysis for FAQs • a process to produce FAQs posts/process maps/procedures • a process to participate in the ILS logistic support working group • a process to provide release control point support	Process map for technical logistic Support services

DocIOC13	Process map for configuration management activities including the process start & end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will provide configuration management support including how they will: • attend Design Authority configuration management meetings • respond to configuration management correspondence • conduct configuration management support activities • provide information as requested by the Authority	Stakeholder maps available
DocIOC14	Process map for obsolescence management activities including the process start & end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will provide obsolescence management activities including how they will: • participate in Design Authority obsolescence management meetings • make recommendations for last/life time buys • purchase last/life time buys as directed by the Authority • inform the Authority of any Class 2 changes to a component • maintain a Class 2 component change register • report to the Authority to obsolescence issues that would require a Class 1 change.	Process map for obsolescence management activities
DocIOC15	Process map for Inventory modelling activities including the process start & end points, logical flow diagram, decision points,	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will provide Inventory modelling and demand forecast activities including how they will: • conduct modelling to generate demand forecasts that inform Purchasing and Repair activities • forecast Purchasing and Repair activities • produce Purchasing profiles • produce Repairs schedules for screening, Level-3, and Level-4 Repairs,	Process map for Inventory modelling activities

	process hand-offs			
DocIOC16	Contractor Demand Forecast	A soft copy as an editable Microsoft Excel document	The Contract shall provide a Contractor Demand Forecast in accordance with the SoR Serial 2.2.3.1	Contractor Demand Forecast
DocIOC17	Process map for information management activities including the process start & end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will provide information management activities including how they will: • produce and maintain product data sheets for all items in the LSC Inventory. • produce and maintain material safety data sheets for all items in the LSC Inventory. • manage the accuracy of data held on JAMES • manage and maintain contract documents (business continuity, disaster recovery, security management, quality management, information sharing)	Process map for information management activities
DocIOC18	Process map for Design Service Contractor collaboration activities including the process start & end points, Logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor will demonstrate how they will collaborate with the Design Service Contractor (DSC) including how they will produce and share: • trend analysis reports from OEM and from screening and 3rd line maintenance activities; • obsolescence information; and • system Integration of any new products as necessary.	DSC Collaboration Plan and/or DSC Collaboration Strategy
DocIOC19	Repair Catalogue updated to list and cost >=80% of all Repairs	A soft copy as an editable Microsoft Excel document	The Contractor shall provide a Repair Catalogue i.a.w SoR Serial 2.1.4.3, where: • 80% of the Repairs specified in the Contractor Demand Forecast;	Repair Catalogue

	specified in SoR 2.1.4.3		• 100% of all listed Repairs shall have a firm price for years 1-5; and • 100% of all listed Repairs shall have a specified repair time.	
DocIOC20	Purchasing Catalogue updated to list and cost >=80% of all Spares specified in SoR 2.1.3.3	A soft copy as an editable Microsoft Excel document	The Contractor shall provide a Purchasing Catalogue i.a.w SoR Serial 2.1.3.3, where: • 80% of the Spares specified in the Contractor Demand Forecast; • 100% of all listed Inventory items have a firm price for years 1-5; • 100% of all listed Inventory items have a specified lead time; and • 100% of all listed Inventory items have a specified volume break.	Purchasing Catalogue
DocIOC21	Transitional organisation chart	Soft copy in Microsoft PowerPoint (Templates provided as part of ITN data pack)	The Contractor shall provide a populated Transition organisation chart with an associated RACI matrix which identifies all responsible persons for each Transition activity.	RACI Matrix
DocIOC22	Contract Programme for Transition activities	Soft copy as an editable Microsoft Project or Excel document to include a Gantt chart for all transition activities	The Contract Programme shall include; • Transition activity key dates; • Transition delivery timelines; and • sufficient detail to enable the Authority to monitor completion of testing and/or other Transition activities to assess Acceptance in respect of the Contractor Deliverables	Transition Contract Programme
DocIOC23	Repair Report Template	A soft copy as an editable Microsoft Word document	The Contractor shall provide a template document for Repair Reports that includes as a minimum: • unique repair reference, • item NSN, • item serial number, • repair diagnosis, • repair(s) conducted,	Repair Report

			• repair duration, and • repair completion date.	

DocIOC24	Level-3 Activity Register Template	A soft copy as an editable Microsoft Excel document	The Contractor shall provide a Level-3 Activity Register template for historical activity for Screening and Repairs historical activity that includes as a minimum:
			  ○ date screening order raised
			  ○ NSN/serial number to which the screening applies.
			  ○ screenings completed over the last monthly period, including:
			  ○ date delivered to the Contractor i.a.w requirement 2.1.5.
			  ○ actual time taken to screen item
			• details of:
			  ○ all items with No Fault Found
			  ○ screenings which have become past due during the monitored month
			  ○ screenings past due from previous months.
			  ○ items deemed beyond economical repair
			• make recommendations for items not currently included on the screening register that could be included.
			• undertake and report on trend analysis for screening undertaken and make recommendations for items to be removed from the screening register.
			• repairs raised over the last monthly period, including:
			  ○ the date Works Order raised
			  ○ repair type
			  ○ NSN/serial number to which the repair applies.
			  ○ specified turn-around time for each item under repair
			• repairs completed over the last monthly period, including:
			  ○ date delivered to the Contractor in accordance with Requirement 2.1.5.
				Level-3 Activity Register

			○ actual Turn Around Time for each item under repair • details of: ○ all items with No Fault Found ○ repairs which have become past due during the monitored month ○ repairs past due from previous months. ○ items deemed Beyond Economical Repair	
DocIOC25	Disposals Report Template	A soft copy as an editable Microsoft Word format	The Contractor shall provide a template document for disposals which includes as a minimum: • disposal unique identifier reference. • item NSN. • item serial number. • short item name. • whether the item is UID tagged. • date the item sentenced for disposal. • planned disposal date. • actual disposal date. • date the item is marked as inactive/retired on JAMES. • date the item data record owner is informed.	Disposals Report
DocIOC26	Disposal Register Template	A soft copy as an editable Microsoft Excel document	The Contractor shall provide a template for disposals historical activity over the previous reporting period in accordance with Schedule 8 of the Contract (Governance); that includes as a minimum: • Total disposals conducted over the previous reporting period in accordance with Schedule 8 of the Contract (Governance); and • include actual dates of disposals • include actual quantities of disposals	Disposal Register
DocIOC27	Works Order Register Template	A soft copy as an editable Microsoft Excel document	The Contractor shall provide a template for Works Orders historical activity over the previous reporting period in accordance with Schedule 8 of the Contract (Governance); that includes as a minimum:	Works Order Register

			• purchases raised:
			  ○ items purchased
			  ○ date the Works Order was raised
			• purchases completed:
			  ○ items purchased
			  ○ date the items were delivered
			  ○ category of the purchase (routine, Authority Directed, other)
			• all purchases currently past due
			• the proportion of Items for which a firm price exists in the Purchasing Catalogue	

Part 2: IOC Demonstration

(A)	**(B)**	**(C)**	**(D)**	**(E)**	**(F)**
Item #	Scope of Test	Test Description	Acceptance Criteria	Entry Criteria - LSC Contractor	Entry Criteria – Authority
TestIOC1	To test the ability of the LSC Contractor to perform a mock delivery into the LCS(T) Facility in accordance with the LCS(T) Supplier Manual	The test will be to show that the process (DocIOC10) and LCS(T) Supplier Handbook are followed accurately so that the so that the items are booked into the LCS(T) Facility to ensure the correct booking procedure, packing, labelling & documentation	• a delivery arranged with the Defence Courier Services (for crypto controlled items) • a delivery booked at the LCS(T) Facility • Inventory Items packed in accordance with the LCS(T) Supplier Manual (to include the correct dimensions, weight, pallet loading, quantity, quality, labelling and documentation) • items correctly delivered in accordance with the LCS(T) Supplier Manual	• List X approved warehouse / storage unit (for crypto controlled items) • process maps for: storage; receipt and onward distribution of Inventory items	• LSC(T) Supplier Manual • sponsorship of the Defence Courier Services for the LSC Contractor • LCS(T) service availability • access to the Authority Log(IS) system • DMC data available in the Authority's Log(IS)

			including the correct: loading height; documentation; safety equipment (PPE), delivery time, booking in procedures) • a compliant delivery accepted at the LCS(T) Facility		• physical Inventory delivered to the LSC warehouse / office
TestIOC2	To test the ability of the LSC Contractor to complete the end-to-end process of ordering routine Inventory items. Including but not limited to: • receipt of item demand on the Authority's Log(IS) • review of demand • review of Inventory levels • identification of purchase need • Purchasing Catalogue reviewed • Works Order raised • Inventory items received and receipted	The test will be conducted via Team Connect's IFS system and will encompass the receipt of demand through the supply chain to the final delivery and booking procedures in line with TestIOC1. The Authority's inventory levels will then be updated. The test will encompass the end-to-end ordering of routine items using Team Connect's IFS system. The test will include the receipt of demand through the supply chain to the final delivery and booking procedures in line with the scope of TestIOC1	• item demand received by LSC Contractor • Inventory item dispatched to the demander • Inventory quantity updated on Log(IS) • Inventory levels identified as requiring purchase activities in accordance with the Contractor Demand Forecast • pricing and minimum purchase quantities assessed • Works Order created and sent to OEM / supplier • Inventory item booked into the LSC warehouse • delivery receipted and stored in accordance with its security classifications • Inventory quantity updated on Log(IS)	Purchasing Catalogue • Repair Catalogue • Works Order Register • process maps for purchasing activities • Contractor Demand Forecast • TestIOC1 complete	Access to the Authority Log(IS) system

	The activities will be observed by a member of the Authority's in-service team who will be looking for the correct processes and procedures are being followed and in accordance with the purchasing activities process map Only the activities in the control of the LSC Contractor will be evaluated where the processes hand-off to other LSC stakeholders				
TestIOC3	To test the ability of the LSC Contractor to complete the end-to-end process for providing a Purchasing solution for Authority Directed Purchases whereby there is no Inventory price within the Purchasing Catalogue.	The test will follow the process defined within DocIOC8 for how to provide the Authority with a purchasing solution for an item which has not been previously priced. Team Connect will demonstrate passing the test by: • Receiving the order;	• Authority provided with a purchasing solution • Works Order created and set to the supplier • Works Order managed from placement to delivery of asset to the Authority. • Works Order discrepancy identified. • Defence LogIS solution dues-in data record created	• Process map for Purchasing activities • Works Order Register	Access to the Authority Log(IS) system

	The activities will be observed by a member of the Authority's in-service team who will be looking for the correct processes and procedures are being followed and in accordance with the purchasing activities process map Only the activities in the control of the LSC Contractor will be evaluated where the processes hand-off to other LSC stakeholders	• Identifying the discrepancy; • Showing the full RFQ process within our system; and, • The update provided to the Authority through the LogIS solution updating all the relevant registers alongside delivery into the LSC(T) facility.	• delivery arranged at the LCS(T) Facility • Purchasing Register updated		
TestIOC4	To test the ability of the LSC Contractor to complete the end-to-end process of ordering Inventory item repairs for a repair returned within time frame and overdue repairs. Including but not limited to: • Receipt of Inventory items	The test will follow DocIOC9, detailing the process map for all repairs and overhaul activities. Team Connect will: • Use the JAMES system to check and receipt inventory items through the reverse supply chain;	• Inventory Item receipted on JAMES test environment • Inventory levels checked • Works Order raised with OEM for Level-4 repairs • delayed repair items expedited • Authority notified of revised repair dates • order discrepancy identified	• Process map for repairs and overhaul activities • Repair Report • LSC Level-3 Activity Register	Access to the Authority Log(IS) system

	received through the reverse supply chain • Review of Inventory levels • review of Contractor Demand Forecast • Identification of repair need • Inventory items prepared for delivery • Place Works Orders. • Manage extant Works Orders. • Manage and expedite overdue Works Orders. • Notification of a revised Works Order date to the Authority. • Rectifying a repair discrepancy The activities will be observed by a member of the Authority's In-	• Place work orders with the OEM for Level-4 repairs and demonstrate the process of expediting any repairs in the event that it may become necessary; • Alongside this a demonstration of how the Authority would be notified of any revised dates with repair reports and registers updated accordingly with the process as described in the repairs and overhaul process map.	• Repair Report created and updated • Repair Register updated		

	service team who will be looking for the correct processes and procedures are being followed and in accordance with the Repairs activities process map Only the activities in the control of the LSC Contractor will be evaluated where the processes hand-off to other LSC stakeholders				
TestIOC5	A site tour and access control review of the storage areas in the LSC List X approved facility. This is to ensure that Inventory items are securely stored as per their security classification.	The test will involve a tour of the facility, as well as showing proof of List X and Crypto certification, as well as meeting Team Connect Crypto custodians.	• storage areas meet the minimum-security standards required for each Inventory type	• List X approved facility • storage areas established	Inventory item storage classification definition document including • Security Policy Framework • Defence Logistics Framework.
TestIOC6	To test the Ability of the LSC Contractor to identify, evidence and report to the Authority for all non-compliant Inventory items received through the reverse supply chain,	The Authority will provide Team Connect with five (5) items, of which, at least three (3) and at maximum five (5) will be non-compliant. Team Connect will have to successfully identify all of the non-compliant	• all non-compliant Inventory items identified • all non-compliant Inventory items quarantined • all photographic evidence sufficient to demonstrate non-compliance	• camera • defined storage area in List X approved facility • site security sign off, including Cryptographic Controlled Items storage facility	• non-compliant Inventory items: hard drive; radios • discrepancy report Template MOD form 445

	including but not limited to: • Inventory items not packaged and marked in accordance with the Def Stan 81-41 Packaging of Defence Materiel, Def Con 129 Packaging (for Articles Other than Munitions) and the LSC(T) Supplier Manual • Hard drives without Blancco or CODES destruction certification • Inventory items received through the reverse supply chain not entered onto JAMES • Radios without e-purge certificates • items subject to Unique	Inventory Items received and demonstrate the following quarantine and reporting procedures to the Authority The test will demonstrate Team Connect's: Goods-in procedure and how it screens items against conformity; Ability to identify noncompliant Inventory Items received through the reverse supply chain; Non-conformance and quarantine processes, including evidence and reporting procedure; Method of checks for certifications, packaging and discrepancies within the Authority's JAMES system.	• all non-compliant items reported back to the Authority		

	Identifying Descriptor (UID) tagging possess without a serviceable tag The activities will be observed by a member of the Authority's In-service team who will be looking for the correct processes and procedures are being followed and in accordance with the Inventory Modelling Process Map				
TestIOC7	To test the ability of the LSC Contractor to provide accurate demand forecasts including but not limited to: • anticipated Inventory demand for the next month, • anticipated Inventory demand for the next quarter	Team Connect proposes to provide a demand forecast, following the inventory modelling process, for the coming month, quarter and annual demands Team Connect will be tested against how well the process detailed within DocIOC15 is followed in creating a monthly, quarterly and annual	A demand forecast is provided that satisfies: • Inventory demand is available for the next month, • Inventory demand is available for the next quarter • Inventory demand is available for the next year, • purchasing profiles are compliant with the Authority's policy on excess Inventory holding,	process map for Inventory modelling activities	N/A

	• anticipated Inventory demand for the next year, • purchasing profiles have taken in to account the Authority's policy on excess Inventory holding, • repairs schedules to address screening, Level-3, and Level-4 repairs The activities will be observed by a member of the Authority's in-service team who will be looking for the correct processes and procedures are being followed and in accordance with the Inventory modelling process map	forecast for purchasing and repairs.	• repairs schedules have addressed screening, Level-3, and Level-4 repairs		

TestIOC8	To test the stability of the LSC Contractor's Inventory modelling system connecting into the Authority's LogIS systems via any confirmed direct connection (if required)	The tests carried out will check the efficiency of the developed solution within normal operational capacity and will involve error handling and transaction loading over the 10 business days The test will be a pass or fail against whether or not the connection with LogIS is stable Team Connect will perform the test through monitoring of the connection and will then produce a report detailing the results of the tests for Authority approval The Authority will be invited to oversee the tests being carried out.	LSC connections stable for 10 business days	• Systems architecture model • Inventory modelling system	Connection into Authority IS
TestIOC9	To test the ability of the LSC Contractor to provide the LSC Monthly Performance Report for purchasing, repairs and disposals.	Team Connect will produce an example Monthly Performance Report for the Authority Team Connect will use an example data set and demonstrate to the Authority the methodology required to produce a Monthly Performance Report.	Monthly reporting produced for current monthly activities including but not limited to: • all repairs activities • all disposal activities • all purchasing activities	• Disposal Register Template • LSC Level-3 Activity Register • Purchasing Register • TestIOC10	

TestIOC10	A contract kick-off meeting with the Authority is scheduled and attended by the LSC Contractor. The Contractor shall invite as a minimum the following Authority Personnel; • the LSC Project Manager; • the Authority Commercial Officer; • the in-service lead; and • any other individual the Authority deems necessary.	The kick-off meeting will be organised immediately after Contract Award and will be held shortly after the Contract start date (assumed **REDACTED** as per CQ CL-LSC-0022) and will last a full day whereby it will have the following agenda items: • Introduction of personnel (some of whom may not have been present at the Breakthrough Event) • Provide the Authority with a tour of their premises, primarily focussing on the facilities to be used during the contract; • Discussing the Contract Programme and Transition Plan; • Discussing the initial Contract Governance; • Discussing the formats for the	• introduction of personnel (especially those in key roles); • providing the Authority with a tour of their premises primarily; focussing on the facilities to be used during the contract; • discussing the Contract Programme including transition activities; • discussing the initial contract governance; • discussing the formats for the weekly and monthly reviews; • discussing any necessary non-disclosure agreements (specifically between the Contractor and the Authority's Design Service Contract provider); • a presentation on key provisions in the contract which need to be considered during delivery by the Authority Commercial Officer; and • any other business	• LSC personnel • LSC Facility	Authority personnel

		Weekly and Monthly reviews; • Discussing any necessary NonDisclosure Agreements (specifically between the Contractor and the Authority's DSC Provider • A presentation on key provisions in the Contract which need to be considered during delivery by the Authority Commercial Officer; and • Any Other Business.			
TestIOC11	The Contractor shall, in compliance with the requirements of SoR Serial 2.3.4.2, host, attend and participate in a breakthrough event with the Authority to set the foundation for the relationship. The Contractor shall ensure that suitably	Team Connect propose that the Breakthrough Event will be held within the first month of the Contract and will be held over four (4) days: Day 1 will be split in two (2) The first half will involve an "icebreaker" session whereby there is an introduction to each of the organisations as well as	• draft Relationship Management Plan (RMP) • Terms of Reference (ToR) for LSC Working Group Meeting (LSCWGM) • Terms of Reference (ToR) for the LSC Monthly Performance Review (LSCMPR)	• LSC empowered personnel • LSC Facility	Logistic Support Contract Management Team

	empowered individuals are in attendance, the Authority will attend with the BATCIS management team.	all attendees telling each other a bit about themselves including background and interests. The aim of this is for each organisation to understand more about how the other operates. It is also aimed at allowing everyone to get to know each other at a more personal level. The second half will involve breaking out into smaller groups for a workshop exercise in order to work on the creation of the draft Relationship Management Plan Day 2 will continue on the workshop from Day 1 and will focus on further development of the draft Relationship Management Plan Day 3 will continue on the workshop from Day 2 and aim to complete the draft Relationship Management Plan Day 4 will be split into two (2) The first half will see the creation of the Terms of			

		Reference for the LSC Working Group Meeting (LSCWGM), as well as the Terms of Reference for the LSC Monthly Performance Review (LSCMPR) The second half will see the culmination of the hard work from all parties in the form of an afternoon event. It is proposed that the event will have a fun and competitive focus, based on team building and problem solving. This competitive event was then followed with a social event with food and drink provided all parties to socialise after the previous days' activities. Team Connect envisage a similar event for the culmination of the Breakthrough Event The aim of the final social event is to celebrate the new relationship between both organisations and to start to form good rapport between all			

		parties, setting the foundations for a strong working relationship going forward.			

Appendix 2

Transition FOC Completion Requirements

Part 1: FOC Documentation

(A)	(B)	(C)	(D)	(E)
Item #	Documents to be delivered	Format	Content	Supporting Evidence
DocFOC1	Process map detailing the end-to-end screening activities including start and end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	The Contractor shall provide a detailed process map explaining how the LSC Contractor will carry out screening activities, including but not limited to: • calling up Inventory items from the LCS(T) Facility for screening • receipting Inventory items ready for screening • performing the screening activity and updating Screening Reports • updating screening activity onto JAMES • producing a JAMES Component Report for failed screened items • returning Inventory items back to the LCS(T) Facility for onward distribution where no faults are found • assessing items that could be added to the screening list • recording information into a screening register, including but not limited to: 1) the screening activity commissioned over the last monthly period, 2) last months completed screening activities 3) details including: i) all items with No Fault Found, ii) past due screening within the present and previous months, iii) items which are not Beyond Economic Repair, iv) recommendations on items that could be added	Process map detailing the end-to-end screening activities Screening Report Template

			v) an analysis for the screening undertaken to make the process more efficient (e.g. items that can be removed).	
DocFOC2	Process map detailing the end-to-end device management activities including start and end points, logical flow diagram, decision points, process hand-offs	A soft copy as an editable Microsoft Visio document in Business Process Mapping and Notation 2 (BPMN2) format	A detailed process map explaining how the LSC Contractor will provide Device Management activities, including but not limited to: • communicating with the LCS(T) Facility to request the repairable devices with Hard Disk Drives. • receipting Inventory items received through the reverse supply chain that include hard drives • identifying which devices are repairable and which are unrepairable. • conducting re-imaging activities of any repairable Hard Disk Drives that are returned unusable to the current baseline standard. • identifying non-compliant Hard Disk Drives that are not supported by a Blancco certificate. • reporting to the Authority any devices not supported by a Blancco certificate • declassifying non-compliant Hard Disk Drives back to an Official state and producing a Blancco certificate. • identifying non-compliant items received through the reverse supply chain that are not supported with an e-purge certificate. • reporting to the Authority any radios not supported by an e-purge certificate • declassifying non-compliant radios back to an Official state and producing an e-purge certificate. • inputting configuration management activities into JAMES • how the Contractor will conduct and record which management service (asset, token, crypto and software configuration) has been accomplished for all Inventory items.	Process map detailing the end-to-end device management activities

Part 2: FOC Demonstration

(A)	(B)	(C)	(D)	(E)	(F)
Item #	Scope of Test	Test Description	Acceptance Criteria	Entry Criteria - LSC Contractor	Entry Criteria – Authority
TestFOC1	A practical demonstration by the LSC Contractor based on three items that the Authority have provided to the LSC Contractor to screen. The screening will be observed by a member of a BOWMAN REME regiment who will be looking to confirm that the LSC Contractor is following the correct processes and procedures as documented in the most recent authorised IETP technical publications.	The Authority will provide Team Connect with three (3) items to screen in accordance with the approved DocFOC1 The test will test Team Connect against following the process map detailed in DocFOC1 to ensure that each of the acceptance criteria are met.	• the RTS /DTS test equipment correctly setup • each item being screened is correctly identified • each item being screened is on the approved screening list • each item being screened is correctly connected to the test equipment • each item being screen is correctly tested using the appropriate screening equipment • the results of each screening activity is recorded correctly in the screening register • JAMES is correctly updated to reflect the screening activity for each Inventory item being screened • a JAMES Component Report is completed for items that fail screening • a walkthrough of the logical process flows detailing equipment being screen will be: ○ called for from the LCS(T) Facility	• screening facility setup • screening process map • BOWMAN 3rd line maintainer training completed • LSC Level-3 Activity Register	• screening test equipment for RTS and DTS • BOWMAN 3rd line maintainer training provided • IETP technical publications • REME personnel • screening Inventory items • LSC Level-3 Screening List • access to JAMES

			○ asset tracked whilst at the LSC Facility ○ managed once the screening is complete		
TestFOC2	A practical demonstration by the LSC Contractor based on three items that the Authority have provided for the LSC Contractor to perform a Level-3 repair on. The repairs will be observed by a member of a BOWMAN REME regiment who will be looking to confirm that the LSC Contractor is following the correct processes and procedures as documented in the most recent authorised IETP technical publications.	The Authority will provide Team Connect with three (3) items to repair in accordance with the approved DocIOC9 The test will test Team Connect against following the process map detailed in DocIOC9 to ensure that each of the acceptance criteria are met.	• each item is correctly identified • each item, if it is on the Repair Catalogue, is correctly tested using the appropriate screening equipment • the maintenance activities to fix any diagnosed faults are undertaken in accordance with the relevant processes and procedures recorded in the IETP technical publications. • the results of each Level-3 repair activity are recorded correctly in the LSC Level-3 Activity Register • JAMES is correctly updated to reflect the repair activity for each Inventory item under repair • a walkthrough is completed of the logical process flows of equipment will be: ○ called for from the LCS(T) Facility ○ be asset tracked whilst at the LSC Facility ○ repaired equipment will be declared serviceable	• practical IOC demonstration of the repairs process (TestIOC4) accepted by the Authority • practical demonstration of the screening activity (TestFOC1) is successfully completed • LSC Facility set up • process map for repairs and overhaul activities • LSC Level-3 Activity Register • BOWMAN 3rd line repair training completed	• screening test equipment for RTS and DTS • LSC Level-3 Screening List • repair tools for RTS and DTS Inventory items • BOWMAN 3rd line repair training provided • IETP technical publications • REME personnel • repair Inventory items • LSC Level-3 Repair List • access to JAMES

			and returned from the LSC Facility to the LCS(T) Facility.		

TestFOC3	A practical demonstration by the Contractor to determine their ability to conduct device management services. The device management service will be observed by a member of the BOWMAN REME regiment, who will be looking to confirm that the correct processes and procedures are followed and the Inventory items required for configuration are completed in accordance with the IETP technical publications	Team Connect with demonstrate that we are able to conduct device management services in accordance with the approved DocFOC2 The test will test Team Connect against following the process map detailed in DocFOC2 to ensure that each of the acceptance criteria are met.	• each item is correctly identified
			• each item which is on the Repairs List is correctly tested using the appropriate screening equipment
			• the maintenance activity to fix any identified faults are in accordance with the processes and procedures recorded in the IETP technical publications relevant to the equipment being repaired.
			• the results of Level-3 repair activities are recorded correctly in the LSC Level-3 Activity Register
			• JAMES is correctly updated to reflect the repair activity for each Inventory item being repaired
			• a walkthrough completed of the logical process flows of equipment will be:
			  ○ called for from the LCS(T) Facility
			  ○ be asset tracked whilst at the LSC Facility
			  ○ repaired equipment will be declared serviceable and returned from the
				• practical IOC demonstration of the repairs process (TestIOC4) accepted by the Authority
				• practical demonstration of the screening activity (TestFOC1) is successfully completed
				• LSC Facility set up
				• process map for repairs and overhaul activities
				• LSC Level-3 Activity Register
				• BOWMAN 3rd line repair training completed
					• screening test equipment for RTS and DTS
					• repair tools for RTS and DTS Inventory items
					• device configuration hardware
					• LSC Level-3 Screening List
					• BOWMAN 3rd line repair training provided
					• IETP technical publications
					• REME personnel
					• repair Inventory items
					• LSC Level-3 Repair List
					• access to JAMES

			LSC Facility to the LCS(T) Facility.		
TestFOC4	A practical demonstration by the LSC Contractor to determine their ability to identify and reimage repairable hard drives which are returned through the reverse supply chain. The hard drive reimaging activity will be observed by a member of the BOWMAN REME Regiment, who will be looking to confirm that the LSC Contractor is following the correct processes and procedures as documented in the most recent authorised IETP technical publications.	Team Connect with demonstrate that we are able to conduct reimaging of repairable hard drives to a usable state in accordance with the approved DocFOC2 The test will test Team Connect against following the process map detailed in DocFOC2 to ensure that each of the acceptance criteria are met.	• all repairable hard drives received through the reverse supply chain are correctly identified • all repairable hard drives are reimaged to a usable state • JAMES is correctly updated to reflect the reimaging activity for each Inventory item tested • all reimaged hard drives are stored according to their short its or scheduled and returned to the LCS(T) Facility in readiness for onward distribution	• site security sign off, including Cryptographic Controlled Items storage facility • IOC demonstration for non-compliant devices (TestIOC6) accepted by the Authority • device management process map • LSC Level-3 Activity Register	• non-compliant Inventory items: Hard drive; Radios • compliant hard drives • LSC Level-3 Screening List • discrepancy report Template MOD form 445 • device configuration hardware • access to JAMES • LSC Level-3 Repair list • BOWMAN 3rd line repair training provided • IETP technical publications • REME personnel
TestFOC5	A practical demonstration by the LSC Contractor of	Due to the scale of the test, it is proposed that it will take place	• LCS(T) delivery scheduled, arranged and dispatched via Defence Courier Services	• declaration of IOC • TestFOC1 • TestFOC2 • TestFOC3	Authority In-service team

	each of the IOC services for LSC Inventory which is managed and in the control of the Contractor, including but not limited to: • LCS(T) delivery • purchasing activities • Inventory repairs • Inventory modelling • demand forecasting • information management The activities will be observed by a member of the Authority's in-service team who will be looking to confirm that the correct processes and procedures are being followed and that the service requests from the Authority are being completed in	over a series of two (2) days The test will involve: The creation of a demand forecast using the Inventory Modelling Service, which will then demonstrate that either a new purchase is to be made for an item, an item is expected to require Level-3 repair, or that an item is expected to require Level-4 repair. Upon the demand being created, Team Connect will then demonstrate the: End-to-end tracking for a new purchase End-to-end tracking for a Level-3 repair End-to-end tracking for a Level-4 repair Team Connect will demonstrate how items sent for	• Works Order is received, receipted and fulfilled • Inventory items are correctly screened, diagnosed and repaired (Level-3 and Level-4) • repaired items are returned to the LCS(T) for storage and onward distribution i.a.w. the LCS(T) Supplier Manual • Inventory modelling is produced and validated • demand forecasting is produced and validated • information management requests are fulfilled	• TestFOC4 • List X facility • DocFOC1 • DocFOC2	

	accordance with the contract	repair are dispatched appropriately from the LSC(T) Facility and receipted at BIC Whilst following a repairs order, Team Connect will demonstrate how the item will be pre-screened and dispatched to the appropriate location (i.e. Level-3 or Level4 repairs) Team Connect will demonstrate how deliveries are scheduled with the LCS(T) Facility as well as the proper fulfilment of the delivery back into LCS(T) storage Team Connect will demonstrate the delivery of a new purchase to the LCS(T) Facility Team Connect will demonstrate how			

		information is managed, such as updating JAMES on the progression of an order, as well as the management of configuration.			

Appendix 3

MAC IOC Certificate

MILESTONE ACCEPTANCE CERTIFICATE ("MAC")
RELATING TO THE TRANSITION IOC COMPLETION REQUIREMENTS FOR THE LOGISTICS SUPPORT CONTRACT/BATCM 0294

This document establishes that the Authority acknowledges that the Contractor has demonstrated that it has satisfied all of the Transition IOC Completion Requirements.

A Transition IOC Review was held on [ ] to verify that all relevant tests have been satisfied and all relevant documents have been submitted by the Contractor and approved by the Authority.

The Transition IOC Review considered all of the relevant tests and documents itemised on the MAC IOC Evidence Checklist attached to this MAC IOC Certificate.

The LSC Contractor will now be responsible for the performance of the remainder of the Transition Deliverables which are set out at Serial 3.2.1 of Annex 1 to Schedule 2 (*Statement of Requirements*) to the Contract.

Approved by

……..

[ ]

Authority Representative

Appendix 4

MAC FOC Certificate

MILESTONE ACCEPTANCE CERTIFICATE ("MAC")
RELATING TO THE TRANSITION FOC COMPLETION REQUIREMENTS FOR THE LOGISTICS SUPPORT CONTRACT/BATCM 0294

This document establishes that the Authority acknowledges that the Contractor has demonstrated that it has satisfied all of the Transition FOC Completion Requirements.

A Transition FOC Review was held on [ ] to verify that all relevant tests have been satisfied and all relevant documents have been submitted by the Contractor and approved by the Authority.

The Transition FOC Review considered all of the relevant tests and documents itemised on the MAC FOC Evidence Checklist attached to this MAC FOC Certificate.

The LSC Contractor will now be responsible for the performance of the Contractor Deliverables which are not Transition Deliverables.

Approved by

……..

[ ]

Authority Representative

Appendix 5

MAC IOC Evidence Checklist

Test Reference Number/ Document Number		Test/Document Description	Contractor Representative responsible for Test/Document	Authority Representative responsible for confirming satisfaction of Test/with Document	Date Test Passed/ Document Approved
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					

Appendix 6

MAC FOC Evidence Checklist

Test Reference Number/ Document Number		Test/Document Description	Contractor Representative responsible for Test/Document	Authority Representative responsible for confirming satisfaction of Test/with Document	Date Test Passed/ Document Approved
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					

Schedule 11

Change Procedure

1 Permitted Change/No Change

1.1 A Change may be requested to vary this Contract at any time.

1.2 Not Used.

1.3 Any failure by the Contractor to achieve the successful completion of any of its obligations in accordance with this Contract resulting in any additional work being required to be carried out by the Contractor to achieve successful completion of its obligations (including satisfaction of any GAR Entry Criteria or GAR Exit Criteria) shall not be an Authority Change for the purposes of this Schedule 11 (*Change Procedure*).

2 Contract Conforming

2.1 If the Authority confirms an Estimate provided in accordance with paragraph 8.1.1 (*Confirmation or Withdrawal of Authority Notice*) or approves a Contractor Change Notice in accordance with paragraph 11 (*Contractor Changes*):

2.1.1 the Parties shall pursuant to Clause 76 of this Contract (*Amendments to Contract*) enter into any documents including, but not limited to, a deed of variation (and/or take such further steps) to amend this Contract which are necessary to give effect to the Authority Change and/or Contractor Change; and/or

2.1.2 the Contractor shall commence the implementation of the relevant Change as soon as reasonably practicable following confirmation of the Estimate or approval of the Contractor Change pursuant to paragraph 2.1 or to the timescale expressly set out in such deed.

2.2 Unless the Parties otherwise agree, all Changes shall be requested, approved or rejected using the forms attached at Appendices 1 to 3 to this Schedule 11 (*Change Procedure*).

3 Right to propose Authority Changes

3.1 If the Authority requires an Authority Change, it must serve a notice on the Contractor in accordance with paragraph 4.1 (*Authority Change Notice*).

3.2 The Authority may require Changes at any time during the Contract Period and for any reason.

3.3 The Contractor shall be entitled to refuse an Authority Change which:

3.3.1 requires any material activity required to perform the Contractor Deliverables to be performed in a way that infringes any Legislation;

3.3.2 would materially and adversely affect the Contractor's ability to perform the Contractor Deliverables (except those Contractor Deliverables which have been specified as requiring to be amended in the Authority Change Notice) in a manner not compensated pursuant to this Schedule 11 (*Change Procedure*);

3.3.3 would materially and adversely affect the health and safety of any person;

3.3.4 would, if implemented, materially and adversely change the nature of this Contract (including its risk profile) in a manner not compensated pursuant to this Schedule 11 (*Change Procedure*); or

3.3.5 the Authority does not have the legal power or capacity to require implementation of such Authority Change,

provided always that, notwithstanding the foregoing provisions of this paragraph 3.3 and/or any other provision of this Contract, the Contractor shall have no right to object to any Authority Change to give effect to the exercise of any Option.

4 Authority Change Notice

4.1 The Authority Change Notice shall:

4.1.1 set out the proposed change required in reasonable detail to enable the Contractor to calculate and provide the Estimate in accordance with paragraph 5.1.1 (*Contractor's Estimate*); and

4.1.2 require the Contractor to provide to the Authority, within fifteen (15) Working Days of receipt of the Authority Change Notice, either:

(i) confirmation as to when an estimate of the likely effects of the proposed change will be provided to the Authority and the Contractor shall use all reasonable endeavours to obtain all relevant information as is required to provide the estimate of the likely effects of the proposed change expeditiously; or

(ii) an estimate of the likely effects of the proposed change setting out the information referred to in paragraph 5 (*Contractor's Estimate*) below,

and (unless the Parties agree otherwise) the Authority Change Notice shall be in the form attached at Appendix 1 to this Schedule 11 (*Change Procedure*).

5 Contractor's Estimate

5.1 As soon as practicable and in any event:

5.1.1 within fifteen (15) Working Days after having received the Authority Change Notice, or on or before the date agreed for the production of an Estimate in the circumstances referred to in paragraph 4.1.2(i) (*Authority Change Notice*), the Contractor shall deliver to the Authority the Estimate. The Estimate shall be in the form attached at Appendix 2 to this Schedule 11 (*Change Procedure*) unless the Authority (acting reasonably) requires the information to be in a different format.

5.2 The Estimate shall include the opinion of the Contractor on:

5.2.1 whether relief from compliance with obligations is required, including the obligations of the Contractor to meet any relevant part of Schedule 2 (*Statement of Requirements*) and/or the operation of the KPI regime in

Schedule 6 (*Incentivisation*) during the implementation of the proposed Authority Change;

5.2.2 any impact on the provision of the Contractor's obligations under the Contract, including whether the proposed change is in contravention of paragraph 3 (*Right to propose Authority Changes*);

5.2.3 any amendment required to this Contract and/or any ancillary documentation as a result of the proposed Authority Change including, where a new and/or amended Assurance and Acceptance Process is required as a result of the implementation of the proposed Authority Change, details of the proposed new and/or amended Assurance and Acceptance Process (including any GAR Entry Criteria and GAR Exit Criteria) (as applicable) for the review, approval, assurance and/or Acceptance of the Proposed Additional Contractor Deliverables) and containing an equivalent level of detail to that provided in relation to each GAR Review, which is described in Schedule 4 (*Assurance and Acceptance Process*) as at the Effective Date;

5.2.4 any amendment required to the Contract Price and/or the Monthly Payment;

5.2.5 any additional Necessary Consents which are required (and/or any existing Necessary Consents which are required to be amended) in each case, to give effect to the relevant Authority Change; and

5.2.6 the proposed method of certification of implementation of the Authority Change and/or the certification of any operational aspects of the Contractor's obligations under this Contract required by the proposed Authority Change.

6 Discussion

6.1 As soon as practicable after the Authority receives the Estimate, the Parties shall discuss and agree the issues set out in the Estimate, including:

6.1.1 providing evidence that the Contractor has used reasonable endeavours (including (where practicable) the use of competitive quotes) to minimise any increase in costs and maximise any reduction in costs;

6.1.2 demonstrating how any requirement for the proposed Change is being considered and developed in a cost effective manner; and

6.1.3 demonstrating that any costs arising as the result of the Change that have been avoided, which were anticipated to be incurred but which has been affected by the Authority Change concerned, have been taken into account in the amount or adjustment it has proposed under paragraph 5.2.4 (*Contractor's Estimate*).

6.2 In such discussions the Authority may modify the Authority Change Notice. The Contractor shall, as soon as practicable, and in any event not more than ten (10) Working Days after receipt of such modification, notify the Authority of any consequential changes to the Estimate.

7 Disputes

7.1 If the Parties cannot agree on the contents of the Estimate, then the Dispute will be determined in accordance with the Dispute Resolution Procedure.

8 Confirmation or Withdrawal of Authority Notice

8.1 As soon as reasonably practicable after the contents of the Estimate have been agreed or otherwise determined pursuant to the Dispute Resolution Procedure, the Authority's Representative shall:

8.1.1 confirm in writing to the Contractor that the Estimate (or the Estimate as may have been changed in accordance with paragraph 6.2 (*Discussion*)) is approved and the Parties shall enter into any documents which are necessary to give effect to the change as contemplated in paragraph 2 of this Schedule 11 (*Change Procedure*); or

8.1.2 withdraw the Authority Change Notice, and the Contractor shall not be entitled to any payment or compensation for or in respect of the preparation of the proposed change.

9 Failure to Confirm Authority Change

9.1 Subject to paragraph 9.2, if the Authority does not confirm the Estimate (as may have been changed in accordance with paragraph 6.2 (*Discussion*)) within twenty (20) Working Days of:

9.1.1 the contents of the Estimate having been agreed in accordance with paragraph 6 (*Discussion*) (or any later date contained within an Estimate which extends the period for which that Estimate remains valid beyond such twenty (20) Working Day period); or

9.1.2 following any determination pursuant to paragraph 7 (*Disputes*),

the Authority Change Notice shall be deemed to have been withdrawn.

9.2 The Authority Change Notice shall not be deemed to have been withdrawn in accordance with paragraph 9.1 if the Authority notifies the Contractor otherwise in writing prior to the expiry of the period referred to in paragraph 9.1 (or any extended period notified by the Authority in accordance with this paragraph (as the case may be)) of a later date by which the Authority intends to confirm whether it should proceed with such Change.

10 Adjustment to the Contract Price

10.1 In the event that the Estimate has been confirmed and approved by the Authority, then any adjustment to the Contract Price and/or the Monthly Payment (as appropriate) shall be calculated (and any other adjustments to this Contract shall be made) so that the Contractor is left in no better and no worse position than it would have been in had the relevant Authority Change not be implemented.

11 Contractor Changes

11.1 If the Contractor wishes to introduce a change to this Contract, it must serve a Contractor Change Notice on the Authority in the form of Appendix 3.

11.2 The Contractor Change Notice must:

11.2.1 set out the proposed change to the Contractor's obligations under this Contract and/or any other proposed changes in reasonable detail to enable the Authority to evaluate it in full;

11.2.2 specify the Contractor's reasons for proposing the change and the impact on the Contractor Deliverables and/or any other matters including, where there is any impact on the Assurance and Acceptance Process, details of the proposed Assurance Process (including GAR Entry Criteria and GAR Exit Criteria) (as applicable) for the review, approval, assurance and/or Acceptance of the Proposed Additional Contractor Deliverables, and containing an equivalent level of detail to that provided in relation to each GAR Review, which is described in Schedule 4 (*Assurance and Acceptance Process*) as at the Effective Date;

11.2.3 request the Authority to consult with the Contractor with a view to deciding whether to agree to the change and, if so, what consequential changes the Authority requires as a result;

11.2.4 identify any implications of the change to this Contract;

11.2.5 indicate, in particular, whether a variation to the Contract Price and/or Monthly Payment is proposed (and, if so, give a detailed cost estimate of such proposed change) and any other information which the Contractor considers relevant which would be required to be set out in an Authority Change Notice and/or the Estimate (as if the Contractor Change Notice was responding to an Authority Change Notice); and

11.2.6 indicate if there are any dates by which a decision by the Authority is critical.

11.3 The Authority shall evaluate the Contractor Change Notice taking into account all relevant issues, including whether:

11.3.1 a change to the Contract Price and/or Monthly Payment will occur;

11.3.2 the change affects the quality of the Contractor Deliverables or the likelihood of successful delivery of the Contractor Deliverables and/or any other impact on the Contractor and/or the Authority;

11.3.3 the change will interfere with the relationship of the Authority with Third Parties and/or interfere with the wider business and/or activities of the Authority (including the Authority's procurements (existing or in the future, and whether or not in contemplation of the Parties at the Effective Date)) in connection with the Contractor Deliverables, the LE TacCIS Equipment Portfolio and/or the MORPHEUS Programme and how the Authority may wish to use and exploit the same;

11.3.4 the change will interfere with or affect any of the Authority's statutory duties;

11.3.5 the financial, technical and/or operational strength of the Contractor is sufficient to perform the changed Contractor Deliverables; or

11.3.6 the change materially affects the risk or costs to which the Authority is exposed and/or impacts on other procurements and/or business strategies of the Authority.

11.4 Within ten (10) Working Days after receiving the Contractor Change Notice, the Parties shall meet and discuss the matters referred to in it. During their discussions, the Authority may propose modifications to and/or confirm or reject the Contractor Change Notice.

11.5 If the Authority's Representative wishes to proceed with the Contractor Change Notice (with or without modification), the Authority's Representative shall confirm such intention by notice in writing to the Contractor and the Parties shall enter into any documents which are necessary to give effect to the change as contemplated in paragraph 2 of this Schedule 11 (*Change Procedure*).

11.6 If the Authority rejects the Contractor Change Notice, it shall give its reasons for such a rejection (provided that nothing in this paragraph 11.6 shall affect the Authority's right to reject such Contractor Change in its absolute discretion) and the Contractor shall not be entitled to any payment and/or compensation for or in respect of the relevant Contractor Change Notice.

11.7 Unless the Authority's acceptance specifically agrees to an increase in the Contract Price and/or Monthly Payment there shall be no increase in the Contract Price and/or Monthly Payment as a result of a Change proposed by the Contractor.

11.8 If the change set out in the Contractor Change Notice causes or will cause the Contractor's costs to decrease then the Contract Price and/or Monthly Payment shall be adjusted to reflect the decrease in costs.

APPENDIX 1

ADDITIONAL WORK CHANGE PROCEDURE

AUTHORITY CHANGE FORM - NOTIFICATION OF PROPOSED AUTHORITY CHANGE

To:	**From:**	**Date:**
	Originator:	
	Email	**Tel**
BATCIS Reference No: [***Insert relevant reference***]		

1. The Authority has a requirement for the following proposed Change:

Contract No: BATCM/0294 Is it urgent?: Yes/No

CHANGE LOCATION:	LOCATION P.O.C.	LOCATION CONTACT TEL:
BACKGROUND DETAILED CHANGE REQUIREMENT: DELIVERABLES REQUIRED TIMESCALES		
REQUESTED START DATE:	REQUIRED COMPLETION DATE:	

The Contractor is requested to assess this Change requirement and submit a Change Form 2 with a Firm Price quotation, to the originator of this Change. A **full breakdown** of the quoted Firm Price with evidence is to be submitted to the Authority. As a minimum these will need to be in accordance with Schedule 11(*Change Procedure*) and shall include:

(1) Number of Man-Hours required to complete the Change:
  (a) broken down by activity e.g. travel, task, etc.; and
  (b) grades employed.
(2) Risk (if any) – substantiated by evidence.

(3) Contingencies (if any) – substantiated by evidence;
(4) The matters identified in paragraph 5 of Schedule 11 (*Change Procedure*)

Initiated by the Authority:
Post Title: **Signed:**
Name:
Date:

Commercial Endorsement By: **Signed:**
Post Title:
Name:
Date:

APPENDIX 2

CONTRACTOR ESTIMATE

To:	**From:**	**Date:**
	Originator:	
	Email:	**Tel:**
BATCIS Reference No: [***Insert relevant reference***]		

1. The Contractor acknowledges this proposed Change and has assigned the following reference number:

Contractor Reference No:

2. An Estimate is attached for this proposed Change (as may have been amended in discussions between the Contractor and the Authority) and containing all relevant information arising from the proposed Change (including the matters identified in paragraph 5 of Schedule 11 (*Change Procedure*)).

The Contractor agrees to be bound by the terms of the attached Estimate (subject to entry into a deed of variation and any other required documents as referred to in Clause 76 of the Contract (*Amendments to Contract*)) and confirms and acknowledges that following the entry into such deed all the other terms and conditions of the Contract will remain unchanged. **:**

Name:

Post Title:

Date:

…….

Signed by an authorised representative on behalf of the Contractor

APPENDIX 3

CONTRACTOR CHANGE FORM – PROPOSAL OF CHANGE, ESTIMATE AND JUSTIFICATION

To:	**From:**	**Date:**
	Originator:	
	Email:	**Tel:**
BATCIS Reference No: [*Insert reference number*]		

1. The Contractor proposes the following Change and has assigned the following reference number:

Contractor Reference No:

2. An Estimate is attached for this proposed Change (as may have been amended in discussions between the Contractor and the Authority) and containing all relevant information arising from the proposed Change (including the matters identified in paragraph 5 of Schedule 11 (*Change Procedure*).

The Contractor agrees to be bound by the terms of the attached Estimate (subject to entry into a deed of variation and any other required documents as referred to in Clause 76 of the Contract (*Amendments to Contract*)) and confirms and acknowledges that following the entry into such deed all the other terms and conditions of the Contract will remain unchanged.

Name:

Post Title:

Date:

……

Signed by an authorised representative on behalf of the Contractor

Schedule 12

Technical Assistance

This Schedule 12 (*Technical Assistance*) is in the Agreed Form document entitled “Technical Assistance”

Schedule 13

Required Insurances

Policies of insurance the Contractor shall take out and maintain or procure the taking out and maintenance of at all times during the period that this Contract is in effect

1 Third Party Liability Insurance

1.1 Insured

Contractor

1.2 Interest

To indemnify the insured (as identified in paragraph 1.1) in respect of all sums which the insured shall become legally liable to pay (including claimant's costs and expenses) as damages in respect of accidental:

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

1.2.2 loss of or damage to property,

happening during the period of insurance (in paragraph 1.5 below) and arising out of or in connection with the Contractor Deliverables or otherwise under this Contract.

1.3 Limit of indemnity

REDACTED

1.4 Territorial limits

Worldwide.

1.5 Period of insurance

From the date of this Contract for the duration of the Contract and renewable on an annual basis unless agreed otherwise.

1.6 Cover features and extensions

1.6.1 Indemnity to principals clause or otherwise to include the Authority as an additional insured equivalent.

1.6.2 Legal defence costs.

1.7 Principal exclusions

1.7.1 War and related perils.

1.7.2 Nuclear and radioactive risks.

1.7.3 Liability for death, illness, disease or bodily injury sustained by employees of the insured (as identified in paragraph 1.1) arising out of the course of their employment.

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

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

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

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

1.8 Maximum deductible threshold

Not to exceed **REDACTED**

2 <u>Professional Indemnity Insurance</u>

2.1 Insured

Contractor

2.2 Interest

To indemnify the insured (as identified in paragraph 2.1) for all sums which the insured (as identified in paragraph 2.1) shall become legally liable to pay as a result of any claim or claims first made against the Insured during the period of insurance (in paragraph 2.5 below) by reason of any act, error and/or omission in connection with the provision of advice, design, specification and any professional services in connection with this Contract.

2.3 Limit of indemnity

Not less than **REDACTED** in respect of any one claim and in the annual aggregate.

2.4 Territorial limits

Worldwide.

2.5 Period of insurance

From the date of the Contract for the duration of the Contract renewable on an annual basis unless agreed otherwise by the parties and a period of three years (3) following the expiry or termination of the Contract whichever occurs earlier.

2.6 Cover features and extensions

2.6.1 Loss of documents and computer records extension.

2.6.2 In respect of any claims made policy wording a retroactive cover from the date of the Contract or retroactive date no later than the date of the Contract.

2.6.3 Legal defence costs.

2.7 Principal exclusions

2.7.1 War and related perils.

2.7.2 Nuclear/radioactive risks.

2.7.3 Insolvency of the Insured.

2.7.4 Liability for death, illness, disease or bodily injury sustained by employees of the insured arising out of the course of their employment.

2.8 Maximum deductible threshold

Not to exceed **REDACTED**

Schedule 14

IPR

1 Not Used.

2 Ownership of IPR

2.1 All Intellectual Property and Intellectual Property Rights generated in the performance of work under this Contract shall, subject to any rights of the Crown or any third party and to the provisions of this Schedule, belong to the Authority ("**Vesting IPR**").

2.2 The Contractor shall not by virtue of this Contract acquire title to or rights in any Authority Background IPR, Vesting IPR or any IPR licensed by any Third Party to the Authority, other than under the licences set out in this Contract.

2.3 The Authority shall not by virtue of this Contract acquire title to or rights in any Contractor Background IPR or any Third Party IPR other than under the assignments and licences set out in this Contract.

2.4 Vesting IPR shall vest in and be the property of the Authority on its creation. The Contractor shall ensure, where necessary, that it secures the right to effect such vesting and the Contractor hereby assigns to the Authority, with full title guarantee, all present and future Vesting IPR.

3 Licence of Authority Background IPR and Vesting IPR

3.1 The Authority shall make available to the Contractor all Authority Background IPR that the Authority believes is relevant to the Contractor's performance of this Contract. The Authority hereby grants a licence to the Contractor on a non-exclusive royalty-free basis to use such Authority Background IPR solely for performance of this Contract. The Authority may, at its discretion and by written notice to the Contractor, impose restrictions on the Contractor's use of such IPR limiting use to specific purposes within the scope of this Contract.

3.2 The Authority hereby grants to the Contractor a non-exclusive, royalty free licence to use all Vesting IPR necessary for the purpose of the Contractor's performance of this Contract for the Authority.

3.3 The Contractor shall not use Authority Background IPR or Vesting IPR for any purpose other than those specified in paragraphs 3.1 and 3.2 without the prior written consent of the Authority's Representative, which, if given, will include conditions attaching to such wider use. The Contractor shall not do anything or act in any way which will prejudice the rights of ownership by the Crown or the Authority of any Authority Background IPR or Vesting IPR.

3.4 The Authority gives no warranty as to the suitability for the Contractor's purpose of any Authority Background IPR or Vesting IPR licensed under paragraphs 3.1 and 3.2.

3.5 The licences granted to the Contractor under paragraphs 3.1 and 3.2 above include the right to grant sub-licenses to Sub-Contractors engaged in the performance of any part of this Contract for the Contractor provided that such Sub-Contractors have entered into a confidentiality undertaking with the Authority in the same form as that set out in Annex 1 (*Form of Confidentiality Undertaking*). The licence rights set out in

paragraphs 3.1 and 3.2 are otherwise non-transferable and no other sub-licence may be granted by the Contractor without the Authority's consent.

4 Sub-Licence of Third Party IPR provided by the Authority

4.1 The Authority shall at its discretion make any Third Party IPR that is the subject of a licence or other agreement between the Third Party and the Authority available to the Contractor, where the Authority has reason to believe that use by the Contractor of such Third Party IPR is relevant to the Contractor's performance of the Contract. To the extent that the Contractor requests a sub-licence to use such Third Party IPR from the Authority for a specific purpose within its obligations to perform this Contract for the Authority, and provides the Authority with a reasonable justification for its request, then subject to the provisions of paragraph 4.2 below the Authority, so far as it is lawfully able to do so, hereby grants a sub-licence to the Contractor on a non-exclusive, royalty-free basis, with the right to grant sub-sub-licences to Sub-Contractors engaged in the performance of any part of this Contract for the Contractor.

4.2 The sub-licence referred to in paragraph 4.1 above shall only be granted if the Authority has determined that it is encompassed by the Authority's rights under such licence or other agreement with the Third Party concerned, and that the sub-licence is reasonably necessary for the specific purpose notified to the Authority by the Contractor. A sub-sub-licence shall only be granted to a Sub-Contractor who has entered into a confidentiality undertaking with the Authority in the same form as that set out in Annex 1 (*Form of Confidential Undertaking*).

5 Licence and Sub-Licence of Contractor Background IPR and Third Party IPR provided by the Contractor

5.1 The Contractor shall promptly notify the Authority's Representative whenever the Contractor or any of its Sub-Contractors requires use of any:

5.1.1 Contractor Background IPR; or

5.1.2 Third Party IPR, other than those subject to the provisions of paragraph 4 (*Sub-licence of Third Party IPR Provided by the Authority*),

for the purpose of providing and performing the Contractor Deliverables or the Authority’s exercise of its rights vested or granted under this Schedule 14 (*IPR*).

5.2 The Contractor hereby grants the Authority for the Contract Period and for all times thereafter the right to use such Contractor Background IPR notified in accordance with paragraph 5.1.1 for UK Government Purposes. Such rights shall be exercisable by the Authority or on its behalf as the case may be without the need for any additional payment.

5.3 The Contractor shall ensure that all licences entered into with Third Parties for the right to use such Third Party’s IPR notified in accordance with paragraph 5.1.2 shall be held either in its own name or that of its relevant Sub-Contractor as licensee.

5.4 In respect of all licences referred to in paragraph 5.3 the Contractor shall ensure that the licence:

5.4.1 either:

(i) grants the Contractor or Sub-Contractor the right to sub-license the Third Party IPR to the Authority or to any other party nominated by the Authority for the Contract Period and all times thereafter; or

(ii) directly grants to the Authority for the Contract Period and all times thereafter, a non-exclusive and irrevocable licence in the Third Party IPR (including, without limitation, the right to copy modify, disclose and use) with the right to grant sub-licences to do the same,

to a substantially similar extent to the rights granted (or which would be granted) to the Authority under this Schedule 14 (*IPR*) in respect of the Contractor's corresponding IPR; and

5.4.2 in either case in paragraph 5.4.1(i) and 5.4.1(ii), ensure that any such licence either includes the right to sub-licence to the Authority or any other party nominated by the Authority, or that there is a direct licence to the Authority, and in each case that the licence or sub-licence is freely capable of assignment, novation or transfer.

5.5 If, after the exercise of reasonable endeavours by the Contractor, a licence as set out in paragraph 5.4.2 is not available, the Contractor shall procure the grant to the Authority of a licence of that Third Party IPR on the best available terms closest to those set out in paragraph 5.4.2 and consult with the Authority's Representative prior to the grant of that licence on the terms of the licence and whether any such Third Party IPR, or any equivalent Third Party IPR which is acceptable to the Contractor on technical grounds and will not be detrimental to the Contractor's ability to undertake and perform the Contractor Deliverables in accordance with the terms of this Contract or disproportionately increase the Contractor's costs is available, on better terms in order to mitigate the effect of such a licence.

5.6 Any royalties or other fees payable in obtaining or exercising any licence or sub-licence of Third Party IPR or any fees which are incurred using any right granted thereunder shall be for the account of the Contractor.

6 Intellectual Property Rights Applicable to Sub-Contracts

6.1 The Contractor shall ensure that it secures under all Sub-Contacts rights of use in Third Party IPR for and on behalf of the Authority on conditions that are similar in all material respects with those set out in this Schedule 14 (*IPR*).

7 Further Assurances

7.1 The Contractor undertakes to execute all documents and do all reasonable acts which may be necessary for the Authority to obtain the benefit of paragraph 2.4 (*Vesting IPR*) including the execution, at the Authority's request, of any formal assignment or other document or instrument necessary or appropriate to give effect to such assignment to the effect that the Authority own all right title and interest in such IPR, without limitation, consenting to the registration of any licence against any IPR which is registered.

7.2 The Contractor shall

7.2.1 mark copies of Contractor Background IPR or Vesting IPR comprising copyright works in accordance with paragraph 8 (*Marking*); and

7.2.2 provide to the Authority on written request a suitable statement confirming the scope of rights the Authority has under this Contract in relation to any IPR relating to such works.

7.3 The Contractor agrees that on request by the Authority it will enter into good faith negotiations to grant to the Authority a licence of Contractor Background IPR or a sub licence of any Third Party IPR on fair and reasonable terms for purposes outside those specified in paragraph 5 (*Licence and Sub-Licence of Contractor Background IPR and Third Party IPR provided by the Contractor*).

8 Marking

8.1 Notwithstanding any other provision of this Contract, the Contractor shall mark any covering, packaging or cover page of IPR delivered to the Authority:

8.1.1 where the IPR is owned by the Authority, with the following legend:

© Crown-owned copyright ***[insert the year of generation of the work (or such other notice regarding confidentiality or ownership as the Authority may notify from time to time)***]; or

8.1.2 where the IPR is owned other than by the Authority, with a marking consistent with the following wording:

"This document is supplied in confidence to MOD in accordance with Contract No BATCM/0294 (the "Contract"). The document comprises information proprietary to [CONTRACTOR] and whose unauthorised disclosure may cause damage to the interests of [CONTRACTOR]. Except with the prior written permission of [CONTRACTOR], MOD's rights of use and dissemination in the document are limited to those set out in Contract No BATCM/0294.

Certain parts of the document, which are identified, are subject to third party rights or were not generated under the Contract and, without prejudice to its existing rights, MOD's rights of use and dissemination in the parts so identified are limited to those set out in the Contract.

Requests for permission for wider use or dissemination should be made to the relevant [CONTRACTOR] Account Manager."

8.2 The Contractor shall not delete or remove any copyright notices contained within or on any covering, packaging or cover page of any such IPR.

9 IPR Indemnities

9.1 Nothing in this Clause shall modify or affect any rights, obligations or otherwise of either party under Clause 32 (*Indemnity and Liabilities*).

Contractor's IPR Indemnities

9.2 Without prejudice to Clause 32 (*Indemnity and Liabilities*), the Contractor shall fully and effectually indemnify and hold harmless the Authority, its employees, agents and contractors on demand from all claims relating to any actual or alleged infringement of any Third Party IPR arising from the Contractor's performance of the Contract and the Authority's receipt and use of the Contractor Deliverables and exercise of its rights

granted under the Contract, including from the Contractor's failure to comply with the terms of paragraph 5 (*Licence and Sub-Licence of Contractor Background IPR and Third Party IPR Provided by the Contractor*).

9.3 The indemnity in paragraph 9.2 (*Contractor's IPR Indemnities*) shall not apply in respect of a claim:

9.3.1 that arises from any use by or for the Authority of Third Party IPR in combination with any Item and/or item not supplied or approved by the Contractor where, were it not for that use in combination, a claim would not have arisen; or

9.3.2 that arises from the use of Contractor IPR or Third Party IPR by the Authority otherwise than in accordance with the terms of this Contract and any applicable licence or sub-licence conditions provided that these have been notified to the Authority's Representative on the grant of the applicable licences or sub-licence; or

9.3.3 that arises from any modification, updating or development carried out by or for the Authority to any Item and/or item supplied by the Contractor under this Contract, where such modification, updating or development is not authorised or approved by the Contractor.

Authority's IPR Indemnity

9.4 The Authority shall fully and effectually indemnify and hold harmless the Contractor, its employees, agents and Sub-contractors of the Contractor on demand from all claims relating to any actual or alleged infringement of Third Party IPR:

9.4.1 where the Contractor has procured a licence or sub-licence under paragraph 5 (*Licence and Sub-Licence of Contractor Background IPR and Third Party IPR Provided by the Contractor*), notified the Authority of the terms of the licence or sub-licence, and the Authority has exceeded its licensed or sub-licensed rights; or

9.4.2 arising from use by the Contractor of the Authority Background IPR in accordance with paragraph 3 (*Licence of Authority Background IPR and Vesting IPR*); or

9.4.3 arising from use by the Authority of the Contractor Background IPR outside the terms of this Contract where the Contractor is not in breach of its obligations under this Contract in respect of Third Party IPR.

9.5 The indemnity in paragraph 9.4 (*Authority's IPR Indemnity*) shall not apply in respect of a claim:

9.5.1 that arises from any use by or for the Contractor of Authority Background IPR in combination with any item not supplied or approved by the Authority where, were it not for that use in combination, a claim would not have arisen; or

9.5.2 that arises from the use of Authority Background IPR by the Contractor otherwise than in accordance with the terms of this Contract and any applicable licence or sub-licence conditions provided that these have been

notified to the Contractor's Representative on the grant of the applicable licences or sub-licence; or

9.5.3 that arises from any modification, updating or development carried out by or for the Contractor to any item supplied by the Authority under this Contract, where such modification, updating or development is not authorised or approved by the Authority.

Conduct of IPR Claims

9.6 The following provisions shall apply to an indemnity under this paragraph 9.

9.7 An indemnity under this paragraph 9 (*IPR Indemnities*) shall be without limitation to any indemnity by that Party under any other provision of the Contract.

9.8 If any claim is subject to an indemnity from either Party to the other the Party wishing to make a claim (the "**Indemnified Party**") shall notify the other Party (the "**Indemnifying Party**") of the relevant claim as soon as reasonably practicable, giving full particulars of the claim and the Parties shall provide each other with reasonable assistance (at the expense of the Indemnifying Party) and shall act in accordance with the provisions of this paragraph 9 (*IPR Indemnities*).

Contractor's IPR Indemnity Claims

9.9 If the Authority is the Indemnified Party, the Contractor shall at its own expense conduct all negotiations and any litigation arising in connection with any claim brought against the Authority or the Contractor under paragraph 9.2 (*Contractor's IPR Indemnities*) ("**Contractor's IPR Indemnity Claim**") provided always that the Contractor:

9.9.1 shall consult the Authority on all substantive issues which arise during the conduct of such litigation and negotiations; and

9.9.2 shall take due and proper account of the interests of the Authority; and

9.9.3 shall not settle or compromise any claim without the Authority's Representative's prior written consent (such consent not to be unreasonably withheld or delayed).

9.10 The Authority shall at the request of the Contractor afford to the Contractor all reasonable assistance for the purpose of contesting any claim or demand made on action brought against the Authority or the Contractor for infringement or alleged infringement of any IPR in connection with the performance of the Contract and shall be repaid all costs and expenses (including, but not limited to, legal costs and disbursements on a solicitors and client basis) incurred in so doing.

9.11 The Authority shall not make any admissions which may be prejudicial to the defence or settlement of any claim or action for infringement or alleged infringement of any IPR by the Authority or the Contractor in connection with the performance of the Contract.

9.12 If a claim, demand or action for infringement or alleged infringement of any IPR is made in connection with the Contract or in the reasonable opinion of the Contractor is likely to be made, the Contractor may at its own expense and subject to the consent of the Authority's Representative (such consent not to be unreasonably withheld or delayed) either:

9.13 modify any or all of the Contractor Deliverables without reducing the performance or functionality of the same, or substitute alternative deliverables of equivalent performance and functionality, so as to avoid the infringement or alleged infringement, provided that the terms herein shall apply (with necessary changes) to such modified or substituted deliverables; or

9.14 procure a licence to use and provide the Contractor Deliverables, which are the subject of the alleged infringement, on terms which are acceptable to the Authority.

Other IPR Indemnity Claims

9.15 If the claim is not a Contractor's IPR Indemnity Claim:

9.15.1 the Indemnified Party shall take all reasonable steps (and, if the Contractor is the Indemnified Party, it shall procure that the Sub-contractors shall take all reasonable steps) to minimise and mitigate any Losses for which the Indemnifying Party is liable under this Contract; and

9.15.2 if the claim relates to an action by a Third Party against the Indemnified Party, the Indemnifying Party may, unless the Contractor is the Indemnifying Party and the Authority notifies the Contractor that the Authority is refusing to allow the Contractor to have conduct of the claim on grounds of national security, at its own expense and with the assistance and co-operation of the Indemnified Party have conduct of such claim including its settlement and the Indemnified Party shall not, unless the Indemnifying Party has failed to resolve the claim within a reasonable period, take any action to settle or prosecute the claim.

9.16 If the Indemnifying Party wishes to have conduct of the claim it shall:

9.16.1 give reasonable security to the Indemnified Party for any cost or liability arising out of the conduct of the claim by the Indemnifying Party; and

9.16.2 keep the Indemnified Party reasonably informed of the conduct of the claim and consult with the Indemnified Party to the extent reasonably practicable and not compromise the claim in any way whatsoever by making statements or admissions (other than in accordance with the Indemnified Party's consent, not to be unreasonably withheld or delayed) and do nothing which could prejudice the defence of any such claim; and

9.16.3 not bring the name of the Indemnified Party into disrepute.

9.17 If the Indemnifying Party pays to the Indemnified Party an amount in respect of an indemnity and the Indemnified Party subsequently recovers (whether by payment, discount, credit, saving, relief or other benefit or otherwise) a sum which is directly referable to the fact, matter, event or circumstances giving rise to the claim under the indemnity, the Indemnified Party shall forthwith repay to the Indemnifying Party whichever is the lesser of:

9.17.1 an amount equal to the sum recovered (or the value of the saving or benefit obtained) less any out of pocket costs and expenses properly incurred by the Indemnified Party in recovering the same; and

9.17.2 the amount paid to the Indemnified Party by the Indemnifying Party in respect of the claim under the relevant indemnity; provided that:

(i) there shall be no obligation on the Indemnified Party to pursue such recovery; and

(ii) the Indemnifying Party shall be repaid only to the extent that the amount of such recovery aggregated with any sum recovered from the Indemnifying Party exceeds any loss sustained by the Indemnified Party.

Annex 1

Form of Confidentiality Agreement

Ministry of Defence

Confidentiality Agreement

THIS AGREEMENT is made the ..... day of ..... 20 .

BETWEEN

[hereinafter called "the Holder"] of the one part, AND

[hereinafter called "the Recipient"] of the other part.

WHEREAS:

A. The Holder owns certain valuable property and equitable rights in information identified or referenced in Appendix 1 to this Agreement (hereinafter referred to as "the Information");

B. The Holder has agreed, by contract or otherwise with the Secretary of State for Defence (hereinafter called “the Authority”) that Information may be disclosed to the Recipient for the purpose as identified in Appendix 1 to this Agreement (hereinafter referred to as “the Purpose”). The Authority has agreed that such disclosures will only be made to parties who have signed an appropriate confidentiality agreement with the Holder;

C. The Recipient is willing to receive and hold the Information subject to the terms of this Agreement;

NOW the parties to this Agreement agree that in consideration of the disclosure of Information by the Holder or the Authority to the Recipient:

1. The Recipient shall, subject to the following provisions of this Agreement, hold the Information under conditions of strict confidence and shall not use, copy, or disclose the Information other than to the Authority, in whole or in part in any manner or form for other than for the Purpose.

2. The Recipient may disclose the Information under an obligation of confidence only to those of its officers and employees as need to know the Information for the Purpose. If the Recipient needs to disclose the Information to potential sub-contractors the Recipient shall first inform the Authority and the Holder for approval, obtain from the potential sub-contractor an agreement on behalf of the Holder in the same form as this Agreement, and forward it promptly to the Holder.

3. The restrictions and obligations in paragraphs 1 and 2 shall not apply to any of the Information which the Recipient can show:

a. is already known to the Recipient (without restrictions on disclosure or use) prior to its disclosure to the Recipient directly or indirectly from the Authority or the Holder; or

b. is received by the Recipient without any obligation of confidence from a third party having a right to disclose it; or

c. has been generated independently by the Recipient; or

d. is in or enters the public domain otherwise than by breach of this or another undertaking;

provided the relationship to the remainder of the Information is not revealed.

4. Any disclosure by the Recipient, as required by an act of law, shall be to the minimum extent necessary and shall not constitute a breach of this Agreement.

5. On completion or termination of the Purpose or on written instruction from the Authority to the Recipient, the Recipient shall at the discretion of the Authority either, promptly return the Information, and any copies of it, to the Authority, or destroy the Information taking all reasonable steps to permanently expunge all electronic copies of the Information, and this Agreement shall terminate except for the restrictions and obligations in paragraphs 1 and 2.

6. In the event that the Recipient is awarded the contract pursuant to its response to an ITT as part of the Purpose, the Recipient agrees that the terms of this Agreement shall apply to the Information disclosed (and any amended or extended versions of it) to the Recipient under the contract supplemented only by those requirements in the contract which relate to the use of the Information by the Recipient for the duration of the contract. On completion or termination of the contract the Recipient shall promptly return or destroy the Information in accordance with paragraph 5 above.

7. The provisions of this Agreement shall be in addition to and not in substitution for any obligation of confidence, whether arising under contract or otherwise, between the Recipient and the Authority in respect of the Information.

8. This Agreement does not include, constitute or imply any transfer, assignment or licence or rights in any information, whether or not identified in Appendix 1, owned by the Holder, other than that specified in paragraph 1.

9. The Recipient hereby acknowledges that the Information is disclosed to the Recipient by or on behalf of the Authority on the basis that the Holder shall have no liability whatsoever to the Recipient arising from any use of the Information by the Recipient and the Recipient will bring no claim against the Holder in relation to the Information or any use of it.

10. The Recipient shall notify both the Authority and the Holder if it becomes aware of, or reasonably suspects, any loss or actual compromise of any of the Information.

11. This Agreement is personal to the Holder and the Recipient and shall not be assigned by either one of them without the prior written consent of the other which shall not be unreasonably withheld; provided that in all cases of assignment the assignee effectively undertakes to perform all the obligations of the assignor as though the assignee had been an original party to this Agreement.

12. This Agreement (including Appendix 1) sets out the entire agreement between the Holder and the Recipient in connection with the subject matter of this Agreement. However, nothing in this Agreement shall affect the rights or obligations of either party in relation to the Authority in respect of the Information.

13. Neither this Agreement nor any of its provisions shall be amended or waived unless agreed to in writing by duly authorised representatives of the Holder and the Recipient. No waiver of any provision of this Agreement shall constitute a waiver of any other provision(s) or of the same provision on another occasion.

14. This Agreement is made subject to English [Scottish] law and to the exclusive jurisdiction of the English [Scottish] courts, and shall be effective as from the date of signature by the Recipient, and despatch to the Holder.

Signed on behalf of the Recipient by:	Signed on behalf of the Holder by:
In the capacity of: Date:	In the capacity of: Date:

[*This Appendix is to be completed and signed before signature of the Agreement. If new material is to be transferred under an existing agreement, a new Appendix must be drawn up, to include the original Information together with the new Information and re-signed under an incremented Appendix number, for example Appendix 2 to DEFFORM 94.*]

1. **THE PURPOSE**

[*Delete as Applicable*]

a. To allow the Recipient to respond to an Invitation to Tender (including performance of a subsequent contract) No [ ].

b. To allow the Recipient to provide the Authority with an assessment of Invitation to Tender No [ ].

c. To allow the Recipient to provide the Authority with a service and/or contract for the following purpose [ ].

2. **INFORMATION TO BE PROTECTED UNDER THIS AGREEMENT**

[Insert a narrative covering the entirety of the Information to be disclosed]

Signature below hereby invokes agreement to the terms of DEFFORM 94 in respect of the Information described herein.

Signed on behalf of the Recipient by:	Signed on behalf of the Holder by:
In the capacity of:	In the capacity of:
Date:	Date:

Schedule 15

Ancillary Documents

1 DEFFORMS

1.1 DEFFORM 111 (Edn 05/19) (Appendix – Addresses and Other Information).

1.2 DEFFORM 129J (Edn 09/17) (The Use of Electronic Business Delivery Form and Explanatory Note).

2 Defence Standards

2.1 Def Stan 00-003 (Design Guidance for the Transportability of Equipment).

2.2 MIL-STD 810G (Department of Defence Test Method Standard; Environmental Engineering considerations and Laboratory Tests) with additional characterisation testing related to Def Stan 00-035 (Environmental Handbook for Defence Material).

2.3 Def Stan 00-035 - Environmental Handbook for Defence Materiel – Part 1, 2 &3.

2.4 Def Stan 00-040 (Reliability and Maintainability).

2.5 Def Stan 00-042 (Reliability and Maintainability Assurance Activity).

2.6 Def Stan 00 – 042 Reliability and Maintainability Part 5: In Service Reliability Demonstrations.

2.7 Def Stan 00 – 042 Reliability and Maintainability Part 7: Reliability Testing.

2.8 Def Stan 00 – 042 Reliability and Maintainability Assurance Activity – Part 3 R&M Case.

2.9 Def Stan 00-044 (Reliability and Maintainability Data Collection and Classification).

2.10 Def Stan 00-045 Using Reliability Centred Maintenance to Manage Engineering Failures.

2.11 Def Stan 00-055 (Requirements for Safety of Programmable Elements (PE) in Defence Systems).

2.12 Def-251 (Human Factors Integration for Defence Systems).

2.13 Def Stan 00-600 Parts 1-3 (Integrated Logistic Support. Requirements for MoD Projects).

2.14 Def Stan 05-010 – (Product Definition Information) – Parts 2 & 3.

2.15 Def Stan 05-055 (The Management of test and Measurement Equipment Handbook).

2.16 Def Stan 05-057 (Configuration Management of Defence Material).

2.17 Def Stan 05-099 (Parts 1 & 2) (Managing Government Furnished Equipment).

2.18 Def Stan 05 -132 Marking of Service Material Items Using a Unique Item Identifier (UII).

2.19 Def Stan 05-135 (Avoidance of Counterfeit Material shall be included in the requirements for all Tenderers unless it is considered the risk of counterfeit material in the equipment being procured is low risk in relation to equipment criticality or safety to life).

2.20 Def Stan 05-138 (Cyber Security for Defence Suppliers).

2.21 Def Stan. 05-61 Part 1, (Quality Assurance Procedural Requirements – Concessions).

2.22 Def Stan. 05-61 Part 4, (Quality Assurance Procedural Requirements - Contractor Working Parties).

2.23 Def Stan 05-135 (Avoidance of Counterfeit Material Issue).

2.24 Def Stan 61-017 (The Selection and Introduction of Batteries and Fuel Cells for Service Use).

2.25 Def Stan 61-017 (The Selection and Introduction of Batteries for Service Use).

2.26 Def Stan 61-021 (General Specification for Batteries).

2.27 Def Stan 81-041 Packaging of Defence Material; Parts; 1 to 6.

3 <u>Joint Service Publications</u>

Appropriate processes will be followed that meet the intent of the JSPs in regard to process. These alternative industry processes will provide the required information called for by the JSPs but satisfaction of the JSP will be achieved using methods other than those dictated by the JSP. The selection of processes will not affect the provision of support to the JSP.

3.1 JSP 418 (Management of Environmental Protection in Defence).

3.2 JSP 440 (Defence Manual of Security).

3.3 JSP 441 (Managing Information in Defence).

3.4 JSP 454 (The MoD Systems Safety and Environmental Assurance for Land Systems).

3.5 JSP 490 Defence Crypto Security Operating Instructions.

3.6 JSP 491 Compendium of Cryptographic Handling Instructions Part 2 leaflet 4 and Parts 3, 4 and 5.

3.7 The Management of Test and Measurement Equipment Handbook, formerly JSP 509 (The Management of Test Equipment).

3.8 JSP 567: Contractor Support to Operations (CSO) Policy, Part II Contractors On Deployed Operations (CONDO).

3.9 JSP 604 (Defence Manual of Information and Communications Technology (ICT)).

3.10 JSP 800: Defence Movements and Transport Regulations. Volume 3 – Movement of Material.

3.11 DSA01.1: Defence Policy for Health, Safety and Environmental Protection, formerly JSP 815 (Defence Environment and Safety Management).

3.12 JSP 822 (Governance and Management of Defence Training & Education).

3.13 Defence Logistics Framework (DLF), superseding JSP 886 (The Defence Logistics Support Chain Manual).

3.14 JSP 902 Defence Logistics Sustainability.

3.15 JSP 906 (Defence Principles for Coherent Capability).

3.16 JSP 912 (Human Factors Integration for Defence Systems).

3.17 JSP 945: MOD Policy for Configuration Management.

3.18 Orphaned policy JSP 886 Volume 2, Part 2 Chapter 3: Inventory Modelling.

4 <u>ISO</u>

4.1 ISO 9241 (Ergonomics of human-computer interaction).

4.2 ISO/IEC 16022 (Information technology – Automatic identification and data capture techniques – Data Matrix bar code symbology specification).

4.3 ISO 44001:2017: Collaborative business relationship management systems – Requirements and framework.

4.4 ISO 95020 (Military in General. Including Defence Procurement & Defence Standards).

4.5 ISO 27001 (Information Security).

4.6 ISO/IEC 16022 (Information technology -- Automatic identification and data capture techniques -- Data Matrix bar code symbology specification).

4.7 ISO 44001:2017: Collaborative business relationship management systems — Requirements and framework.

5 <u>AAPz</u>

5.1 MIL-STD-130N (Department of Defence Standard Practice; Identification Marking of U.S. Military Property) with additional specifications and characterisation testing related to AAP-44(A) (Barcoding), as set out expressly below:

Both standards contain the same content for 2D-matrix barcoding (both refer to ISO/IEC 16022).

6 <u>AEPs</u>

6.1 MIL-HDBK-783 (Department of Defence Military Handbook; Chemical and Biological (CB) Contamination Avoidance and Decontamination) and AEP 7 (CBRN Contamination Survivability Factors in the Design, Testing and Acceptance of Military Equipment).

6.2 MIL-DTL-53022E, Type II, with additional characterisation testing related to AEP 64 (Specification for Paint Systems Resistant to Chemical Agents and Decontaminants

for the protection of Land Military Equipment) and AEP 65 (Performance Requirements and Test Methodologies for Paint Systems Resistant to Chemical Warfare Agents).

6.3 MIL-DTL-64159B, Type II, with additional specifications and characterisation testing related to AEP 64 (Specification for Paint Systems Resistant to Chemical Agents and Decontaminants for the protection of Land Military Equipment) and AEP 65 (Performance Requirements and Test Methodologies for Paint Systems Resistant to Chemical Warfare Agents).

7 SDIPs

7.1 SDIP 27 (NATO TEMPEST Testing, Requirements and Evaluation procedures).

8 NOT USED

9 STANAGs

9.1 STANAG 2290 (NATO Unique Identification of Items).

9.2 STANAG 2829 Materials Handling Equipment.

9.3 STANAG 4280 (NATO Packaging and Preservation).

9.4 STANAG 4281 (NATO Standard Marking for Shipment and Storage).

10 Quality Assurance

10.1 STANAG 4107 (Mutual Acceptance of Government Quality Assurance and Usage of the Allied Quality Assurance Publications (AQAP)).

10.2 AQAP 2110 edition D Version 1 NATO Quality Assurance Requirements for Design, Development and Production.

11 Technical Documentation

11.1 All technical documentation to be provided in electronic format as Interactive Electronic Technical Publications (IETPs).

11.2 Data Modules shall be produced in ASD S1000D Issue 3 or in Portable Document Format (PDF).

12 Other Standards

12.1 ISO/IEC/IEEE 15288: Systems and Software Engineering – System Life Cycle Processes.

12.2 Electrical Equipment (Safety) Regulations 1994.

12.3 The Electrical Equipment (Safety) Regulations 2016.

12.4 Electricity at Work Regulations 1989.

12.5 Environmental Information Regulations 2004.

12.6 Freedom of Information Act (2000).

12.7 Data Protection Act 2018.

12.8 EU GDPR (General Data Protection Regulation).

12.9 Hazardous Waste Regulations (2005).

12.10 Health and Safety (Display Screen Equipment) Regulations 1992 (as amended 2002).

12.11 Land Data Model.

12.12 Land Force Standing Order 1120.

12.13 Waste Electrical and Electronic Equipment Regulations 2006.

12.14 Health and Safety Regulations (Health and Safety at Work Act and Associated Regulations).

12.15 Control of Noise at Work Regulations 2005.

12.16 MOD Metadata Standard (Version 6.0, Nov 2015).

12.17 DSA02.DLSR.LSSR Land System Safety and Environmental Protection Directive.

12.18 DSA02.DLSR.LSSR Land System Safety and Environmental Protection Directive Defence Codes of Practice.

12.19 DSA03.DLSR.LSSR Land System Safety and Environmental Protection Directive.

12.20 MIL-STD 1275E (Department of Defence Interface Standard; Characteristics of 28 Volt DC input power to Utilization Equipment in Military Vehicles) with additional characterisation testing related to Def Stan 61-005 (Nominal 12V and 24V DC Electrical Systems in Military Platforms).

12.21 IEC 62402: Obsolescence Management Standard.

12.22 Defence Cyber Protection Partnership (DCPP) Scheme.

12.23 LCS(T) Supplier Manual.

Schedule 16

Business Continuity Plans

Schedule 16 (*Business Continuity Plans)* is the document in the Agreed Form entitled "Business Continuity Plans"

Schedule 17

Exit Plan

1 Introduction

1.1 This Schedule provides further requirements of the Authority relating to exit management and is to be read in conjunction with Clause 74 (*Continuing Assistance*) of this Contract. The obligations set out in this Schedule 17 (*Exit Plan*) are in addition to and without prejudice to the obligations of the Contractor in Clause 72 (*Exit Plan*) and Clause 74 (*Continuing Assistance*).

1.2 Capitalised terms used but not defined in this Schedule 17 (*Exit Plan*) are defined in Schedule 1 (*Definitions and Acronyms*) of this Contract.

2 Introduction and Background

2.1 The Schedule:

2.1.1 describes the general principles that apply to the Contractor's obligations under this Schedule (see paragraph 3 below);

2.1.2 describes the process for the development of the Exit Plan and the Parties' obligations to perform the activities set out in the Exit Plan (see paragraph 4 below);

2.1.3 Not Used;

2.1.4 describes the requirements relating to the allocation of an Exit Manager (see paragraph 5 below);

2.1.5 describes each Parties' obligations during each Exit Period (see paragraph 6 below);

2.1.6 describes the process for transferring and management of assets, information and materials relating to the Contract, including knowledge, IPR, Sub-contracts and software as defined by the Exit Plan (together, for the purposes of this Schedule 17 (*Exit Plan*), the "**Assets**") upon expiry or termination of this Contract (see paragraph 8 below); and

2.1.7 describes the principles that apply to the Contractor's obligations to provide data, information and materials and other general provisions relating to the Contractor's obligations under this Schedule (see paragraph 10 below).

3 General

3.1 The Contractor may be required by the Authority to provide continuing assistance and the provision of Exit Management Information to the Authority and any Follow-on Contractor during any Exit Period in relation to the procurement of Replacement Contractor Deliverables and to assist the Authority in relation to its procurement of and/or management of contracts placed by the Authority under the LE TacCIS Programme.

3.2 The transfer of the Assets from the Contractor to the Authority (and/or the Follow-On Contractor) may be phased so that certain Assets are transferred to the Authority

(and/or the Follow-On Contractor) at different times or at the same time. There may be one or more Exit Periods where there has been a partial termination of the Contract. The Contractor may be required by the Authority to provide Exit Management Information and continuing assistance to the Authority (and/or the Follow-On Contractor) during any Exit Period in relation to the expiry or termination of all or part of the Contract.

3.3 The Parties acknowledge that two or more Exit Periods may operate concurrently.

4 Exit Planning

Development of the Exit Plans

4.1 On or before the Actual FOC Date, the Contractor shall develop and deliver to the Authority a draft Exit Plan that addresses, as a minimum, the requirements set out in Appendix 1 to this Schedule. The Exit Plan shall set out the Contractor's proposed overall methodology for achieving an orderly transfer of all of the services and goods from the Contractor to the Authority (or the Follow-On Contractor) upon the expiry or termination of this Contract (whether in whole or in part) for any reason whatsoever.

Review of Exit Plans

4.2 Within twenty (20) Working Days after receipt by the Authority of any draft Exit Plan, the Parties shall meet to discuss and seek to agree such Exit Plan. The Contractor shall ensure that any comments, suggestions or amendments suggested by the Authority (acting reasonably) are incorporated into the relevant draft Exit Plan and shall issue an updated copy of the relevant draft Exit Plan to the Authority within ten (10) Working Days of such comments, suggestions or amendments being communicated to the Contractor by the Authority.

4.3 Not Used.

4.4 If the Parties cannot agree any draft Exit Plan and/or the Authority does not accept that such Exit Plan has been drafted in accordance with the requirements set out in Appendix 1 to this Schedule either Party may refer this matter for in accordance with the Dispute Resolution Procedure.

4.5 The Contractor shall:

4.5.1 keep the then current Exit Plan under review and shall, thirty (30) months from Contract Award (or such other period as the Authority may reasonably require) and thereafter every six (6) months, update and submit to the Authority for review and authorisation; and

4.5.2 where an impact assessment in respect of a Change and/or Option and/or any re-procurement of this Contract or other matter identifies that an update to the then current Exit Plan is required, update the then current Exit Plan (issuing the same to the Authority for review within ten (10) Working Days of the relevant event giving rise to the requirement for an update) and the provisions of paragraph 4.4 shall apply in the case of any disagreement between the Parties relating to the revised Exit Plan.

4.6 The Contractor shall ensure that any draft Exit Plan submitted to the Authority in accordance with paragraphs 4.1, 4.2 and 4.5 above:

4.6.1 takes into account any changes affecting the Contractor Deliverables since the previously agreed version of the Exit Plan;

4.6.2 where appropriate, aligns with, incorporates or references any activities, dates, timescales, or milestones reasonably set by the Authority; and

4.6.3 is adaptable and shall include provisions to deal with full, partial and unexpected termination of all or part of the Contractor Deliverables, taking into account the circumstances described in paragraph 2 of this Schedule.

Finalising Exit Plans

4.7 The Contractor's performance of the activities and obligations set out in any Exit Plan which are additional to those referred to in Clause 72.2.3 (*Exit Plan*), shall be the subject of a Change (to which the Contractor shall not have the right to object where the Authority has issued an Authority Change Notice and accepts the Contractor's Estimate (however revised by agreement of the Parties)) and shall be confirmed in accordance with the procedure set out in Clause 75 (*Change*) and Clause 76 (*Amendments to Contract*) and Schedule 11 (*Change Procedure*) of this Contract.

5 Allocation of Exit Manager

5.1 The Contractor shall allocate a suitable Exit Manager and appropriate resource to manage the process of exit and transfer of Assets to the Authority (or the Follow-On Contractor), including the preparation and implementation of the Exit Plan. The Contractor shall provide written notification of such allocation to the Authority two (2) Working Days following commencement of the Exit Period.

5.2 The Contractor shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Contractor as are reasonably necessary to enable the Contractor to comply with the requirements set out in the Exit Plan, including a team to manage the process of exit and transfer of the Assets to the Authority (or the Follow-On Contractor).

6 Exit Period

6.1 Without prejudice to its general obligations the Contractor shall be responsible for the completion of the Exit Plan, including project management of the overall exit process. The Contractor shall ensure that exit is completed in a smooth, efficient and orderly manner which minimises any disruption to the business of the Authority and any third parties.

Exit Period Duration

6.2 An Exit Period shall commence on the earlier of:

6.2.1 the date notified by the Authority to the Contractor in writing, provided that such date falls after the date which is no later than twelve (12)) months prior to the Expiry Date (as the same may be extended following the exercise by the Authority of any of the Options); or

6.2.2 immediately following the issue of a Termination Notice.

6.3 An Exit Period shall end on the date on which all the activities in the Exit Plans have been completed to the satisfaction of the Authority.

Exit Information

6.4 During each Exit Period, the Contractor shall:

6.4.1 update the Exit Management Information:

(i) within ten (10) Working Days of the start of such Exit Period; and

(ii) thereafter, update the Exit Management Information no less than twice each month during such Exit Period;

6.4.2 make the Exit Management Information (as updated in accordance with paragraph 6.4.1 above) available to the Authority (and the Follow-On Contractor) at any time in an editable format during the Exit Period;

6.4.3 provide to the Authority (and/or the Follow-On Contractor), or procure the provision of, all such information, other data and deliverables relevant to the expiring or terminated Contractor Deliverables, together with a sufficient explanation and the full rights to use such information, other data and deliverables as detailed in the Exit Plan in its then current format or in a format reasonably requested by the Authority, together with all related documentation, and any other information and copies thereof owned by the Authority;

6.4.4 promptly make available to the Authority (and the Follow-On Contractor) in editable format all other information, as is reasonably requested by the Authority in connection with the wind-down or transfer of all or part of the system; and

6.4.5 grant access to the Authority (and/or any Follow-On Contractor) to any premises used by the Contractor in the provision of the Contractor Deliverables to facilitate the smooth transfer of responsibility for the provision of the Contractor Deliverables (or any part of the Contractor Deliverables) to the Authority or Follow-On Contractor.

Exit Assistance

6.5 Without prejudice to Clause 74.3 (*Continuing Assistance*) and paragraph 6.3, during each Exit Period the Contractor shall perform its obligations set out in the Exit Plan and the Contractor shall continue to provide any Contractor Deliverables that are due to terminate or expire pursuant to the terms of this Contract or any Termination Notice, in accordance with its obligations under this Contract until such time as the responsibility for the provision of such Contractor Deliverables (or in the case of Partial Termination, the relevant Contractor Deliverables) has transferred to the Authority (and/or the Follow-On Contractor) in accordance with the processes set out in the Exit Plan.

7 <u>Vacation of Authority Sites</u>

7.1 At the end of each Exit Period (or earlier if this does not adversely affect the Contractor's performance of the Contractor Deliverables and the performance by the Contractor of all of its other obligations in accordance with the Exit Plan), the Contractor shall (and shall procure that the Sub-Contractors shall) perform the following to the extent that the relevant software, Authority Data, Assets, Issued Property, Authority Sites and Controlled Information is not required by the Contractor

to perform the Contractor Deliverables that the Contractor shall continue to perform after the end of the relevant Exit Period:

7.1.1 vacate any Authority Sites, remove any property not to be returned under paragraph 7.1.2 and, without prejudice to Clause 52.1 (*Liability in Respect of Damage to Government Property*), rectify any loss or damage that may have occurred during its, or its Sub-contractors', occupancy of any Authority Sites;

7.1.2 without prejudice to Clause 41.12.3 (*Controlled information*), return to the Authority all Controlled Information of the Authority and certify that it does not retain the Authority's Controlled Information save to the extent (and for the limited period) that:

(i) such information needs to be retained by the Contractor for the purposes of providing or receiving any Contractor Deliverables or complying with its obligations in this Schedule 17 (*Exit Plan*); or

(ii) the Contractor is obliged under the terms of this Contract, or any Laws to retain such information after termination or expiry of this Contract.

7.2 All licences, leases and authorisations granted by the Authority to the Contractor in relation to any expiring or terminating Contractor Deliverables shall be terminated with effect from the end of the relevant Exit Period.

7.3 The Authority may dispense of any items left at the Authority Sites for more than ten (10) days following vacation in accordance with paragraph 7.1.1.

8 Assets, Sub-Contracts and Software

General Provisions

8.1 Following expiry or termination (however arising) of this Contract (or any relevant part of it) and during each Exit Period, the Contractor shall not, without the Authority's approval:

8.1.1 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing goods or acquire any new Assets; or

8.1.2 terminate, enter into or vary any licence for software in connection with the Contractor Deliverables.

8.2 Following receipt of any up-to-date relevant information provided by the Contractor pursuant to paragraph 4.5.1 above, the Authority may provide written notice to the Contractor setting out:

8.2.1 which Assets the Authority requires to be transferred to the Authority (or the Follow-On Contractor); and

8.2.2 a requirement for the Contractor to provide to the Authority within three (3) Working Days of request a copy of all relevant Sub-contracts to enable the Authority to consider if it requires an assignment, novation or transfer of any relevant Sub-contract pursuant to Clause 13.2.3 of this Contract (*Sub-Contracting*); and

8.2.3 which Sub-contracts and other agreements the Authority at its option requires to be assigned, novated or transferred to the Authority (or the Follow-On Contractor) (together, for the purposes of this Schedule 17 (*Exit Plan*), the "**Transferring Contracts**") pursuant to paragraph 8.2.2 above; and

8.2.4 where requested by the Authority, the Contractor shall provide all reasonable assistance to the Authority (and the Follow-On Contractor) to enable it to determine which Assets and Transferring Contracts the Authority (or the Follow-On Contractor) requires in order to provide the Contractor Deliverables. Access to Assets may be required by the Authority (or the Follow-On Contractor) before any identified time period or date in accordance with the Exit Plan in order to continue to deliver the Contractor Deliverables or business as usual and consent to this shall not be unreasonably withheld or delayed by the Contractor.

Further Provisions on Transferring Contracts

8.3 The Contractor shall assign or procure the novation to the Authority (or the Follow-On Contractor) of the Transferring Contracts. The Contractor shall execute such documents and provide such other assistance as the Authority reasonably requires to affect this novation or assignment.

8.4 The Authority shall:

8.4.1 accept assignments from the Contractor or join with the Contractor in procuring a novation of each Transferring Contract; and

8.4.2 once a Transferring Contract is novated or assigned to the Authority (or the Follow-On Contractor), carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract.

8.5 The Contractor shall hold any Transferring Contracts on trust for the Authority (or the Follow-On Contractor) until such time as the transfer of the contract to the Authority (or the Follow-On Contractor) has been affected.

8.6 The Contractor shall indemnify the Authority (and the Follow-On Contractor) against each loss, liability and cost arising out of or in connection with any claims made by a counterparty to a Sub-contract which is assigned or novated to the Authority (or the Follow-On Contractor) pursuant to paragraph 8.3 above in relation to any matters arising prior to the date of assignment or novation of such Sub-contract. Such indemnification shall be provided pursuant to Clause 32 (*Indemnity and Liabilities*) of this Contract.

9 <u>Not Used</u>

10 <u>Other</u>

10.1 Where this Schedule requires the Contractor to provide data, information or materials, including any relevant information and any Exit Management Information, the Contractor shall provide such data, information or materials in the format specified in this Schedule, or in the absence of such format being specified, shall provide such data, information or materials in an editable format or in a format reasonably requested by the Authority. Where such data, information or materials are provided in an

alternative format, the Contractor shall ensure the accuracy and completeness of such data, information or materials is not adversely affected by the conversion to that format.

10.2 Within twenty (20) Working Days of being requested to do so by the Authority, the Contractor shall provide the Authority with a breakdown of any Exit Management Information so that the Authority is able to identify which information relates to one or more of the Contractor Deliverables (or one or more parts of the Contractor Deliverables). The Authority may from time to time require the Contractor to break down, or otherwise divide, the Exit Management Information and the Contractor shall provide such break downs to the Authority (and the Follow-On Contractor) within ten (10) Working Days from the relevant request.

10.3 Any material breach of the obligations that the Contractor is obliged to perform pursuant to this Schedule during the Exit Period shall be a material breach of this Contract.

10.4 Except as expressly stated in any Exit Plan, the obligations stated in the Exit Plan shall be in addition to, and not in substitution for the provision of the Contractor Deliverables and the Contractor shall continue to provide the Contractor Deliverables on the terms and conditions of this Contract.

Appendix 1

Exit Plan Product Description

1 Introduction

1.1 The Exit Plan shall meet the requirements of the Exit Plan Product Description set out in this Appendix 1.

2 Format of Product

2.1 The Contractor shall prepare the Exit Plan in electronic format, readable by Microsoft Office, Adobe Reader or other application agreed by the parties. All of the content of the Exit Plan shall be supported by a Gantt chart that shows the timetable for all of the activities to be undertaken before, during and after each Exit Period. The Final Exit Plan will have a fully detailed Gantt chart that shows the timetable for all of the activities to be undertaken before, during and after each Exit Period.

3 Content

3.1 The Exit Plan shall include:

3.1.1 details of the activities to be performed by the Parties before, during and after each Exit Period, and set out the key milestones, trigger events (such as the serving of a Termination Notice) and the required resourcing for such activities;

3.1.2 a draft timetable of the activities to be performed by the Parties;

3.1.3 the Contractor's Price for the implementation of the Exit Plan;

3.1.4 details (including the name and contact details) of the Parties' point of contact for issues relating to Exit Management;

3.1.5 the Contractor's management structure to be implemented during each Exit Period;

3.1.6 details of methods the Contractor shall use to report on the progress of the Exit Plan and the frequency of such reports;

3.1.7 at such time as such information is known after the relevant Termination Notice has been served or prior to expiry of this Contract, the scope of the exit, which shall include:

(i) confirmation of the Contractor Deliverables that are terminating or expiring;

(ii) a description of the Contractor Deliverables at the beginning of each Exit Period, including details of any work in progress;

(iii) a description of the Contractor Deliverables at the conclusion of each Exit Period; and

(iv) details of the scope of the Exit Assistance that may be required for the benefit of the Authority;

3.1.8 details of all the Assets that are to be transferred to the Authority (or the Follow-On Contractor) and for each of those Assets:

(i) details of the process to novate or assign the relevant Transferring Contracts, including relevant meetings between the relevant parties; and

(ii) details of the process for transferring the Assets that are to be transferred to the Authority (or the Follow-On Contractor), including details of any documentation that needs to be signed to implement the transfer and the proposed dates for finalising and executing such documentation;

3.1.9 details of how the Assets shall transfer to the Authority (or the Follow-On Contractor) and details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components from any technology components operated by the Contractor or its Sub-contractors (where applicable) and details of how the Contractor Deliverables would be provided (if required) during each Exit Period;

3.1.10 details of the processes that the Contractor uses to deal with risks arising in relation to the transfer of the Assets to the Authority (or the Follow-On Contractor);

3.1.11 details of individuals (posts and responsibilities) who shall be made available by the Contractor to facilitate the re-procurement and exit of the Contractor Deliverables in accordance with this Schedule;

3.1.12 relevant information regarding the transfer of security related processes and arrangements, such as information security and physical and logical access control;

3.1.13 details of the significant risks, issues, assumptions and dependencies as they apply to the Exit Plan, provided that any new GFA shall be agreed through Schedule 11 (*Change Procedure*) and shall not be construed as being GFA until they have been agreed through this procedure;

3.1.14 descriptions of the activities required to ensure that the Contractor continues to provide the Contractor Deliverables in accordance with this Contract;

3.1.15 details as to how the Contractor will ensure that there will be minimum disruption in the provision of the Contractor Deliverables whilst the Contractor Deliverables are transferred to the Authority (or the Follow-On Contractor) (including details of any mitigation and contingency planning, briefing papers, training materials, training to be provided and access required to Contractor's Premises) to ensure that there is no deterioration in the quality of delivery of the Contractor Deliverables during each Exit Period;

3.1.16 details of any on-going projects or other work carried out pursuant to this Contract;

3.1.17 details of the procedures to be followed to ensure that all GFA information is to be erased;

3.1.18 details relating to the provisions set out in Schedule 21 (*Transfer Regulations*); and

3.1.19 without prejudice and in addition to the obligations of the Contractor in Clause 74 of this Contract (*Continuing Assistance*), details relating to the provision of data that may be necessary for the re-procurement of the Contractor Deliverables to a Follow-On Contractor, which may include:

(i) performance data sufficient to allow the Authority and any Follow-On Contractor to monitor the current and past performance of the Contractor Deliverables and/or systems;

(ii) technical documents relevant to the Contractor Deliverables and/or systems being re-procured including:

(A) operating manuals;

(B) training documents;

(C) latest documents that are required to be provided by the Contractor in accordance with this Contract;

(iii) all relevant registers including Necessary Consents and Intellectual Property;

(iv) without prejudice to paragraph 8.2.2 of Schedule 17 (*Exit Plan*), copies of any relevant Sub-contracts pursuant to which the Sub-Contractor has obligations to the Contractor after the end of the Contract Period; and

(v) any other Information in the possession or control of the Contractor required by law in connection with the re-competition activities, including details of agents, Employees (subject to Data Protection Legislation), suppliers, Sub-Contractors and/or licenses required by international trafficking regulations.

The initial draft Exit Plan shall not include detailed iterations of 3.1.2, 3.1.3, 3.1.4 and 3.1.5, the Contractor shall provide them to a suitable level of detail at the given time.

Appendix 2

Exit Plan as at Effective Date

Appendix 2 (*Exit Plan as at Effective Date*) of this Schedule 17 (*Exit Plan*) is the document in the Agreed Form entitled “Exit Plan”

Schedule 18

Parent Company Guarantee

DATED 2021

BABCOCK INTERNATIONAL GROUP PLC **(1)**

AND

THE SECRETARY OF STATE FOR DEFENCE **(2)**

DEED OF GUARANTEE
relating to BATCM/0294 LOGISTICS SUPPORT CONTRACT

CONTENTS

1. Definitions and Interpretation

2. Guarantee and Indemnity

3. Obligation to enter into a new contract

4. Demands and Notices

5. Beneficiary's Protections

6. Rights of Subrogation

7. Representations and Warranties

8. Payments and Set-Off

9. Guarantor's Acknowledgement

10. Assignment

11. Expiry Date

12. Severance

13. Third Party Rights

14. Addendum or Variation

15. Governing Law

16. Not Used

17. Counterparts

THIS DEED OF GUARANTEE is made the day of 2021

BETWEEN:

(1) **BABCOCK INTERNATIONAL GROUP PLC** a company incorporated in England and Wales (with registered number 02342138) whose registered office is at 33 Wigmore Street, London W1U 1QX ("**Guarantor**"); in favour of

(2) **THE SECRETARY OF STATE FOR DEFENCE** ("**Beneficiary**")

WHEREAS:

(A) It is a condition of the Guaranteed Agreement (defined below) that Babcock Integrated Technology Limited (company registration number 06717269) whose registered office is at 33 Wigmore Street, London W1U 1QX ("**Contractor**") procure the execution and delivery by the Guarantor of this Deed of Guarantee to the Beneficiary.

(B) The Guarantor has agreed, in consideration of the Beneficiary entering into the Guaranteed Agreement with the Contractor, to guarantee the due performance by the Contractor of all of the Contractor's obligations under the Guaranteed Agreement.

(C) It is the intention of the parties that this document be executed and take effect as a deed.

Now in consideration of the Beneficiary entering into the Guaranteed Agreement, the Guarantor hereby agrees with the Beneficiary as follows:

1 Definitions and Interpretation

1.1 In this Deed of Guarantee:

1.1.1 unless defined elsewhere in this Deed of Guarantee or the context requires otherwise, defined terms shall have the same meaning as they have for the purposes of the Guaranteed Agreement;

1.1.2 the words and phrases below shall have the following meanings:

1.1.2.1 "**Affiliate**" means in relation to any person, any holding company or subsidiary of that person or any subsidiary of such holding company, and "holding company", "parent undertaking" and "subsidiary" shall have the meaning given to them in section 1159 and section 1162 of the Companies Act 2006 and for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c), a company shall be treated as a member of another company even if its shares in that other company are registered in the name of (i) another person (or its nominee), by way of security or in connection with the taking of security, or (ii) its nominee;

1.1.2.2 "**Expiry Date**" means the Contract Period of the Guaranteed Agreement plus six (6) years;

1.1.2.3 "**Guaranteed Agreement**" means the Logistics Support Contract (BATCM/0294) dated on or about the date of this

Deed made between the Beneficiary (1) and the Contractor (2); and

1.1.2.4 "**Guaranteed Obligations**" means all obligations, representations, warranties, duties and undertakings of the Contractor to the Beneficiary under, ancillary to or calculated by reference to the Guaranteed Agreement (as varied from time to time) and "**Guaranteed Obligation**" means any one of them.

1.1.3 references to this Deed of Guarantee and any provisions of this Deed of Guarantee or to any other document or agreement (including to the Guaranteed Agreement) are to be construed as references to this Deed of Guarantee, those provisions or that document or agreement in force for the time being and as amended, varied, supplemented, substituted or novated from time to time;

1.1.4 unless the context otherwise requires, words importing the singular are to include the plural and vice versa;

1.1.5 references to a person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect;

1.1.6 the words "other" and "otherwise" are not to be construed as confining the meaning of any following words to the class of thing previously stated where a wider construction is possible;

1.1.7 unless the context otherwise requires, reference to a gender includes the other gender and the neuter;

1.1.8 unless the context otherwise requires, references to an Act of Parliament, statutory provision or statutory instrument include a reference to that Act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;

1.1.9 unless the context otherwise requires, any phrase introduced by the words "including", "includes", "in particular", "for example" or similar, shall be construed as illustrative and without limitation to the generality of the related general words;

1.1.10 references to clauses are, unless otherwise provided, references to clauses of this Deed of Guarantee; and

1.1.11 references to liability are to include any liability whether actual, contingent, present or future.

2 Guarantee and Indemnity

2.1 The Guarantor irrevocably and unconditionally guarantees and undertakes to the Beneficiary to procure that the Contractor duly and punctually performs all of the Guaranteed Obligations now or hereafter due, owing or incurred by the Contractor to the Beneficiary.

2.2 The Guarantor irrevocably and unconditionally undertakes upon receipt of a demand from the Beneficiary in accordance with clause 4.2 below, to pay to the Beneficiary all monies and liabilities which are now or at any time hereafter shall have become payable by the Contractor to the Beneficiary pursuant to the Guaranteed Agreement or in respect of the Guaranteed Obligations.

2.3 If at any time the Contractor shall fail to perform any of the Guaranteed Obligations, the Guarantor, as primary obligor, irrevocably and unconditionally undertakes to the Beneficiary that, upon receipt of a demand from the Beneficiary in accordance with clause 4.2 below, it shall, at the cost and expense of the Guarantor:

2.3.1 fully, punctually and specifically perform (either itself or, with the consent of the Beneficiary which shall not be unreasonably withheld or delayed, and provided that the Guarantor will nonetheless remain fully responsible for the performance of the Guaranteed Obligations, by an Affiliate or other third party) such Guaranteed Obligations as if it were itself a direct and primary obligor to the Beneficiary in respect of the Guaranteed Obligations and be liable as if the Guaranteed Agreement had been entered into directly by the Guarantor and the Beneficiary; and

2.3.2 indemnify and keep the Beneficiary indemnified against all losses, damages, costs and expenses (including VAT thereon, and including all court costs and all legal fees on a solicitor and own client basis, together with any disbursements) of whatever nature which may result or which such Beneficiary may suffer, incur or sustain arising in any way whatsoever out of a failure by the Contractor to perform the Guaranteed Obligations save that, subject to the other provisions of this Deed of Guarantee, this shall not be construed as imposing greater obligations or liabilities on the Guarantor than are purported to be imposed on the Contractor under the Guaranteed Agreement.

2.4 As a separate and independent obligation, the Guarantor irrevocably and unconditionally undertakes to indemnify and keep the Beneficiary indemnified on demand against all losses, damages, costs and expenses (including VAT thereon, and including all legal costs and expenses on a solicitor and own client basis, together with any disbursements), of whatever nature, whether arising under statute, contract or at common law, which such Beneficiary may suffer or incur if any Guaranteed Obligation is or becomes unenforceable, invalid or illegal as if such Guaranteed Obligation had not become unenforceable, invalid or illegal provided that the Guarantor's liability shall be no greater than the Contractor's liability would have been if the Guaranteed Obligation had not become unenforceable, invalid or illegal.

2.5 The Parties agree that notwithstanding any of the above provisions, no provision in this Guarantee shall be construed as imposing on the Guarantor a greater liability than that which the Contractor has in accordance with the Guaranteed Agreement and the Guarantor shall be entitled to rely on the same grace periods and defences as those which the Contractor is entitled to raise under the Guaranteed Agreement.

3 Obligation to enter into a new contract

3.1 If a Guaranteed Agreement is terminated for any reason, whether by the Beneficiary or the Contractor, or if a Guaranteed Agreement is disclaimed by a liquidator of the Contractor or the obligations of the Contractor are declared to be void or voidable for any reason, then the Guarantor shall, at the request of the Beneficiary enter into a contract with the Beneficiary in terms mutatis mutandis the same as that Guaranteed

Agreement and the obligations of the Guarantor under such substitute agreement shall be the same as if the Guarantor had been original obligor under the Guaranteed Agreement or under an agreement entered into on the same terms and at the same time as the Guaranteed Agreement with the Beneficiary.

4 Demands and Notices

4.1 Any demand or notice served by the Beneficiary on the Guarantor under this Deed of Guarantee shall be in writing, addressed to:

33 Wigmore Street, London W1U 1QX

For the Attention of: General Counsel and Company Secretary

or such other address in England and Wales as the Guarantor has from time to time notified to the Beneficiary in writing in accordance with the terms of this Deed of Guarantee as being an address for the receipt of such demands or notices.

4.2 Any demand purported to be served on the Guarantor under this Deed of Guarantee shall only be valid in so far as it:

4.2.1 states the amount or amounts claimed (identifying new amounts claimed and the total of amounts claimed when aggregated with all previous amounts claimed under this Deed of Guarantee);

4.2.2 is signed by an authorised signatory of the Beneficiary.

4.3 Any notice or demand served on the Guarantor or the Beneficiary under this Deed of Guarantee shall be deemed to have been served if:

4.3.1 delivered personally, at the time of delivery; or

4.3.2 posted by pre-paid first class post, recorded delivery or registered post, three (3) Working Days from the date of posting.

4.4 In proving service, it shall be sufficient to prove that the envelope containing the notice or demand was addressed to the relevant party at its address previously notified for the receipt of notices or demands (or as otherwise notified by that party in writing) and delivered either to that address or into the custody of the postal authorities as pre-paid first class post, recorded delivery or registered post.

4.5 Any notice or demand purported to be served on the Beneficiary under this Deed of Guarantee shall only be valid when received in writing by the Beneficiary.

5 Beneficiary's Protections

5.1 The Guarantor’s liability under this Deed of Guarantee shall not be discharged or released from this Deed of Guarantee in whole or in part or otherwise diminished or affected by any act or omission of the Beneficiary or any other event or circumstance which might otherwise discharge or release the Guarantor to any extent or affect (or provide any defence in respect of) its obligations under this Deed of Guarantee, including (without prejudice to the generality of the foregoing) by any:

5.1.1 arrangement made between the Contractor and the Beneficiary (whether or not such arrangement is made with or without the assent of the Guarantor); or

5.1.2 amendment to, or extension, waiver (in whole or in part) or termination of the Guaranteed Agreement (in each case whether with or without the assent of the Guarantor); or

5.1.3 amendment, termination, forbearance or indulgence whether as to payment, time, performance or otherwise granted by the Beneficiary in relation thereto (whether or not such amendment, termination, forbearance or indulgence is made with or without the assent of the Guarantor); or

5.1.4 arrangement or agreement made between the Beneficiary and the Contractor or a receiver, administrative receiver, administrator, liquidator or similar officer of the Contractor.

5.2 This Deed of Guarantee shall be a continuing security for the Guaranteed Obligations.

5.3 This Deed of Guarantee shall not be discharged by any partial performance (except to the extent of such partial performance) by the Contractor (or any other entity acting on its behalf) of the Guaranteed Obligations or by any omission or delay on the part of the Beneficiary in exercising its rights under this Deed of Guarantee.

5.4 This Deed of Guarantee shall not be affected by any dissolution, amalgamation, reconstruction, reorganisation, change in status, function, control or ownership, insolvency, liquidation, administration, appointment of a receiver, voluntary arrangement or other incapacity, of the Contractor, the Beneficiary, the Guarantor or any other person.

5.5 If, for any reason, any of the Guaranteed Obligations shall prove to have been or shall become void or unenforceable against the Contractor for any reason whatsoever, the Guarantor shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Guarantor were principal debtor in respect thereof.

5.6 The rights of the Beneficiary against the Guarantor under this Deed of Guarantee are in addition to, shall not be affected by and shall not prejudice, any other security, guarantee, indemnity or other rights or remedies available to the Beneficiary.

5.7 The Beneficiary shall be entitled to exercise its rights and to make demands on the Guarantor under this Deed of Guarantee as often as it wishes and the making of a demand (whether effective, partial or defective) in respect of the breach or non-performance by the Contractor of any Guaranteed Obligation shall not preclude the Beneficiary from making a further demand in respect of the same or some other default in respect of the same or any other Guaranteed Obligation.

5.8 The Beneficiary shall not be obliged before taking steps to enforce this Deed of Guarantee against the Guarantor to obtain judgment against the Contractor, the Guarantor or any third party in any court, or to make or file any claim in a bankruptcy or liquidation of the Contractor, the Guarantor or any third party, or to take any action whatsoever against the Contractor, or the Guarantor or any third party or to resort to any other security or guarantee or other means of payment. No action (or inaction) by the Beneficiary in respect of any such security, guarantee or other means of payment shall prejudice or affect the liability of the Guarantor hereunder.

5.9 The Beneficiary's rights under this Deed of Guarantee are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Beneficiary deems expedient.

5.10 Any waiver by the Beneficiary of any terms of this Deed of Guarantee or of any Guaranteed Obligations shall only be effective if given in writing and then only for the purpose and upon the terms and conditions, if any, on which it is given.

5.11 Any release, discharge or settlement between the Guarantor and the Beneficiary shall be conditional upon no security, disposition or payment to the Beneficiary by the Guarantor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Beneficiary shall be entitled to enforce this Deed of Guarantee subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made to the extent so voided, set aside or refunded.

5.12 The Beneficiary shall be entitled to retain this security after as well as before the payment, discharge or satisfaction of all monies, obligations and liabilities that are or may become due owing or incurred to the Beneficiary from the Guarantor for such period as the Beneficiary may determine.

6 Rights of Subrogation

6.1 The Guarantor shall, at any time when there is any default in the performance of any of the Guaranteed Obligations by the Contractor and/or any default by the Guarantor in the performance of any of its obligations under this Deed of Guarantee, exercise any rights it may have:

6.1.1 of subrogation and indemnity;

6.1.2 to take the benefit of, share in or enforce any security or other guarantee or indemnity for the Contractor's obligations; and

6.1.3 to prove in the liquidation or insolvency of the Contractor,

only if the Beneficiary so consents or requires and only in accordance with the Beneficiary's written instructions and shall hold any amount recovered as a result of the exercise of such rights on trust for the Beneficiary and pay the same to the Beneficiary on first demand.

6.2 The Guarantor hereby acknowledges that it has not taken any security from the Contractor and agrees not to do so until the Beneficiary receives all moneys payable hereunder and will hold any security taken in breach of this clause 6.2 on trust for the Beneficiary.

7 Representations and Warranties

7.1 The Guarantor hereby represents and warrants to the Beneficiary that:

7.1.1 the Guarantor is duly incorporated and is a validly existing company under the laws of its place of incorporation, has the capacity to sue or be sued in its own name and has power to carry on its business as now being conducted and to own its property and other assets;

7.1.2 the Guarantor has full power and authority to execute, deliver and perform its obligations under this Deed of Guarantee and no limitation on the powers of the Guarantor will be exceeded as a result of the Guarantor entering into this Deed of Guarantee;

7.1.3 the execution and delivery by the Guarantor of this Deed of Guarantee and the performance by the Guarantor of its obligations under this Deed of Guarantee, including entry into and performance of a contract pursuant to clause 3, have been duly authorised by all necessary corporate action and do not contravene or conflict with:

7.1.3.1 the Guarantor's memorandum and articles of association or other equivalent constitutional documents;

7.1.3.2 any existing law, statute, rule or regulation or any judgment, decree or permit to which the Guarantor is subject; or

7.1.3.3 the terms of any agreement or other document to which the Guarantor is a party or which is binding upon it or any of its assets;

7.1.4 all governmental and other authorisations, approvals, licences and consents, required or desirable, to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed of Guarantee, and to make this Deed of Guarantee admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect; and

7.1.5 this Deed of Guarantee is the legal, valid and binding obligation of the Guarantor and is enforceable against the Guarantor in accordance with its terms.

8 Payments and Set-Off

8.1 All sums payable by the Guarantor under this Deed of Guarantee shall be paid without any set-off, lien or counterclaim, deduction or withholding, howsoever arising, except for those required by law. If any deduction or withholding must be made by law, the Guarantor will pay that additional amount which is necessary to ensure that the Beneficiary receives a net amount equal to the full amount which it would have received if the payment had been made without the deduction or withholding.

8.2 The Guarantor shall pay interest on any amount due under this Deed of Guarantee from the day after the date on which payment was due up to and including the date of payment in full (as well after as before any judgment) calculated from day to day at a rate per annum equal to 4% above the base rate of the Bank of England from time to time in force.

8.3 The Guarantor will reimburse the Beneficiary for all legal and other costs (including VAT) incurred by the Beneficiary in connection with the enforcement of this Deed of Guarantee.

9 Guarantor's Acknowledgement

9.1 The Guarantor warrants, acknowledges and confirms to the Beneficiary that it has not entered into this Deed of Guarantee in reliance upon, nor has it been induced to enter

into this Deed of Guarantee by any representation, warranty or undertaking made by or on behalf of the Beneficiary (whether express or implied and whether pursuant to statute or otherwise) which is not set out in this Deed of Guarantee.

10 Assignment

10.1 The Beneficiary shall be entitled to assign or transfer the benefit of this Deed of Guarantee at any time to any person to whom its rights and interests under the Guaranteed Agreement are being assigned or transferred without the consent of the Guarantor being required and any such assignment or transfer shall not release the Guarantor from its liability under this Deed of Guarantee.

11 Expiry Date

11.1 Subject to Clause 11.2 below, but notwithstanding any other provision of this Deed of Guarantee, the Guarantor's liability and obligations hereunder shall terminate on the Expiry Date.

11.2 Notwithstanding the expiry of this Deed of Guarantee pursuant to Clause 11.1 above, the liability and obligations of the Guarantor under this Deed of Guarantee shall continue in full force and effect in relation to all Guaranteed Obligations which are the subject of a valid demand or notice under this Deed of Guarantee on or before the Expiry Date.

12 Severance

12.1 If any provision of this Deed of Guarantee is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this Deed of Guarantee had been executed with the invalid, illegal or unenforceable provision eliminated.

13 Third Party Rights

13.1 A person who is not a party to this Deed of Guarantee shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed of Guarantee. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

14 Addendum or Variation

14.1 The Guarantor by this Deed of Guarantee authorises the Contractor and the Beneficiary to make any addendum or variation to the Guaranteed Agreement, the due and punctual performance of which addendum and variation shall be likewise guaranteed by the Guarantor in accordance with the terms of this Deed of Guarantee.

15 Governing Law

15.1 This Deed of Guarantee, and any non-contractual claims or disputes arising herefrom, shall be governed by and construed in all respects in accordance with English law.

15.2 The Guarantor irrevocably agrees for the benefit of the Beneficiary that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings and to settle any claim or dispute which may arise out of or in connection with this

Deed of Guarantee (including any non-contractual claims or disputes) and for such purposes hereby irrevocably submits to the jurisdiction of such courts.

15.3 Nothing contained in this clause 15 shall limit the rights of the Beneficiary to take proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not (unless precluded by applicable law).

15.4 The Guarantor irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this clause 15 on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.

15.5 The Guarantor irrevocably agrees for the benefit of the Beneficiary that it shall be bound by all court judgements or arbitration awards relating to the Guaranteed Agreement and/or the Guaranteed Obligations.

16 <u>Not Used.</u>

17 <u>Counterparts</u>

17.1 This Deed of Guarantee may be entered into in any number of counterparts and each of the executed counterparts, when duly executed and delivered, shall be deemed to be an original but, taken together, they shall constitute one and the same instrument.

17.2 Transmission of an executed counterpart of this Deed of Guarantee (but for the avoidance of doubt not just a signature page) by email (in PDF or JPEG) shall take effect as delivery of an executed counterpart of this Deed of Guarantee. If this method of delivery is adopted, without prejudice to the validity of the Deed of Guarantee thus made, each party shall provide the other with the original of such counterpart as soon as reasonably possible afterwards.

IN WITNESS this instrument has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

Guarantor

Executed as a deed by **BABCOCK INTERNATIONAL GROUP PLC** acting by a two directors or a director and the secretary:)

Signature of Director

……..

Director's name (in BLOCK CAPITALS)

……

Signature of Director/Secretary

……..

Director's/Secretary's name (in BLOCK CAPITALS)

……..

Beneficiary

Executed as a deed by affixing the **CORPORATE SEAL** of **THE SECRETARY OF STATE FOR DEFENCE**)
)
)

authenticated by:

.....

REDACTED
Head of Commercial Military Technology Category authorised by The Secretary of State for Defence

Schedule 19

Not Used

Schedule 20

Directed Purchases and Repairs

1 Purpose and Acknowledgement

1.1 The purpose of this Schedule is to set out how the Contractor shall prepare Directed Purchase Proposals and Directed Repairs Proposals in the form of the Proposal Template at Appendix 2 ("**Proposals**") for approval by the Authority following the issue by the Authority of a Request for Directed Purchase Spares or for Directed Repairs (as the case may be) in the form of the template at Appendix 1 ("**Requests**").

1.2 The Contractor acknowledges that any of its obligations as to the delivery, purchase and/or insurance of goods set out in this Contract shall apply to the provisions of this Schedule 20.

2 Preparation of Proposals

2.1 The Contractor shall, subject to paragraph 2.2.1, within fifteen (15) Working Days (or such other period as is agreed by the Parties) following the issue by the Authority's Representative to the Contractor of a Request, submit to the Authority's Representative a Proposal in respect of the relevant Request, containing, as a minimum, the information set out in paragraph 2.2.

2.2 Each Proposal issued pursuant to paragraph 2.1 shall set out (in the form of the Proposal Template) the Contractor's detailed proposals in connection with the Proposed Additional Contractor Deliverables, including:

2.2.1 the Contractor's views as to how the Proposal is likely to give rise to any of the following matters:

(i) any impact on the quantum of Contract Price;

(ii) any adjustment to the Contract Programme;

(iii) any adjustment to the Statement of Requirements;

(iv) any adjustment to the provisions of any matters set out or referred to in Schedule 6 (*Incentivisation*);

(v) any impact on the Authority's obligations for GFA as set out or referred to in Schedule 7 (*Authority Obligations*); or

(vi) any impact on the Authority's and/or the Contractor's other obligations and/or rights under this Contract (other than those relating to the relevant activities outlined in the relevant Proposal),

and the Contractor acknowledges that where approval by the Authority of any Proposal may give rise to any such changes, such Proposal may only be carried out following the issue of an Authority Change Notice in accordance with the procedures set out in Schedule 11 (*Change Procedure*);

2.2.2 details of the Contractor's proposed methodology for the performance of the Proposal, including evidence to demonstrate to the Authority's

Representative that the Contractor will be able to perform all the obligations outlined in the Request and the Proposal (including as to timing) as required by the Authority in the applicable Request without any impact on the Contractor's ability to perform all the other Contractor Deliverables, and the matters referred to in paragraph 2.2.5(ii);

2.2.3 (where appropriate), the proposed programme for undertaking the obligations in the Request and the Proposal;

2.2.4 the Proposal Price for the performance of the relevant Request and Proposal, together with full details as to how such Proposal Price has been calculated (and, where any Spare or other spares following a Request by the Authority in accordance with this Schedule 20 is being purchased or repaired, the price payable for the relevant purchase or repair in relation to such Spare or other spares referred to in this paragraph 2.2.4 shall be no greater than the relevant price in the then current Spares Catalogue or Repairs Catalogue (as the case may be));

2.2.5 the:

(i) extent to which the Statement of Requirements will require to be adjusted (if at all) together with the proposed amendments (if any);

(ii) extent to which Schedule 3 (*Contractor's Proposals*) will require to be adjusted (if at all) together with the proposed amendments (if any);

(iii) extent to which the Contract Programme will require to be adjusted (if at all) and the proposed amendments to be made to the Contract Programme (if any);

(iv) amount by which the overall Contract Price will increase or decrease (as the case may be) and the revised total Contract Price payable by the Authority, assuming the full and proper delivery of the Contractor Deliverables relating to the Request and Proposal;

2.2.6 details of any sellers and/or Sub-Contractors proposed to be a seller or be appointed to perform the whole or any part of the relevant repair activities referred to in the Proposal;

2.2.7 details of any additional Necessary Consents (and/or amendments to any existing Necessary Consents) necessary for the performance of the Proposal;

2.2.8 any other information the Contractor believes may be relevant and any other information requested by the Authority's Representative from time to time.

3 Approval of Proposals

3.1 Following receipt of a Proposal issued in accordance with paragraph 2 (*Preparation of Proposals*), the Authority's Representative shall be entitled to request any reasonable additional information and/or reasonable assistance (as the case may be) from the Contractor which the Authority's Representative considers appropriate to enable it to decide whether to approve the relevant Proposal and the Contractor shall provide such

information and/or assistance (as the case may be) within three (3) Working Days (or such longer period as may be agreed between the Parties) of receipt of the relevant request for such further information and/or assistance (as the case may be).

3.2 In deciding whether to approve a Proposal, the Authority shall be entitled to take into account all relevant factors which it considers would affect whether the relevant Proposal is acceptable, including whether, in the sole opinion of the Authority:

3.2.1 the performance by the Contractor of the obligations in the Request and Proposal in the manner contemplated by the relevant Proposal is, in the sole opinion of the Authority, affordable and/or offers value for money;

3.2.2 the Proposal has been prepared in accordance with and contains all of the information required by this Schedule 20 (*Directed Purchases and Repairs*) to enable the Authority to approve the relevant Proposal;

3.2.3 the potential impact of the implementation of the Proposal would adversely affect the Contractor's ability to continue to perform any of the Contractor Deliverables and/or its other obligations under this Contract;

3.2.4 any of the matters set out in paragraph 2.2.1 (*Preparation of Proposals*) arise, requiring the matters in the Proposal to be the subject of a Change pursuant to Schedule 11 (*Change Procedure*);

3.2.5 the potential impact of the implementation of the Proposal may adversely impact on the business and/or activities of the Authority; and/or

3.2.6 the implementation of the Proposal would breach any Legislation and/or any wider government strategy and/or government policy.

3.3 As soon as reasonably practicable following the later of the submission to the Authority's Representative of a Proposal and the receipt by the Authority's Representative of any additional information requested by the Authority's Representative pursuant to paragraph 3.1 in respect of such Proposal, the Authority's Representative shall notify the Contractor (in writing) whether the Authority:

3.3.1 is of the view that the Proposal should be the subject of an Authority Change;

3.3.2 approves the Proposal and the Proposal Price;

3.3.3 requires the Contractor to review and/or amend the whole or any part of the relevant Proposal to address any comments and/or concerns of the Authority's Representative and the provisions of paragraph 3.4 shall apply following the receipt by the Contractor of such comments and/or concerns; or

3.3.4 rejects the Proposal, in which case the Request shall be deemed to have been withdrawn,

provided always that, notwithstanding the foregoing provisions of this paragraph 3.3, the Authority's Representative may, at any time after receipt of the notice referred to in paragraph 2.2.1 (*Preparation of Proposals*), notify the Contractor (in writing) that the Authority intends to issue an Authority Change Notice in relation to the Request that is the subject of such notice and not proceed with the Proposal.

3.4 The Contractor shall, as soon as reasonably practicable following receipt of the comments and/or concerns from the Authority's Representative referred to in paragraph 3.3.3 review and/or amend (as applicable) such Proposal and re-submit such amended Proposal (addressing each of the comments and/or concerns raised by the Authority's Representative) to the Authority's Representative for approval pursuant to paragraph 2.1 (*Preparation of Proposals)* and the remaining provisions of paragraph 2 (*Preparation of Proposals*) and this paragraph 3 (*Approval of Proposals*) shall apply mutatis mutandis to the review and amendment of such re-submitted Proposal (and any subsequent re-submission of such re-submitted Proposal) as if such re-submitted Proposal was the Proposal initially submitted by the Contractor pursuant to paragraph 2.1 (*Preparation of Proposals*) and reference to the "Request" in paragraph 2.1 (*Preparation of Proposals*) is a reference to such notice containing the comments and/or concerns of the Authority's Representative.

3.5 Within five (5) Working Days of the Authority approving the Proposal and the Proposal Price pursuant to paragraph 3.3.2 or rejecting the Proposal pursuant to paragraph 3.3.4 (*Approval of Proposals*), the Authority shall issue to the Contractor's Representative a Directed Purchases and Repairs Approval or Cancellation Form (as the case may be) in the form set out in Appendix 3 (*DPR Approval/Cancellation Form*).

4 General provisions relating to Proposals

4.1 The Contractor acknowledges that any costs and/or expenses incurred by the Contractor in the preparation and/or progression of any Proposal (including the provision of any additional information and/or assistance requested by the Authority's Representative pursuant to paragraph 3.1 (*Approval of Proposals*), any review and/or amendment of any Proposal pursuant to paragraph 3 (*Approval of Proposals*) have been taken into account in determining (and shall form part of) the Core Contractor Deliverables Firm Price and the Contractor shall not be entitled to any additional payment of whatever nature arising out of or in connection with such preparation and/or progression of any Proposal (including where the Authority rejects any Proposal pursuant to paragraph 3.3.4 (*Approval of Proposals*)).

4.2 The Authority shall provide and/or make available to the Contractor such information and/or assistance as may be reasonably required by the Contractor to enable it to prepare and progress Proposals, provided always that the Contractor acknowledges that it shall not be reasonable to require the Authority to provide such information and/or assistance where this may cause the Authority to be in breach of:

4.2.1 any Legislation; and/or

4.2.2 any contractual obligation owed by the Authority to any Third Party (including any duty of confidentiality to any such Third Party),

and/or where such information is otherwise confidential to the Authority and/or any such Third Party and/or where the Authority is not contractually entitled to require such Third Party to provide such information and/or assistance.

4.3 The Contractor acknowledges and agrees that where the Authority provides the information and/or assistance referred to in paragraph 4.2 (*General provisions relating to Proposals*), the Authority's agreement to provide such information and/or assistance may be subject to such conditions as the Authority may require and provided further that without prejudice to any other provisions of this Contract, the Authority gives no warranty or undertaking of whatever nature in respect of such information nor does the Authority warrant that such information represents all of the information in its

possession or power relevant or material to the development of a Proposal and the Authority shall not be liable to the Contractor for any failure to make available such information to the Contractor or update such information or of any inaccuracy, error, defect, inadequacy or omission in relation to such information.

Appendix 1

Directed Purchase and Repairs Request Form (**DPR Request Form**)

To:	From: **BATCIS DT**	Date
	Originator:	
	Email	Tel
BATCIS Reference No:		

1. The Authority has a requirement for the following [Directed Purchase Spares or other spares]/[Directed Repairs]* [*Delete as appropriate]

Contract No: **BATCM/0294**

EQUIPMENT	SERIAL No:	NSN:
DELIVERY LOCATION:	DELIVERY LOCATION P.O.C.	LOCATION CONTACT TEL:
REQUIRED DELIVERY DATE:		

Requirement	
REQUESTED START DATE:	REQUIRED COMPLETION DATE:

2. The Contractor is requested to assess this Request and submit a Proposal in the Proposal Template, with a FIRM PRICE quotation, to the originator of this Request. A **full breakdown** of the quoted Firm Price together with supporting evidence and all relevant information is to be submitted to the Authority's' Representative as required by and in accordance with paragraph 2 of Schedule 20 (*Directed Purchases and Repairs*).

Initiated By: **Signed:**
Post Title:
Name:
Date:

Commercial Endorsement By: **Signed:**
Post Title:
Name:
Date:

Appendix 2

Directed Purchase and Repairs Proposal Form (**DPR Proposal Form**)

Acknowledgement of Request/Firm Price Quotation/Proposal

To: BATCIS IPT	**From:**	**Date:**
	Originator:	
	Email:	**Tel:**
BATCIS Reference No:		
Contract No : BATCM/0294		
Title of Request – Description of Directed Purchase and/or Directed Repairs		

1. The Contractor acknowledges this Request and has assigned the following reference number:

Contractor Reference No:

2. A cost quotation is attached for this Request including all the information required in paragraph 2.2 of Schedule 20 (*Directed Purchases and Repairs*) a brief summary of which is set out at paragraphs 3 to 6 below.

3. This is **FIRM PRICE** and is to the value of £[ ].

4. This quotation is valid for [ ] days.

5. The Contractor requested start date is: [ ].

The Contractor confirms the required delivery date set out in the DPR Request Form and the delivery date shall be: [ ].

6. Proposal and work to be undertaken are detailed below:

Proposal Details	
Detailed description – (*taken from DPR Request Form*)	
Details of Proposal in accordance with paragraph 2.2 of Schedule 20 (*Directed Purchases and Repairs*) including:	
Likely impact on Contract Price Contract programme	
Any adjustment to Contract Programme	
Any adjustment to Statement of Requirements	

Proposal Details	
Any adjustment to Schedule 6 (*Incentivisation*)	
Impact on GFA provided by the Authority	
Any impact on Authority or Contractor obligations under the Contract	
Contractor's methodology for performance of Proposal	
Proposed programme	
Proposal Price (with details of how Proposal Price has been calculated)	
Extent to which the following will need to be adjusted (if at all) and proposed amendments (if any):	
• Statement of Requirements	
• Contractor's Proposals	
• Contract Programme	
• any increase or decrease in overall Contract Price and revised total Contract Price	
Details of Sellers or Sub-Contractor(s) appointed for the purchase or repair	
Additional or amendments to Necessary Consents	
Any other information believed relevant by the Contractor or requested by the Authority	

Delivery Schedule:		
Evidence of Firm Price with supporting information:		
Signed		
Circulation	Contractor's Representative	Authority's Representative:

Name: **Signed:**

Post Title: **The Contractor**

Date:

Appendix 3

Directed Purchase and Repairs Approval/Cancellation Form (**DPR Approval/Cancellation Form**) – [Approval to Proceed/Cancellation]*

To: **BATCIS IPT**	**From:**	**Date:**
	Originator:	
	Email:	**Tel:**
BATCIS Reference No:		
Contract No : BATCM/0294		
Contractor Reference No:		
CP&F Purchase Order No:		

1. The Authority has assessed the FIRM PRICE quotation detailed in the DPR Proposal Form (as may have been amended as the result of clarifications and discussions as between the Authority and the Contractor as contemplated in paragraph 3 of Schedule 20 (*Directed Purchases and Repairs*) and which are now reflected in the DPR Proposal Form) and the Authority [accepts][does not accept]* the FIRM PRICE of £ [ ].

2.* The Contractor is hereby authorised to proceed with this [Directed Purchase Proposal][Directed Repairs Proposal]* in accordance with the agreed time scales and subject to any other conditions set out in the DPR Proposal Form (and/or this (DPR Approval Form set out in paragraph 3 below) and the Proposed Additional Contractor Deliverables shall be carried out by the Contractor as part of the Contractor Deliverables.

2.* The Authority hereby instructs the Contractor to cease all work as defined in the DPR Proposal Form for the above reference numbers.

3. The conditions of this DPR Approval Form referred to in paragraph 2 are as follows:

*Delete as applicable

In-Service Support Team Endorsement:

Name: **Signed:**

Date: **BATCIS**

Commercial Branch Authorisation

Name: **Signed:**

Date: **BATCIS-Comrcl**

Schedule 21

Transfer Regulations

Employee Transfer Arrangements on Exit

1 Not Used.

2 Employment

2.1 Information on Re-tender, Partial Termination, Termination or Expiry.

2.1.1 No earlier than two (2) years preceding the Expiry Date or the termination or partial termination of this Contract or a potential Subsequent Transfer Date or at any time after the service of a notice to terminate this Contract or the provision of any of the Contractor Deliverables (whether in whole or part) or on receipt of a written request by the Authority, the Contractor shall (and shall procure that any Employing Sub-Contractor shall):

(i) supply to the Authority such information as the Authority may reasonably require in order to consider the application of the Transfer Regulations on the termination, partial termination or expiry of this Contract;

(ii) supply to the Authority such full and accurate and up-to-date information as may be requested by the Authority including the information listed in Appendix 1 to this Schedule 21 (*Transfer Regulations*) relating to the employees who are wholly or mainly employed, assigned or engaged in providing the Contractor Deliverables or part of the Contractor Deliverables under this Contract who may be subject to a Subsequent Relevant Transfer;

(iii) provide the information promptly and in any event not later than three (3) months from the date when a request for such information is made and at no cost to the Authority;

(iv) acknowledge that the Authority will use the information for informing any prospective New Provider for any contractor deliverables which are substantially the same as the Contractor Deliverables or part of the Contractor Deliverables provided pursuant to this Contract; and

(v) inform the Authority of any changes to the information provided under paragraph 2.1.1(i) or 2.1.1(ii) up to the Subsequent Transfer Date as soon as reasonably practicable.

2.1.2 Three (3) months preceding the Expiry Date or the termination or partial termination of this Contract or on receipt of a written request from the Authority the Contractor shall:

(i) ensure that Employee Liability Information and such information listed in Part A of Appendix 2 to this Schedule 21 (*Transfer Regulations)* relating to the Subsequent Transferring Employees is provided to the Authority and/or any New Provider;

(ii) inform the Authority and/or any New Provider of any changes to the information provided under this paragraph 2.1.2 up to any Subsequent Transfer Date as soon as reasonably practicable; and

(iii) enable and assist the Authority and/or any New Provider or any sub-contractor of a New Provider to communicate with and meet those employees and their trade union or other employee representatives.

2.1.3 No later than twenty eight (28) days prior to the Subsequent Transfer Date the Contractor shall provide the Authority and/or any New Provider with a final list of the Subsequent Transferring Employees together with the information listed in Part B of Appendix 2 to this Schedule 21 (*Transfer Regulations*) relating to the Subsequent Transferring Employees. The Contractor shall inform the Authority and/or New Provider of any changes to this list or information up to the Subsequent Transfer Date.

2.1.4 Paragraphs 2.1.1 and 2.1.2 of this Schedule 21 (*Transfer Regulations*)are subject to the Contractor's obligations in respect of the DPA and the Contractor shall use its best endeavours to obtain the consent of its employees (and shall procure that its Sub-Contractors use their best endeavours to obtain the consent of their employees) to the extent necessary under the DPA or provide the data in an anonymous form in order to enable disclosure of the information required under paragraphs 2.1.1 and 2.1.2. Notwithstanding this paragraph 2.1.4, the Contractor acknowledges (and shall procure that its Sub-Contractors acknowledge) that they are required to provide sufficient information to the Authority to enable the Authority to determine the nature of the activities being undertaken by employees engaged in providing the Contractor Deliverables, to assess whether there is an organised grouping for the purposes of the Transfer Regulations and to assess who is assigned to such organised grouping. To the extent that anonymous data has been provided by the Contractor pursuant to its obligations under paragraph 2.1.1 or 2.1.2 above, the Contractor shall provide full data to the Authority no later than twenty eight (28) days prior to the Subsequent Transfer Date.

2.1.5 On notification to the Contractor by the Authority of a New Provider or within the period of twelve (12) months prior to the Expiry Date or after service of a notice to terminate this Contract (whether in whole or in part), whichever is earlier and in any event on receipt of a written request by the Authority, the Contractor shall not and shall procure that an Employing Sub-Contractor shall not:

(i) materially amend or promise to amend the rates of remuneration or other terms and conditions of employment of any person wholly or mainly employed or engaged in providing the Contractor Deliverables under this Contract; or

(ii) replace or re-deploy from the Contractor Deliverables any person wholly or mainly employed or engaged in providing the Contractor Deliverables, or materially increase or decrease the number of persons performing the Contractor Deliverables under this Contract or the working time spent on the Contractor Deliverables (or any part thereof); or

(iii) reorganise any working methods or assign to any person wholly or mainly employed or engaged in providing the Contractor Deliverables (or any part thereof) any duties unconnected with the Contractor Deliverables (or any part thereof) under this Contract; or

(iv) terminate or give notice to terminate the employment of any person wholly or mainly employed or engaged in providing the Contractor Deliverables (or any part thereof) under this Contract other than in the case of serious misconduct or for poor performance,

save in the ordinary course of business and with the prior written consent of the Authority (not to be unreasonably withheld or delayed) and the Contractor shall indemnify and keep indemnified the Authority in respect of any reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any breach of paragraphs 2.1.1, 2.1.2, 2.1.3 or 2.1.5 of this Schedule 21 (*Transfer Regulations)*.

2.1.6 The Authority may at any time prior to the period set out in paragraph 2.1.5 of this Schedule 21 (*Transfer Regulations),* request from the Contractor any of the information in paragraphs 1.1 to 1.4 of Appendix 1 to this Schedule 21 (*Transfer Regulations)* and the Contractor shall and shall procure any Sub-Contractor will provide the information requested within twenty eight (28) days of receipt of that request.

2.2 Obligations in Respect of Subsequent Transferring Employees

2.2.1 To the extent that the Transfer Regulations apply on expiry, termination or partial termination of this Contract, the Contractor shall and shall procure any Employing Sub-Contractor shall and the Authority shall and shall procure that a New Provider shall in such circumstances:

(i) before and in relation to the Subsequent Transfer Date liaise with each other and shall co-operate with each other in order to implement effectively the smooth transfer of the Subsequent Transferring Employees to the Authority and/or a New Provider; and

(ii) comply with their respective obligations under the Transfer Regulations including their obligations to inform and consult under Regulation 13 of the Transfer Regulations.

2.3 Unexpected Subsequent Transferring Employees

2.3.1 If a claim or allegation is made by an employee or former employee of the Contractor or any Employing Sub-Contractor who is not named on the list of Subsequent Transferring Employees provided under paragraph 2.1.3 (an "**Unexpected Subsequent Transferring Employee**") that he has or should have transferred to the Authority and/or New Provider by virtue of the Transfer Regulations, the Party receiving the claim or allegation shall notify the other Party (or the Contractor shall notify the Authority on the Sub-Contractor's behalf and the Authority shall notify the Contractor on the New Provider's behalf) in writing as soon as reasonably practicable and no later than ten (10) Working Days after receiving notification of the Unexpected Subsequent Transferring Employee's claim or allegation, whereupon:

(i) the Contractor shall (or shall procure that the Employing Sub-Contractor shall), as soon as reasonably practicable, offer and/or confirm continued employment to the Unexpected Subsequent Transferring Employee or take such other steps so as to effect a written withdrawal of the claim or allegation; and

(ii) if the Unexpected Subsequent Transferring Employee's claim or allegation is not withdrawn or resolved, the Contractor shall notify the Authority (who will notify any New Provider who is a party to such claim or allegation), and the Authority (insofar as it is permitted) and/or New Provider (as appropriate) shall employ the Unexpected Subsequent Transferring Employee or as soon as reasonably practicable, (subject to compliance with its obligations at paragraph 2.3.1(iii)(C)), serve notice to terminate the Unexpected Subsequent Transferring Employee's employment in accordance with his contract of employment; and

(iii) the Contractor shall indemnify the Authority against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any of the following liabilities incurred by the Authority or New Provider in dealing with or disposing of the Unexpected Subsequent Transferring Employee's claim or allegation:

(A) any additional costs of employing the Unexpected Subsequent Transferring Employee up to the date of dismissal where the Unexpected Subsequent Transferring Employee has been dismissed in accordance with paragraph 2.3.1(ii);

(B) any liabilities acquired by virtue of the Transfer Regulations in relation to the Unexpected Subsequent Transferring Employee;

(C) any liabilities relating to the termination of the Unexpected Subsequent Transferring Employee's employment but excluding such proportion or amount of any liability for unfair dismissal, breach of contract or discrimination attributable:

1) to a failure by the Authority or a New Provider to act reasonably to mitigate the costs of dismissing such person);

2) directly or indirectly to the procedure followed by the Authority or a New Provider in dismissing the Unexpected Transferee; or

3) to the acts/omissions of the Authority or a New Provider not wholly connected to the dismissal of that person;

(D) any liabilities incurred under a settlement of the Unexpected Subsequent Transferring Employee's claim which was

reached with the express permission of the Contractor (not to be unreasonably withheld or delayed);

(E) reasonable administrative costs incurred by the Authority or New Provider in dealing with the Unexpected Subsequent Transferring Employee's claim or allegation, subject to a cap per Unexpected Subsequent Transferring Employee of **REDACTED;** and

(F) legal and other professional costs reasonably incurred;

2.3.2 the Authority shall be deemed to have waived its right to an indemnity under paragraph 2.3.1(iii) if it fails without reasonable cause to take, or fails to procure any New Provider takes, any action in accordance with any of the timescales referred to in this paragraph 2.3.

2.4 Indemnities on Subsequent transfer under the Transfer Regulations on Partial Termination, Termination or Expiry of the Contract

2.4.1 If on the expiry, termination or partial termination of this Contract there is a Subsequent Relevant Transfer, the Contractor shall indemnify the Authority and any New Provider against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any claim by any employee or trade union representative or employee representative arising whether before or after the Subsequent Transfer Date out of any failure by the Contractor or any Sub-Contractor to comply with their obligations under Regulation 13 of the Transfer Regulations in relation to any Subsequent Transferring Employee or any other employee of the Contractor or any Sub-Contractor affected by the Subsequent Relevant Transfer (as defined by Regulation 13 of the Transfer Regulations), save to the extent that all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities are a result of the act or omission of the Authority or the New Provider.

2.4.2 If there is a Subsequent Relevant Transfer, the Authority shall indemnify the Contractor against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of, or in connection with:

(i) any claim or claims by a Subsequent Transferring Employee at any time on or after the Subsequent Transfer Date which arise as a result of an act or omission of the Authority or a New Provider or a sub-contractor of a New Provider during the period from and including the Subsequent Transfer Date; and

(ii) subject to paragraph 2.4.1 any claim by any employee or trade union representative or employee representative arising whether before or after the Subsequent Transfer Date out of any failure by the Authority or a New Provider or a sub-contractor of a New Provider to comply with their obligations under Regulation 13 of the Transfer Regulations in relation to any Subsequent Transferring Employee or any other employee engaged wholly or mainly in connection with the Contractor Deliverables by the New Provider or any other employee of the Authority or any New Provider affected

by the Subsequent Relevant Transfer effected by this Contract (as defined by Regulation 13 of the Transfer Regulations),

save to the extent that all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities are a result of the act or omission of the Contractor or any Employing Sub-Contractor.

2.4.3 In the event of a Subsequent Relevant Transfer, the Authority shall indemnify the Contractor in respect of all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and other liabilities arising out of or in connection with or as a result of a substantial change by the Authority or a New Provider or any sub-contractor of a New Provider on or after the Subsequent Transfer Date to the working conditions of any Subsequent Transferring Employee to the material detriment of any such Subsequent Transferring Employee. For the purposes of this paragraph 2.4.3, the expressions "substantial change" and "material detriment" shall have the meanings as are ascribed to them for the purposes of Regulation 4(9) of the Transfer Regulations.

2.5 Contracts (Rights of Third Parties) Act 1999

2.5.1 A New Provider may enforce the terms of paragraph 2.3 and 2.4 against the Contractor in accordance with the Contracts (Rights of Third Parties) Act 1999.

2.5.2 The consent of a New Provider (save where the New Provider is the Authority) is not required to rescind, vary or terminate this Contract.

2.5.3 Nothing in this paragraph 2.5 shall affect the accrued rights of the New Provider prior to the rescission, variation, expiry or termination of this Contract.

2.6 General

2.6.1 The Contractor shall not recover any costs and/or other losses under this Schedule 21 (*Transfer Regulations)* where such costs and/or losses are recoverable by the Contractor elsewhere in this Contract and/or are recoverable under the Transfer Regulations or otherwise.

Appendix 1

Contractor Personnel-Related Information to be released upon Re-Tendering where the Transfer Regulations Apply

1 Pursuant to paragraph 2.1.1(ii) of this Schedule 21 (*Transfer Regulations)*, the following information will be provided:

1.1 The total number of individual employees (including any employees of Sub-Contractors) that are currently engaged, assigned or employed in providing the Contractor Deliverables and who may therefore be transferred. Alternatively the Contractor should provide information why any of their employees or those of their Sub-Contractors will not transfer;

1.2 The total number of posts or proportion of posts expressed as a full-time equivalent value that currently undertakes the work that is to transfer;

1.3 The preceding twelve (12) months total pay costs – (Pay, benefits employee/employer ERNIC and Overtime); and

1.4 Total redundancy liability including any enhanced contractual payments.

2 In respect of those employees included in the total at paragraph 1.1, the following information:

2.1 Age (not date of Birth);

2.2 Employment Status (i.e. Fixed Term, Casual, Permanent);

2.3 Length of current period of continuous employment (in years, months) and notice entitlement;

2.4 Weekly conditioned hours of attendance (gross);

2.5 Standard Annual Holiday Entitlement (not "in year" holiday entitlement that may contain carry over or deficit from previous leave years);

2.6 Pension Scheme Membership:

2.7 Pension and redundancy liability information;

2.8 Annual Salary;

2.9 Details of any regular overtime commitments (these may be weekly, monthly or annual commitments for which staff may receive an overtime payment);

2.10 Details of attendance patterns that attract enhanced rates of pay or allowances;

2.11 Regular/recurring allowances; and

2.12 Outstanding financial claims arising from employment (i.e. season ticket loans, transfer grants).

3 The information to be provided under this Appendix 1 should not identify an individual employee by name or other unique personal identifier unless such information is being provided twenty eight (28) days prior to the Subsequent Transfer Date.

4 The Contractor will provide (and will procure that the Sub-Contractors provide) the Authority/tenderers with access to the Contractor's and Sub-Contractor's general employment terms and conditions applicable to those employees identified at paragraph 1.1 of this Appendix 1.

Appendix 2

Personnel Information to be released pursuant to this Contract

Part A

1 Pursuant to paragraph 2.1.2 of this Schedule 21 (*Transfer Regulations)*, the written statement of employment particulars as required by section 1 of the Employment Rights Act 1996 together with the following information (save where that information is included within that statement) which will be provided to the extent it is not included within the written statement of employment particulars:

1.1 Personal, Employment and Career

1.1.1 Age;

1.1.2 Security Vetting Clearance;

1.1.3 Job title;

1.1.4 Work location;

1.1.5 Conditioned hours of work;

1.1.6 Employment Status;

1.1.7 Details of training and operating licensing required for Statutory and Health and Safety reasons;

1.1.8 Details of training or sponsorship commitments;

1.1.9 Standard Annual leave entitlement and current leave year entitlement and record;

1.1.10 Annual leave reckonable service date;

1.1.11 Details of disciplinary or grievance proceedings taken by or against transferring employees in the last two (2) years;

1.1.12 Information of any legal proceedings between employees and their employer within the previous two years or such proceedings that the transferor has reasonable grounds to believe that an employee may bring against the transferee arising out of their employment with the transferor;

1.1.13 Issue of Uniform/Protective Clothing;

1.1.14 Working Time Directive opt-out forms; and

1.1.15 Date from which the latest period of continuous employment began.

1.2 Performance Appraisal

1.2.1 The current year's Performance Appraisal;

1.2.2 Current year’s training plan (if it exists); and

1.2.3 Performance Pay Recommendations (PPR) forms completed in the current reporting year, or where relevant, any bonus entitlements.

1.3 Superannuation and Pay

1.3.1 Maternity leave or other long-term leave of absence (meaning more than four (4) weeks) planned or taken during the last two (2) years;

1.3.2 Annual salary and rates of pay band/grade;

1.3.3 Shifts, unsociable hours or other premium rates of pay;

1.3.4 Overtime history for the preceding twelve (12) month period;

1.3.5 Allowances and bonuses for the preceding twelve (12) month period;

1.3.6 Details of outstanding loan, advances on salary or debts;

1.3.7 Cumulative pay for tax and pension purposes;

1.3.8 Cumulative tax paid;

1.3.9 National Insurance Number;

1.3.10 National Insurance contribution rate;

1.3.11 Other payments or deductions being made for statutory reasons;

1.3.12 Any other voluntary deductions from pay;

1.3.13 Pension Scheme Membership;

1.3.14 For pension purposes, the notional reckonable service date;

1.3.15 Pensionable pay history for three years to date of transfer;

1.3.16 Percentage of any pay currently contributed under additional voluntary contribution arrangements; and

1.3.17 Percentage of pay currently contributed under any added years arrangements.

1.4 Medical

1.4.1 Sickness and absence records for the immediately preceding four-year period; and

1.4.2 Details of any active restoring efficiency case for health purposes.

1.5 Disciplinary

1.5.1 Details of any active restoring efficiency case for reasons of performance; and

1.5.2 Details of any active disciplinary cases where corrective action is on going.

1.6 Further information

1.6.1 Information about specific adjustments that have been made for an individual under the Disability Discrimination Act 1995 or the Equality Act 2010;

1.6.2 Short term variations to attendance hours to accommodate a domestic situation;

1.6.3 Individuals that are members of the Reserves, or staff that may have been granted special leave as a School Governor; and

1.6.4 Information about any maternity or other statutory leave or other absence from work.

Part B

1.7 Information to be provided twenty eight (28) days prior to the Subsequent Transfer Date:

1.7.1 Employee's full name;

1.7.2 Date of Birth

1.7.3 Home address;

1.7.4 Bank/building society account details for payroll purposes Tax Code.

Schedule 22

Contract Programme

Schedule 22 (*Contract Programme*) is the document in the Agreed Form entitled “Contract Programme”

Schedule 23

Scope of Options

Part 1 – Options

1 Option Numbered 1 (One Year Contract Extension **REDACTED**)

1.1 The scope of this Option is as detailed in Serial 6.1.1 of Annex 1 to Schedule 2 (*Statement of Requirements*).

2 Option numbered 2 (Six (6) Contract Months Contract Extension **REDACTED**)

2.1 The scope of this Option is as detailed in Serial 6.2.1 of Annex 1 to Schedule 2 (*Statement of Requirements*).

3 Option numbered 3 (Six (6) Contract Months Contract Extension **REDACTED**)

3.1 The scope of this Option is as detailed in Serial 6.3.1 of Annex 1 to Schedule 2 (*Statement of Requirements*).

Part 2 – Option Firm Prices

Option No	Option	Option Firm Price
1	Option Numbered 1 (One Year Contract Extension **REDACTED**)	**REDACTED**
2	Option numbered 2 (Six (6) Contract Months Contract Extension **REDACTED**)	**REDACTED**
3	Option numbered 3 (Six (6) Contract Months Contract Extension **REDACTED**)	**REDACTED**

Schedule 24

Not Used

Schedule 25

Security Conditions

1 Definitions

1.1 The terms defined in this Schedule 25 (*Security Conditions*) shall have the meaning set out in this Schedule 25 (*Security Conditions*).

2 Security Grading

2.1 The Contractor shall mark all OFFICIAL-SENSITIVE documents which it originates or copies during the Contract clearly with the OFFICIAL-SENSITIVE classification.

3 Official Secrets Acts

3.1 The Contractor acknowledges that it shall not be entitled to any payment in connection with carrying out its obligations in this Schedule 25 (*Security Conditions*).

4 Protection of OFFICIAL and OFFICIAL –SENSITIVE Information

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

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

4.3 Disclosure of OFFICIAL and OFFICIAL-SENSITIVE information shall be strictly in accordance with the "need to know" principle. Except with the prior written consent of the Authority, the Contractor shall not disclose any of the classified aspects of the Contract detailed in the Security Aspects Letter other than to a person directly employed by the Contractor or Sub-Contractor.

4.4 Any samples, patterns, specifications, plans, drawings or any other documents issued by or on behalf of the Authority for the purposes of the Contract remain the property of the Authority and, as directed by the Authority, shall be destroyed in accordance with paragraph 11 (*Destruction*).

5 Access

5.1 The Contractor shall restrict access to OFFICIAL and OFFICIAL-SENSITIVE information to those individuals who have a “need-to-know”, have been made aware of the requirement to protect the information and whose access to such information is essential for the purpose of his or her duties.

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

(BPSS) for all individuals having access to OFFICIAL-SENSITIVE information. Further details and the full requirements of the BPSS can be found at the Gov.UK website at:

https://www.gov.uk/government/publications/government-baseline-personnel-security-standard

6 Hard Copy Distribution

6.1 OFFICIAL and OFFICIAL-SENSITIVE information shall be distributed, when within and when outside the Contractor's Premises in such a way as to make sure that no unauthorised person has access. Such information may be sent by ordinary post or by commercial couriers in a single envelope. The words OFFICIAL or OFFICIAL-SENSITIVE shall not appear on the envelope. The envelope should bear a identifying stamp or written details that clearly indicates the full address of the office from which it was sent.

6.2 Advice on the distribution of OFFICIAL-SENSITIVE documents abroad or any other general advice including the distribution of OFFICIAL-SENSITIVE hardware shall be sought from the Authority.

7 Electronic Communication, Telephony and Facsimile Services

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

https://www.ncsc.gov.uk/information/commercial-product-assurance-cpa

7.2 In urgent cases OFFICIAL-SENSITIVE information may be emailed unencrypted over the internet where there is a strong business need to do so but only with the prior approval of the Authority.

7.3 OFFICIAL-SENSITIVE information shall only be sent when it is known that the recipient has been made aware of and can comply with the requirements of the Security Aspects Letter and this Schedule 25 (*Security Conditions*) and subject to any other limitations or requirements that the Authority shall notify to the Contractor from time to time.

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

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

8 Use of Information Systems

8.1 All functions that must be provided by an IT system to satisfy the Authority's minimum requirements are not all described here. It is for the Contractor to identify possible means of attack and ensure proportionate security mitigations are applied to prevent

a successful attack involving wider dissemination of OFFICIAL and/or OFFICIAL SENSITIVE Information.

8.2 The Contractor should be aware that any communication path between an unauthorised user and the data can be used to carry out an attack on the IT system or be used to compromise or ex- filtrate data.

8.3 The following paragraphs describe the minimum security requirements for processing and accessing OFFICIAL-SENSITIVE information on IT systems:

8.3.1 Physical access to all hardware elements of the IT system is to be strictly controlled. The principle of "least privilege" will be applied to system administrators. Users of the IT System -Administrators should not conduct 'standard' User functions using their privileged accounts.

8.3.2 All systems shall have the following functionality:

(i) up-to-date lists of authorised users;

(ii) positive identification of all users at the start of each processing session;

(iii) passwords shall form part of most identification and authentication security measures. Such passwords shall be 'strong' using an appropriate method to achieve this, for example including numeric and "special" characters as well as alphabetic characters;

(iv) all systems shall have internal access controls to prevent unauthorised users from accessing or modifying the data;

(v) unless the Authority gives its prior written approval, OFFICIAL-SENSITIVE information shall be transmitted or accessed electronically (e.g. point to point computer links) via a public network like the Internet, using a CPA product or equivalent as described in paragraph 7.1 above; and

(vi) security relevant events fall into two categories, namely "legitimate events" and "violations".

8.3.3 The following events shall always be recorded:

(i) all log on attempts whether successful or failed;

(ii) log off (including time out where applicable);

(iii) the creation, deletion or alteration of access rights and privileges; and

(iv) the creation, deletion or alteration of passwords;

8.3.4 For each of the events listed above, the following information is to be recorded:

(i) type of event;

(ii) user ID;

(iii) date & time; and

(iv) device ID.

8.3.5 The security accounting records shall have a facility to provide the system manager with a hard copy of all or selected activity. There shall also be a facility for the records to be printed in an easily readable form. All security records are to be inaccessible to users without a need to know. However, where the Contractor confirms that if the security accounting records do not have such a facility and the Authority is notified of this in writing, then the equipment shall be protected by physical means when not in use i.e. locked away or the hard drive removed and locked away.

8.3.6 The following supporting measures shall be implemented:

(i) the provisions of general protection against normally foreseeable accidents/mishaps and known recurrent problems (e.g. viruses and power supply variations);

(ii) defined Business Contingency Plan;

(iii) data backup with local storage;

(iv) anti virus software (Implementation, with updates, of an acceptable industry standard Anti-virus software);

(v) operating systems, applications and firmware which are supported;

(vi) the patching of operating systems and applications used shall be in line with all the manufacturer's recommendations (and where) patches cannot be applied an understanding of the resulting risk will be documented),

in each case in accordance with Good Industry Practice.

8.3.7 A "Logon Banner" shall be provided to summarise the requirements for access to a system which may be needed to institute legal action in case of any breach occurring. (A suggested format for the text (depending on national legal requirements) is "Unauthorised access to this computer system may constitute a criminal offence")

8.3.8 Users are to be automatically logged off the system if their terminals have been inactive for a predetermined period of time, or systems must activate a password protected screen saver after 15 minutes of inactivity.

8.3.9 Computer systems shall not be connected direct to the Internet or 'untrusted' systems unless protected by a firewall which has been approved by the Authority.

8.3.10 Before IT storage media (e.g. disks) are disposed of, an erasure product shall be used to overwrite the data in accordance with Good Safety Practice.

9 Laptops

9.1 Laptops holding any Authority supplied or Contractor generated OFFICIAL-SENSITIVE information are to be encrypted using a CPA product or equivalent as described in paragraph 7.1 above.

9.2 Unencrypted laptops not on the Contractor's Premises or the Authority's Premises are to be recalled and only used or stored in an appropriately secure location until further notice or until approved full encryption is installed. Where the encryption policy cannot be met, a risk balance case that fully explains why the policy cannot be complied with and the mitigation plan to protect the information shall be provided to the Authority by the Contractor. The Authority may then require the Contractor to take such steps as the Authority considers necessary to protect the information and the Contractor shall forthwith comply with such requirements.

9.3 Unencrypted laptops and drives containing personal data are not to be taken outside of secure sites. For the avoidance of doubt the term "drives" includes all removable, recordable media (e.g. memory sticks, compact flash, recordable optical media (including CDs and DVDs)), floppy discs and external hard drives.

9.4 Any token, touch memory device or password associated with the encryption package is to be kept separate from the machine whenever the machine is not in use, left unattended or in transit.

9.5 Portable CIS devices are not to be left unattended in any public location, left unattended in any motor vehicles (either in view or in the boot or luggage compartment) at any time.

9.6 When the CIS is in a vehicle being driven, the CIS is to be secured out of sight in the glove compartment, boot or luggage compartment.

10 Loss and Incident Reporting

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

10.2 In accordance with Industry Security Notice 2017/03 (as may be subsequently updated from time to time) currently located at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/293480/ISN2014_02_Incident_Reporting.pdf,

any security incident involving any Authority owned, processed, or Contractor generated OFFICIAL or OFFICIAL-SENSITIVE information defined in the contract Security Aspects Letter shall be immediately reported to the Authority Defence Industry Warning, Advice and Reporting Point (WARP), within the Joint Security Co-ordination Centre (JSyCC).

JSyCC WARP Contact Details

Email: For those with access to the RLI: CIO-DSAS-JSyCCOperations

Email: For those without access to the RLI: CIO-DSAS-JSyCCOperations@mod.uk

Telephone: Working Hours: 0306 770 2187

Out of Hours/Duty Officer Phone: 07768 558863

Fax: 01480 446328

Mail: Joint Security Co-ordination Centre (JSyCC), X007 Bazalgette Pavilion, RAF Wyton, Huntingdon, Cambs, PE28 2EA, with a copy to the Authority's Representative.

11 Destruction

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

12 Interpretation/Guidance

12.1 Advice regarding the interpretation of the above requirements may be sought from the Authority.

12.2 Further requirements, advice and guidance for the protection of MOD information at the level of OFFICIAL-SENSITIVE may be found in Industry Security Notices at:

https://www.gov.uk/government/publications/industry-security-notices-isns

13 Audit

13.1 When required by the Authority, the Contractor shall provide evidence of compliance with this Security Condition and/or permit the inspection of the Contractor's Premises, its processes and facilities by the Authority and/or representatives of the Authority at any time to verify compliance by the Contract with this Schedule 25 (*Security Conditions*).

Appendix 1

Ministry of Defence

REDACTED
REDACTED

Information Systems and Services
REDACTED

REDACTED

REDACTED

Reference: BATCM/0294 Logistics Support Contract

Date: 22/02/2021

Dear Sirs

SECURITY ASPECTS LETTER FOR LSC CONTRACT

1. On behalf of the Secretary of State for Defence, I hereby give you notice that the following aspects are designated as `SECRET Matter' for the purpose of the DEFCON 659A Security Clause included in the contract and, for DEFCON 660, aspects that are classified as OFFICIAL-SENSITIVE :

Serial	Description	Protective Marking
	OPERATIONAL ASPECTS	
a.	Existence of project	OFFICIAL
b.	Codename	OFFICIAL
c.	Meaning of Codename	OFFICIAL
d.	Operational Concept	OFFICIAL SENSITIVE
e.	Association with other systems (proposed or existing)	OFFICIAL SENSITIVE
f.	Nominal performance objectives and associated information	OFFICIAL SENSITIVE
g.	Equipment publications	OFFICIAL SENSITIVE
h.	ECM scenario	OFFICIAL SENSITIVE
	TECHNICAL ASPECTS	
a.	Technical Specification	OFFICIAL SENSITIVE
b.	Major Structural Details	OFFICIAL SENSITIVE
c.	Models and mock-ups (external configurations only)	OFFICIAL
d.	Drawings, Sketches and photographs (if they do not give information on performance or performance objectives)	OFFICIAL SENSITIVE
e.	Security Risks	OFFICIAL SENSITIVE

f.	Spot Operational Unusable Frequencies	UK SECRET
g.	Nuclear Survivability	OFFICIAL SENSITIVE
h.	Power output	OFFICIAL SENSITIVE
i.	Details of Test Rigs special to the project	OFFICIAL SENSITIVE
j.	Internal cut-away or exploded views of equipment	OFFICIAL SENSITIVE
k.	Circuit diagrams of important units	OFFICIAL SENSITIVE
l.	Installation wiring diagrams (block schematic)	OFFICIAL SENSITIVE
m.	ECM capabilities and limitations	UK SECRET
n.	Electromagnetic Compatibility and Limitations (EMC)	UK SECRET
o.	Bowman Key Management System	UK SECRET CRYPTO
p.	Vulnerabilities to the System	SECRET UK EYES ONLY
PROCUREMENT ASPECTS		
a.	Estimated development costs	OFFICIAL
b.	Estimated unit costs	OFFICIAL
c.	Number of equipments required for trials	OFFICIAL SENSITIVE
d.	Number of equipments required for full scale production	OFFICIAL SENSITIVE
e.	Details of deliveries to Service Units	OFFICIAL SENSITIVE
f.	Degree of protection in storage / transport (less crypto)	OFFICIAL SENSITIVE

2. Will you please confirm that:

a. The above definition of the SECRET Matter of the above contract has been brought to the attention of the person directly responsible for the security of this contract.

b. The definition is understood.

c. You have access to the Security Policy Framework and other security requirements/measures provided on the DE&S PSyA restricted access website or alternative and that measures can, and will be taken to safeguard the SECRET Matter.

d. All employees of the company who will have access to classified information have either signed the OSA Declaration Form in duplicate and one copy is retained by the company Security Officer or they have otherwise been informed that the provisions of the OSA apply to all classified information associated with this contract.

3. If you have any difficulty either in interpreting the definition of the SECRET Matter or in safeguarding it, will you please let me know immediately, and send a copy of your letter to your DE&S PSyA Security Adviser.

4. Any access to information on MoD premises that may be needed will be in accordance with MoD security regulations under the direction of the MoD Project Officer.

Yours faithfully

REDACTED

Copy via DII email to:
DES PSyA-SecurityAdviceCentre (MULTIUSER)
DBR-DefSy-STInd (MULTIUSER)
REDACTED

234427628v20