

**Contract CHC/648**

**(703918454)**

**Provision of Support, Repairs &  
Spares of the Electro-Optic Sensor  
Turret (EOST)**

## Table of Contents

Standardised Contracting Terms .....	3
General Conditions .....	3
44 Project specific DEFCONs and DEFCON SC variants that apply to this contract: .....	43
Special conditions that apply to this Contract.....	44
46. Limitations on Liability.....	44
47. Performance Management.....	49
48. Contract Extension Options .....	51
49. Quality Assurance Conditions.....	51
50. Safety and Environmental Conditions.....	52
51. The processes that apply to this Contract are: .....	52
General Conditions .....	52
52. Intellectual Property Rights (applicable to Additional Tasks).....	53
53. Payment Terms.....	54
SC2 Schedules.....	56
Schedule 1 - Definitions of Contract.....	56
<b>Annex to Schedule 1</b> .....	65
Schedule 2 – Schedule of Requirements for Contract No: CHC/648.....	66
Schedule 3 - Contract Data Sheet .....	71
Schedule 4 DEFFORM 111 .....	74
Schedule 5 - Contract Change Control Procedure (i.a.w. Clause 6b).....	78
Schedule 6 - Contractor's Commercial Sensitive Information Form (i.a.w. condition 12) Contract No: CHC/648.....	82
Schedule 7 - Hazardous Contractor Deliverables, Materials or Substances Supplied under the Contract.....	83
Schedule 8 - Timber and Wood- Derived Products Supplied under the Contract .....	84
Schedule 9 – Acceptance Procedure (Condition 29) For Contract No: CHC/648 .....	85
Schedule 10 – Security Aspects Letter .....	86
Schedule 11 – Key Performance Indicators .....	88
Schedule 12 – Official Sensitive Security Requirements for Contract No: CHC/648.....	94
Schedule 13 – Assumptions, Exclusions and Dependencies .....	101
Schedule 14 – Task Authorisation Form (TAF) .....	106
SCHEDULE 14 – AUTHORISED TASKS .....	110
SCHEDULE 14.1 - AUTHORISED PDS TASKS .....	110
SCHEDULE 14.2 - AUTHORISED OUT OF SCOPE REPAIRS .....	110
Schedule 15 – Contract Data Requirement.....	111
Schedule 16 – Government Furnished Assets .....	113
SCHEDULE 16.1 - GFA SPARES .....	114
Schedule 17 – Repairs Demand Order Data.....	117
Schedule 18 Statement of Requirement (SOR) .....	118
ANNEX B: Deliverables .....	132
Supplier Contractual Deliverables .....	132
Buyer Contractual Deliverables .....	134

**Standardised Contracting Terms****SC2****SC2 (Edn 02/22)****General Conditions****1. General**

- a. The defined terms in the Contract shall be as set out in Schedule 1.
- b. The Contractor shall comply with all applicable Legislation, whether specifically referenced in this Contract or not.
- c. The Contractor warrants and represents, that:
  - (1) they have the full capacity and authority to enter into, and to exercise their rights and perform their obligations under, the Contract;
  - (2) from the Effective Date of Contract and for so long as the Contract remains in force it shall give the Authority Notice of any litigation, arbitration (unless expressly prohibited from doing so in accordance with the terms of the arbitration), administrative or adjudication or mediation proceedings before any court, tribunal, arbitrator, administrator or adjudicator or mediator or relevant authority against themselves or a Subcontractor which would adversely affect the Contractor's ability to perform their obligations under the Contract;
  - (3) as at the Effective Date of Contract no proceedings or other steps have been taken and not discharged (nor, to the best of the knowledge of the Contractor, threatened) for the winding-up of the company or dissolution or for the appointment of a receiver, administrative receiver, administrator, liquidator, trustee or similar officer in relation to any of its assets or revenues;
  - (4) for so long as the Contract remains in force they shall give the Authority Notice of any proceedings or other steps that have been taken but not discharged (nor to the best of the knowledge of the Contractor, threatened) for the winding-up of the company or dissolution or for the appointment of a receiver, administrator, liquidator, trustee or similar officer in relation to any of its assets or revenues.
- d. Unless the context otherwise requires:
  - (1) The singular includes the plural and vice versa, and the masculine includes the feminine and vice versa.
  - (2) The words "include", "includes", "including" and "included" are to be construed as if they were immediately followed by the words "without limitation", except where explicitly stated otherwise.
  - (3) The expression "person" means any individual, firm, body corporate, unincorporated association or partnership, government, state or agency of a state or joint venture.
  - (4) References to any statute, enactment, order, regulation, or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation, or instrument as amended, supplemented, replaced or consolidated by any subsequent statute, enactment, order, regulation, or instrument.
  - (5) The heading to any Contract provision shall not affect the interpretation of that provision.

- (6) Any decision, act or thing which the Authority is required or authorised to take or do under the Contract may be taken or done only by the person (or its nominated deputy) authorised in Schedule 3 (Contract Data Sheet) to take or do that decision, act, or thing on behalf of the Authority.
- (7) Unless excluded within the Conditions of the Contract or required by law, references to submission of documents in writing shall include electronic submission.

## **2. Duration of Contract**

- a. This Contract comes into effect on the Effective Date of Contract and will expire automatically on the date identified in Schedule 3 (Contract Data Sheet) unless it is otherwise terminated in accordance with the provisions of the Contract, or otherwise lawfully terminated.

## **3. Entire Agreement**

- a. This Contract constitutes the entire agreement between the Parties relating to the subject matter of the Contract. The Contract supersedes, and neither Party has relied upon, any prior negotiations, representations and undertakings, whether written or oral, except that this Condition shall not exclude liability in respect of any fraudulent misrepresentation.

## **4. Governing Law**

- a. Subject to clause 4.d, the Contract shall be considered as a contract made in England and subject to English Law.
- b. Subject to clause 4.d and Condition 39 (Dispute Resolution) and without prejudice to the dispute resolution process set out therein, each Party submits and agrees to the exclusive jurisdiction of the Courts of England to resolve, and the laws of England to govern, any actions proceedings, controversy or claim of whatever nature arising out of or relating to the Contract or breach thereof.
- c. Subject to clause 4.d any dispute arising out of or in connection with the Contract shall be determined within the English jurisdiction and to the exclusion of all other jurisdictions save that other jurisdictions may apply solely for the purpose of giving effect to this Condition 4 and for the enforcement of any judgment, order or award given under English jurisdiction.
- d. If the Parties pursuant to the Contract agree that Scots Law should apply then the following amendments shall apply to the Contract:

(1) Clause 4.a, 4.b and 4.c shall be amended to read:

- a. The Contract shall be considered as a contract made in Scotland and subject to Scots Law.
- b. Subject to Condition 39 (Dispute Resolution) and without prejudice to the dispute resolution process set out therein, each Party submits and agrees to the exclusive jurisdiction of the Courts of Scotland to resolve, and the laws of Scotland to govern, any actions, proceedings, controversy or claim of whatever nature arising out of or relating to the Contract or breach thereof.
- c. Any dispute arising out of or in connection with the Contract shall be determined within the Scottish jurisdiction and to the exclusion of all other jurisdictions save that other jurisdictions may apply solely for the purpose of giving effect to this Condition 4 and for the enforcement of any judgment, order or award given under Scottish jurisdiction."

(2) Clause 39.b shall be amended to read:

"In the event that the dispute or claim is not resolved pursuant to clause 39.a the dispute shall be referred to arbitration. Unless otherwise agreed in writing by the Parties, the arbitration and this clause 39.b shall be governed by the Arbitration (Scotland) Act 2010. The seat of the arbitration shall be Scotland. For the avoidance of doubt, for the purpose of arbitration the tribunal shall have the power to make provisional awards pursuant to Rule 53 of the Scottish Arbitration Rules, as set out in Schedule 1 to the Arbitration (Scotland) Act 2010."

- e. Each Party warrants to each other that entry into the Contract does not, and the performance of the Contract will not, in any way violate or conflict with any provision of law, statute, rule, regulation, judgement, writ, injunction, decree or order applicable to it. Each Party also warrants that the Contract does not conflict with or result in a breach or termination of any provision of, or constitute a default under, any mortgage, contract or other liability, charge or encumbrance upon any of its properties or other assets.
- f. Each Party agrees with each other Party that the provisions of this Condition 4 shall survive any termination of the Contract for any reason whatsoever and shall remain fully enforceable as between the Parties notwithstanding such a termination.
- g. Where the Contractor's place of business is not in England or Wales (or Scotland where the Parties agree pursuant to the Contract that Scots Law should apply), the Contractor irrevocably appoints the solicitors or other persons in England and Wales (or Scotland where the Parties agree pursuant to the Contract that Scots Law should apply) detailed in Schedule 3 (Contract Data Sheet) as their agents to accept on their behalf service of all process and other documents of whatever description to be served on the Contractor in connection with any litigation or arbitration within the English jurisdiction (or Scottish jurisdiction where the Parties agree pursuant to the Contract that Scots Law should apply) arising out of or relating to the Contract or any issue connected therewith.

## 5. Precedence

- a. If there is any inconsistency between the different provisions of the Contract the inconsistency shall be resolved according to the following descending order of precedence:
  - (1) Conditions 1 - 43 (and 44 - 46, if included in the Contract) of the Conditions of the Contract shall be given equal precedence with Schedule 1 (Definitions of Contract) and Schedule 3 (Contract Data Sheet);
  - (2) Schedule 2 (Schedule of Requirements) and Schedule 8 (Acceptance Procedure);
  - (3) the remaining Schedules; and
  - (4) any other documents expressly referred to in the Contract.
- b. If either Party becomes aware of any inconsistency within or between the documents referred to in clause 5.a such Party shall notify the other Party forthwith and the Parties will seek to resolve that inconsistency on the basis of the order of precedence set out in clause 5.a. Where the Parties fail to reach agreement, and if either Party considers the inconsistency to be material to its rights and obligations under the Contract, then the matter will be referred to the dispute resolution procedure in accordance with Condition 40 (Dispute Resolution).

## 6. Formal Amendments to the Contract

- a. Except as provided in Condition 30 and subject to clause 6.c, the Contract may only be amended by the written agreement of the Parties (or their duly authorised representatives acting on their behalf). Such written agreement shall consist of:

- (1) the Authority Notice of Change under Schedule 4 (Contract Change Control Procedure) (where used);
  - (2) the Authority's offer set out in a serially numbered amendment letter issued by the Authority to the Contractor; and
  - (3) the Contractor's unqualified acceptance of such offer as evidenced by the Contractor's duly signed DEFFORM 10B.
- b. Where required by the Authority in connection with any such amendment, the Contractor shall (as so required) confirm that any existing Parent Company Guarantee is sufficiently comprehensive so as to cover and support all of the Contractor's liabilities and obligations under and in connection with the Contract (as amended by such amendment) or provide a revised Parent Company Guarantee with such DEFFORM 10B to achieve the same purposes.
- c. Where the Authority wishes to amend the Contract to incorporate any work that is unpriced at the time of amendment:
- (1) if the Contract is not a Qualifying Defence Contract, the Authority shall have the right to settle with the Contractor a price for such work under the terms of DEFCON 643 (SC2) or DEFCON 127. Where DEFCON 643 (SC2) is used, the Contractor shall make all appropriate arrangements with all its Subcontractors affected by the Change or Changes in accordance with clause 5 of DEFCON 643 (SC2); or
  - (2) if the Contract is a Qualifying Defence Contract, the Contract Price shall be redetermined on amendment in accordance with the Defence Reform Act 2014 and Single Source Contract Regulations 2014 (each as amended from time to time).

#### **Changes to the Specification**

- d. The Specification forms part of the Contract and all Contract Deliverables to be supplied by the Contractor under the Contract shall conform in all respects with the Specification.
- e. The Contractor shall use a configuration control system to control all changes to the Specification. The configuration control system shall be compatible with ISO 9001 (latest published version) or as specified in the Contract.

#### **7. Authority Representatives**

- a. Any reference to the Authority in respect of:
- (1) the giving of consent;
  - (2) the delivering of any Notices; or
  - (3) the doing of any other thing that may reasonably be undertaken by an individual acting on behalf of the Authority, shall be deemed to be references to the Authority's Representatives in accordance with this Condition 7.
- b. The Authority's Representatives detailed in Schedule 3 (Contract Data Sheet) (or their nominated deputy) shall have full authority to act on behalf of the Authority for all purposes of the Contract. Unless notified in writing before such act or instruction, the Contractor shall be entitled to treat any act of the Authority's Representatives which is authorised by the Contract as being expressly authorised by the Authority and the Contractor shall not be required to determine whether authority has in fact been given.

- c. In the event of any change to the identity of the Authority's Representatives, the Authority shall provide written confirmation to the Contractor, and shall update Schedule 3 (Contract Data Sheet) in accordance with Condition 6 (Formal Amendments to the Contract).

## **8. Severability**

- a. If any provision of the Contract is held to be invalid, illegal or unenforceable to any extent then:
  - (1) such provision shall (to the extent that it is invalid, illegal or unenforceable) be given no effect and shall be deemed not to be included in the Contract but without invalidating any of the remaining provisions of the Contract; and
  - (2) the Parties shall use all reasonable endeavours to replace the invalid, illegal or unenforceable provision by a valid, legal and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid, illegal or unenforceable provision.

## **9. Waiver**

- a. No act or omission of either Party shall by itself amount to a waiver of any right or remedy unless expressly stated by that Party in writing. In particular, no reasonable delay in exercising any right or remedy shall by itself constitute a waiver of that right or remedy.
- b. No waiver in respect of any right or remedy shall operate as a waiver in respect of any other right or remedy.

## **10. Assignment of Contract**

- a. Neither Party shall be entitled to assign the Contract (or any part thereof) without the prior written consent of the other Party.

## **11. Third Party Rights**

- a. Notwithstanding anything to the contrary elsewhere in the Contract, no right is granted to any person who is not a Party to the Contract to enforce any term of the Contract in its own right and the Parties to the Contract declare that they have no intention to grant any such right.

## **12. Transparency**

- a. Notwithstanding any other term of this Contract, including Condition 13 (Disclosure of Information), the Contractor understands that the Authority may publish the Transparency Information and Publishable Performance Information to the general public.
- b. Subject to clause 12.c the Authority shall publish and maintain an up-to-date version of the Transparency Information and Publishable Performance Information in a format readily accessible and reusable by the general public under an open licence where applicable.
- c. If, in the Authority's reasonable opinion, publication of any element of the Transparency Information and Publishable Performance Information would be contrary to the public interest, the Authority shall be entitled to exclude such Information from publication. The Authority acknowledges that it would expect the public interest by default to be best served by publication of the Transparency Information and Publishable Performance Information in its entirety. Accordingly, the Authority acknowledges that it shall only exclude Transparency Information and Publishable Performance Information from publication in exceptional circumstances and agrees that where it decides to exclude Information from publication on that basis, it will provide a clear statement to the general public explaining the categories of information that have been

excluded from publication and reasons for withholding that information.

- d. The Contractor shall assist and co-operate with the Authority as reasonably required to enable the Authority to publish the Transparency Information and Publishable Performance Information, in accordance with the principles set out above, including through compliance with the requirements relating to the preparation of Publishable Performance Information set out in clause 12.e to 12.i. Where the Authority publishes Transparency Information, it shall:
  - (1) before publishing, redact any Information that would be exempt from disclosure if it was the subject of a request for information under the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR), for the avoidance of doubt, including Sensitive information;
  - (2) taking account the Sensitive Information set out in Schedule 5, consult with the Contractor where the Authority intends to publish Information which has been identified as Sensitive Information. For the avoidance of doubt the Authority, acting reasonably, shall have absolute discretion to decide what information shall be published or be exempt from disclosure in accordance with the FOIA and/or the EIR; and
  - (3) present information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how this Contract is being performed.

#### **Publishable Performance Information**

- e. Within three (3) months of the effective date of Contract the Contractor shall provide to the Authority for its approval (such approval shall not be unreasonably withheld or delayed) a draft Publishable Performance Information KPI Data Report consistent with the content requirements of Schedule 9. *See 54.1 12 e. For Special Conditions relating to Transparency*
- f. If the Authority rejects any draft Publishable Performance Information the Contractor shall submit a revised version of the relevant KPI Data Report for further approval by the Authority with five (5) business days of receipt of any notice or rejection, taking account of any recommendations for revision and improvement to the report provided by the Authority. This process shall be repeated until the parties have an agreed version of the Publishable Performance Information.
- g. The Contractor shall provide an accurate and up-to-date version of the KPI Data Report to the Authority for each quarter at the frequency referred to in the agreed Schedule 9.
- h. Any dispute in connection with the preparation and/or approval of Publishable Performance Information, other than under clause 12.f, shall be resolved in accordance with the dispute resolution procedure provided for in this Contract.
- i. The requirements of this Condition are in addition to any other reporting requirements in this Contract.

#### **13. Disclosure of Information**

- a. Subject to clauses 13.d to 13.i and Condition 12 each Party:
  - (1) shall treat in confidence all Information it receives from the other;
  - (2) shall not disclose any of that Information to any third party without the prior written consent of the other Party, which consent shall not unreasonably be withheld, except that the



Contractor may disclose Information in confidence, without prior consent, to such persons and to such extent as may be necessary for the performance of the Contract;

- (3) shall not use any of that Information otherwise than for the purpose of the Contract; and
  - (4) shall not copy any of that Information except to the extent necessary for the purpose of exercising its rights of use and disclosure under the Contract.
- b. The Contractor shall take all reasonable precautions necessary to ensure that all Information disclosed to the Contractor by or on behalf of the Authority under or in connection with the Contract:
- (1) is disclosed to their employees and Subcontractors, only to the extent necessary for the performance of the Contract; and
  - (2) is treated in confidence by them and not disclosed except with the prior written consent of the Authority or used otherwise than for the purpose of performing work or having work performed for the Authority under the Contract or any subcontract.
- c. The Contractor shall ensure that their employees are aware of the Contractor's arrangements for discharging the obligations at clauses 13.a and 13.b before receiving Information and shall take such steps as may be reasonably practical to enforce such arrangements.
- d. A Party shall not be in breach of Clauses 13.a, 13.b, 13.f, 13.g and 13.h to the extent that either Party:
- (1) exercises rights of use or disclosure granted otherwise than in consequence of, or under, the Contract;
  - (2) has the right to use or disclose the Information in accordance with other Conditions of the Contract; or
  - (3) can show:
    - (a) that the Information was or has become published or publicly available for use otherwise than in breach of any provision of the Contract or any other agreement between the Parties;
    - (b) that the Information was already known to it (without restrictions on disclosure or use) prior to receiving the Information under or in connection with the Contract;
    - (c) that the Information was received without restriction on further disclosure from a third party which lawfully acquired the Information without any restriction on disclosure; or
    - (d) from its records that the same Information was derived independently of that received under or in connection with the Contract; provided that the relationship to any other Information is not revealed.
- e. Neither Party shall be in breach of this Condition where it can show that any disclosure of Information was made solely and to the extent necessary to comply with a statutory, judicial or parliamentary obligation. Where such a disclosure is made, the Party making the disclosure shall ensure that the recipient of the Information is made aware of and asked to respect its confidentiality. Such disclosure shall in no way diminish the obligations of the Parties under this Condition.
- f. The Authority may disclose the Information:

- (1) to any Central Government Body for any proper purpose of the Authority or of the relevant Central Government Body, which shall include: disclosure to the Cabinet Office and/or HM Treasury for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes. Where such a disclosure is made the Authority shall ensure that the recipient is made aware of its confidentiality;
- (2) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
- (3) to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- (4) subject to clause 13.g below, on a confidential basis to a professional adviser, consultant or other person engaged by any of the entities defined in Schedule 1 (including benchmarking organisations) for any purpose relating to or connected with the Contract;
- (5) subject to clause 13.g below, on a confidential basis for the purpose of the exercise of its rights under the Contract; or
- (6) on a confidential basis to a proposed body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under the Contract;

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Condition.

- g. Where the Authority intends to disclose Information to a commercial entity which is not a Central Government Body in accordance with clauses 13.f.(4) or 13.f.(5) above, the Authority will endeavour to provide the Contractor with 3 Business Days' notice in advance of such disclosure. In relation to a disclosure of Information made under clause 13.f.(3) above, if reasonably requested by the Contractor within 2 Business Days of such notice being given, where the Authority has not already done so, it will endeavour to procure from the intended recipient of the Information an agreement containing confidentiality terms the same as, or substantially similar to, those placed on the Authority under this Condition.
- h. Before sharing any Information in accordance with clause 13.f, the Authority may redact the Information. Any decision to redact Information made by the Authority shall be final.
- i. The Authority shall not be in breach of the Contract where disclosure of Information is made solely and to the extent necessary to comply with the Freedom of Information Act 2000 (the "Act") or the Environmental Information Regulations 2004 (the "Regulations"). To the extent permitted by the time for compliance under the Act or the Regulations, the Authority shall consult the Contractor where the Authority is considering the disclosure of Information under the Act or the Regulations and, in any event, shall provide prior notification to the Contractor of any decision to disclose the Information. The Contractor acknowledges and accepts that their representations on disclosure during consultation may not be determinative and that the decision whether to disclose Information in order to comply with the Act or the Regulations is a matter in which the Authority shall exercise its own discretion, subject always to the provisions of the Act or the Regulations.
- j. Nothing in this Condition shall affect the Parties' obligations of confidentiality where Information is disclosed orally in confidence.

**14. Publicity and Communications with the Media**

- a. The Contractor shall not and shall ensure that any employee or Subcontractor shall not communicate with representatives of the press, television, radio or other media on any matter concerning the Contract unless the Authority has given its prior written consent.

**15. Change of Control of Contractor**

- a. The Contractor shall notify the Representative of the Authority at the address given in clause 15.b, as soon as practicable, in writing of any intended, planned or actual change in control of the Contractor, including any Subcontractors. The Contractor shall not be required to submit any notice which is unlawful or is in breach of either any pre-existing non-disclosure agreement or any regulations governing the conduct of the Contractor in the UK or other jurisdictions where the Contractor may be subject to legal sanction arising from issuing such a notice.
- b. Each notice of change of control shall be taken to apply to all contracts with the Authority. Notices shall be submitted to:

Mergers & Acquisitions Section

Strategic Supplier Management Team

Spruce 3b # 1301

MOD Abbey Wood,

Bristol, BS34 8JH

and emailed to: [DefComrcISSM-MergersandAcq@mod.gov.uk](mailto:DefComrcISSM-MergersandAcq@mod.gov.uk)

- c. The Representative of the Authority shall consider the notice of change of control and advise the Contractor in writing of any concerns the Authority may have. Such concerns may include but are not limited to potential threats to national security, the ability of the Authority to comply with its statutory obligations or matters covered by the declarations made by the Contractor prior to contract award.
- d. The Authority may terminate the Contract by giving written notice to the Contractor within six months of the Authority being notified in accordance with clause 15.a. The Authority shall act reasonably in exercising its right of termination under this Condition.
- e. If the Authority exercises its right to terminate in accordance with clause 15.d the Contractor shall be entitled to request the Authority to consider making a payment representing any commitments, liabilities or expenditure incurred by the Contractor in connection with the Contract up to the point of termination. Such commitments, liabilities or expenditure shall be reasonably and properly chargeable by the Contractor, and shall otherwise represent an unavoidable loss by the Contractor by reason of the termination of the Contract. Any payment under this clause 15.e must be fully supported by documentary evidence. The decision whether to make such a payment shall be at the Authority's sole discretion.
- f. Notification by the Contractor of any intended, planned or actual change of control shall not prejudice the existing rights of the Authority or the Contractor under the Contract nor create or imply any rights of either the Contractor or the Authority additional to the Authority's rights set out in this Condition.

**16. Environmental Requirements**

- a. The Contractor shall in all their operations to perform the Contract, adopt a sound proactive environmental approach that identifies, considers, and where possible, mitigates the environmental impacts of their supply chain. The Contractor shall provide evidence of so doing to the Authority on demand.

**17. Contractor's Records**

- a. The Contractor and their Subcontractors shall maintain all records specified in and connected with the Contract (expressly or otherwise) and make them available to the Authority when requested on reasonable notice.
- b. The Contractor and their Subcontractors shall also permit access to relevant records that relate to the contractual obligations to supply goods or services under the Contract, held by or controlled by them and reasonably required by the Comptroller and Auditor General, their staff and any appointed representative of the National Audit Office, and provide such explanations and information as reasonably necessary for the following purposes:
  - (1) to enable the National Audit Office to carry out the Authority's statutory audits and to examine and/or certify the Authority's annual and interim report and accounts; and
  - (2) to enable the National Audit Office to carry out an examination pursuant to Part II of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources.
- c. With regard to the records made available to the Authority under clause 17.a of this Condition, and subject to the provisions of Condition 13 (Disclosure of Information), the Contractor shall permit records to be examined and if necessary copied, by the Authority, or Representative of the Authority, as the Authority may require.
- d. Unless the Contract specifies otherwise the records referred to in this Condition shall be retained for a period of at least 6 years from:
  - (1) the end of the Contract term;
  - (2) the termination of the Contract; or
  - (3) the final payment,whichever occurs latest.

**18. Notices**

- a. A Notice served under the Contract shall be:
  - (1) in writing in the English language;
  - (2) authenticated by signature or such other method as may be agreed between the Parties;
  - (3) sent for the attention of the other Party's Representative, and to the address set out in Schedule 3 (Contract Data Sheet);
  - (4) marked with the number of the Contract; and
  - (5) delivered by hand, prepaid post (or airmail), facsimile transmission or, if agreed in Schedule

3 (Contract Data Sheet), by electronic mail.

b. Notices shall be deemed to have been received:

- (1) if delivered by hand, on the day of delivery if it is the recipient's Business Day and otherwise on the first Business Day of the recipient immediately following the day of delivery;
- (2) if sent by prepaid post, on the fourth Business Day (or the tenth Business Day in the case of airmail) after the day of posting;
- (3) if sent by facsimile or electronic means:
  - (a) if transmitted between 09:00 and 17:00 hours on a Business Day (recipient's time) on completion of receipt by the sender of verification of the transmission from the receiving instrument; or
  - (b) if transmitted at any other time, at 09:00 on the first Business Day (recipient's time) following the completion of receipt by the sender of verification of transmission from the receiving instrument.

## **19. Progress Monitoring, Meetings and Reports**

- a. The Contractor shall attend progress meetings at the frequency or times (if any) specified in Schedule 3 (Contract Data Sheet) and shall ensure that their Contractor's representatives are suitably qualified to attend such meetings.
- b. The Contractor shall submit progress reports to the Authority's Representatives at the times and in the format (if any) specified in Schedule 3 (Contract Data Sheet). The reports shall detail as a minimum:
  - (1) performance/Delivery of the Contractor Deliverables;
  - (2) risks and opportunities;
  - (3) any other information specified in Schedule 3 (Contract Data Sheet); and
  - (4) any other information reasonably requested by the Authority.

### **Supply of Contractor Deliverables**

## **20. Supply of Contractor Deliverables and Quality Assurance**

- a. The Contractor shall provide the Contractor Deliverables to the Authority, in accordance with the Schedule of Requirements and the Specification, and shall allocate sufficient resource to the provision of the Contractor Deliverables to enable it to comply with this obligation.
- b. The Contractor shall:
  - (1) comply with any applicable quality assurance requirements specified in Schedule 3 (Contract Data Sheet) in providing the Contractor Deliverables; and
  - (2) discharge their obligations under the Contract with all due skill, care, diligence and operating practice by appropriately experienced, qualified and trained personnel.
- c. The provisions of clause 20.b. shall survive any performance, acceptance or payment pursuant

to the Contract and shall extend to any remedial services provided by the Contractor.

d. The Contractor shall:

- (1) observe, and ensure that the Contractor's Team observe, all health and safety rules and regulations and any other security requirements that apply at any of the Authority's premises;
- (2) notify the Authority as soon as they become aware of any health and safety hazards or issues which arise in relation to the Contractor Deliverables; and
- (3) before the date on which the Contractor Deliverables are to start, obtain, and at all times maintain, all necessary licences and consents in relation to the Contractor Deliverables.

## **21. Marking of Contractor Deliverables**

- a. Each Contractor Deliverable shall be marked in accordance with the requirements specified in Schedule 3 (Contract Data Sheet), if no such requirement is specified, the Contractor shall mark each Contractor Deliverable clearly and indelibly in accordance with the requirements of the relevant DEF-STAN 05-132 as specified in the contract or specification. In the absence of such requirements, the Contractor Deliverables shall be marked with the MOD stock reference, NATO Stock Number (NSN) or alternative reference number specified in Schedule 2 (Schedule of Requirements).
- b. Any marking method used shall not have a detrimental effect on the strength, serviceability or corrosion resistance of the Contractor Deliverables.
- c. The marking shall include any serial numbers allocated to the Contractor Deliverable.
- d. Where because of its size or nature it is not possible to mark a Contractor Deliverable with the required particulars, the required information should be included on the package or carton in which the Contractor Deliverable is packed, in accordance with Condition 22 (Packaging and Labelling (excluding Contractor Deliverables containing Munitions)).

## **22. Packaging and Labelling (excluding Contractor Deliverables containing Munitions)**

- a. Packaging responsibilities are as follows:
  - (1) The Contractor shall be responsible for providing Packaging which fully complies with the requirements of the Contract.
  - (2) The Authority shall indicate in the Contract the standard or level of Packaging required for each Contractor Deliverable, including the PPQ. If a standard or level of Packaging (including the PPQ) is not indicated in the Contract, the Contractor shall request such instructions from the Authority before proceeding further.
  - (3) The Contractor shall ensure all relevant information necessary for the effective performance of the Contract is made available to all Subcontractors.
  - (4) Where the Contractor or any of their Subcontractors have concerns relating to the appropriateness of the Packaging design and or MPL prior to manufacture or supply of the Contractor Deliverables they shall use DEFFORM 129B to feedback these concerns to the Contractor or Authority, as appropriate.
- b. The Contractor shall supply Commercial Packaging meeting the standards and requirements of Def Stan 81-041 (Part 1). In addition, the following requirements apply:

- (1) The Contractor shall provide Packaging which:
  - (a) will ensure that each Contractor Deliverable may be transported and delivered to the consignee named in the Contract in an undamaged and serviceable condition; and
  - (b) is labelled to enable the contents to be identified without need to breach the package; and
  - (c) is compliant with statutory requirements and this Condition.
- (2) The Packaging used by the Contractor to supply identical or similar Contractor Deliverables to commercial customers or to the general public (i.e. point of sale packaging) will be acceptable, provided that it complies with the following criteria:
  - (a) reference in the Contract to a PPQ means the quantity of a Contractor Deliverable to be contained in an individual package, which has been selected as being the most suitable for issue(s) to the ultimate user;
  - (b) Robust Contractor Deliverables, which by their nature require minimal or no packaging for commercial deliveries, shall be regarded as "PPQ packages" and shall be marked in accordance with clauses 22.i to 22.l. References to "PPQ packages" in subsequent text shall be taken to include Robust Contractor Deliverables; and
  - (c) for ease of handling, transportation and delivery, packages which contain identical Contractor Deliverables may be bulked and overpacked, in accordance with clauses 22.i to 22.k.
- c. The Contractor shall ascertain whether the Contractor Deliverables being supplied are, or contain, Dangerous Goods, and shall supply the Dangerous Goods in accordance with:
  - (1) The Health and Safety At Work Act 1974 (as amended);
  - (2) The Classification Hazard Information and Packaging for Supply Regulations (CHIP4) 2009 (as amended);
  - (3) The REACH Regulations 2007 (as amended); and
  - (4) The Classification, Labelling and Packaging Regulations (CLP) 2009 (as amended).
- d. The Contractor shall package the Dangerous Goods as limited quantities, excepted quantities or similar derogations, for UK or worldwide shipment by all modes of transport in accordance with the regulations relating to the Dangerous Goods and:
  - (1) The Safety Of Lives At Sea Regulations (SOLAS) 1974 (as amended); and
  - (2) The Air Navigation (Amendment) Order 2019.
- e. As soon as possible, and in any event no later than one month before delivery is due, the Contractor shall provide a Safety Data Sheet in respect of each Dangerous Good in accordance with the REACH Regulations 2007 (as amended) and the Health and Safety At Work Act 1974 (as amended) and in accordance with Condition 23 (Supply of Hazardous Materials or Substances in Contractor Deliverables).
- f. The Contractor shall comply with the requirements for the design of MLP which include clauses 22.f and 22.g as follows:

- (1) Where there is a requirement to design UK or NATO MLP, the work shall be undertaken by an MPAS registered organisation, or one that although non-registered is able to demonstrate to the Authority that their quality systems and military package design expertise are of an equivalent standard.
    - (a) The MPAS certification (for individual designers) and registration (for organisations) scheme details are available from:

DES LSOC SpSvcs--SptEng-Pkg1

MOD Abbey Wood

Bristol, BS34 8JH

Tel. +44(0)30679-35353

[DESLSOC-SpSvcs-SptEng-Pkg1@mod.gov.uk](mailto:DESLSOC-SpSvcs-SptEng-Pkg1@mod.gov.uk)
    - (b) The MPAS Documentation is also available on the DStan website.
  - (2) MLP shall be designed to comply with the relevant requirements of Def Stan 81-041, and be capable of meeting the appropriate test requirements of Def Stan 81-041 (Part 3). Packaging designs shall be prepared on a SPIS, in accordance with Def Stan 81-041 (Part 4).
  - (3) The Contractor shall ensure a search of the SPIS index (the 'SPIN') is carried out to establish the SPIS status of each requirement (using DEFFORM 129a 'Application for Packaging Designs or their Status').
  - (4) New designs shall not be made where there is an existing usable SPIS, or one that may be easily modified.
  - (5) Where there is a usable SFS, it shall be used in place of a SPIS design unless otherwise stated by the Contract. When an SFS is used or replaces a SPIS design, the Contractor shall upload this information on to SPIN in Adobe PDF.
  - (6) All SPIS, new or modified (and associated documentation), shall, on completion, be uploaded by the Contractor on to SPIN. The format shall be Adobe PDF.
  - (7) Where it is necessary to use an existing SPIS design, the Contractor shall ensure the Packaging manufacturer is a registered organisation in accordance with clause 22.f.(1) above, or if un-registered, is compliant with MPAS ANNEX A Supplement (Code) M. The Contractor shall ensure, as far as possible, that the SPIS is up to date.
  - (8) The documents supplied under clause 22.f.(6) shall be considered as a contract data requirement and be subject to the terms of DEFCON 15 and DEFCON 21.
- g. Unless otherwise stated in the Contract, one of the following procedures for the production of new or modified SPIS designs shall be applied:
- (1) If the Contractor or their Subcontractor is the PDA they shall:
    - (a) On receipt of instructions received from the Authority's representative nominated in Box 2 Annex A to Schedule 3 (Contract Data Sheet), prepare the required package design in accordance with clause 22.f.



- (b) Where the Contractor or their Subcontractor is registered, they shall, on completion of any design work, provide the Authority with the following documents electronically:
    - i. a list of all SPIS which have been prepared or revised against the Contract; and
    - ii. a copy of all new / revised SPIS, complete with all continuation sheets and associated drawings, where applicable, to be uploaded onto SPIN.
  - (c) Where the PDA is not a registered organisation, then they shall obtain approval for their design from a registered organisation before proceeding, then follow clause 22.g.(1)(b).
- (2) Where the Contractor or their Subcontractor is not the PDA and is un-registered, they shall not produce, modify, or update SPIS designs. They shall obtain current SPIS design(s) from the Authority or a registered organisation before proceeding with manufacture of Packaging. To allow designs to be provided in ample time, they should apply for SPIS designs as soon as practicable.
- (3) Where the Contractor or their Subcontractor is un-registered and has been given authority to produce, modify, and update SPIS designs by the Contract, they shall obtain approval for their design from a registered organisation using DEFFORM 129a before proceeding, then follow clause 22.g.(1)(b).
- (4) Where the Contractor or their Subcontractor is not a PDA but is registered, they shall follow clauses 22.g.(1)(a) and 22.g.(1)(b).
- h. If special jigs, tooling etc., are required for the production of MLP, the Contractor shall obtain written approval from the Commercial Officer before providing them. Any approval given will be subject to the terms of DEFCON 23 (SC2) or equivalent condition, as appropriate.
  - i. In addition to any marking required by international or national legislation or regulations, the following package labelling and marking requirements apply:
- (1) If the Contract specifies UK or NATO MPL, labelling and marking of the packages shall be in accordance with Def Stan 81-041 (Part 6) and this Condition as follows:
- (a) Labels giving the mass of the package, in kilograms, shall be placed such that they may be clearly seen when the items are stacked during storage.
  - (b) Each consignment package shall be marked with details as follows:
    - i. name and address of consignor;
    - ii. name and address of consignee (as stated in the Contract or order);
    - iii. destination where it differs from the consignee's address, normally either:
      - (i) delivery destination / address; or
      - (ii) transit destination, where delivery address is a point for aggregation / disaggregation and / or onward shipment elsewhere, e.g. railway station, where that mode of transport is used;
    - iv. the unique order identifiers and the CP&F Delivery Label / Form which shall be prepared in accordance with DEFFORM 129J.

- (i). If aggregated packages are used, their consignment marking and identification requirements are stated at clause 22.1.
- (2) If the Contract specifies Commercial Packaging, an external surface of each PPQ package and each consignment package, if it contains identical PPQ packages, shall be marked, using details of the Contractor Deliverables as shown in the Contract schedule, to state the following:
  - (a) description of the Contractor Deliverable;
  - (b) the full thirteen digit NATO Stock Number (NSN);
  - (c) the PPQ;
  - (d) maker's part / catalogue, serial and / or batch number, as appropriate;
  - (e) the Contract and order number when applicable;
  - (f) the words "Trade Package" in bold lettering, marked in BLUE in respect of trade packages, and BLACK in respect of export trade packages;
  - (g) shelf life of item where applicable;
  - (h) for rubber items or items containing rubber, the quarter and year of vulcanisation or manufacture of the rubber product or component (marked in accordance with Def Stan 81-041);
  - (i) any statutory hazard markings and any handling markings, including the mass of any package which exceeds 3kg gross; and
  - (j) any additional markings specified in the Contract.
- j. Bar code marking shall be applied to the external surface of each consignment package and to each PPQ package contained therein. The default symbology shall be as specified in Def Stan 81-041 (Part 6). As a minimum the following information shall be marked on packages:
  - (1) the full 13-digit NSN;
  - (2) denomination of quantity (D of Q);
  - (3) actual quantity (quantity in package);
  - (4) manufacturer's serial number and / or batch number, if one has been allocated; and
  - (5) the CP&F-generated unique order identifier.
- k. Requirements for positioning bar codes in relation to related text, as well as positioning on package etc., are defined in Def Stan 81-041 (Part 6). If size of the bar code does not allow a label to be directly attached, then a tag may be used. Any difficulties over size or positioning of barcode markings shall initially be referred to the organisation nominated in Box 3 of Annex A to Schedule 3 (Contract Data Sheet).
- l. The requirements for the consignment of aggregated packages are as follows:
  - (1) With the exception of packages containing Dangerous Goods, over-packing for delivery to the consignee shown in the Contract may be used by the consignor to aggregate a number of packages to different Packaging levels, provided that the package contains

Contractor Deliverables of only one NSN or class group. Over-packing shall be in the cheapest commercial form consistent with ease of handling and protection of over-packed items.

- (2) Two adjacent sides of the outer container shall be clearly marked to show the following:
- (a) class group number;
  - (b) name and address of consignor;
  - (c) name and address of consignee (as stated on the Contract or order);
  - (d) destination if it differs from the consignee's address, normally either:
    - i. delivery destination / address; or
    - ii. transit destination, if the delivery address is a point of aggregation / disaggregation and / or onward shipment e.g. railway station, where that mode of transport is used;
  - (e) where applicable, the reference number of the delivery note produced by CP&F relating to the contents. The consignee's copy of each delivery note shall be placed in the case / container. If the Contractor Deliverables listed in the delivery note are packed in several cases, the consignee's copy shall be placed in the first case and a separate list detailing the contents shall be prepared for each case after the first and placed in the case to which it relates. Each case is to be numbered to indicate both the number of the case and the total number of cases concerned e.g. 1/3, 2/3, 3/3;
  - (f) the CP&F-generated shipping label; and
  - (g) any statutory hazard markings and any handling markings.
- m. Authorisation of the Contractor to undertake Packaging design, or to use a packaging design, that was not part of the original requirement under the Contract, shall be considered as an alteration to the specification in accordance with Condition 6 (Formal Amendments to the Contract).
- n. The Contractor shall ensure that timber and wood-containing products supplied under the Contract comply with the provisions of Condition 24 (Timber and Wood-Derived Products) and Annex I and Annex II of the International Standards for Phytosanitary Measures, "Guidelines for Regulating Wood Packaging Material in International Trade", Publication No 15 (ISPM 15).
- o. All Packaging shall meet the requirements of the Packaging (Essential Requirements) Regulations 2003 (as amended) where applicable.
- p. In any design work the Contractor shall comply with the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended) or equivalent legislation. Evidence of compliance shall be a contractor record in accordance with Condition 17 (Contractor's Records).
- q. This Condition is concerned with the supply of Packaging suitable to protect and ease handling, transport and storage of specified items. Where there is a failure of suitable Packaging (a design failure), or Packaging fails and this is attributed to the Packaging supplier, then the supplier shall be liable for the cost of replacing the Packaging.
- r. Liability for other losses resulting from Packaging failure or resulting from damage to Packaging, (such as damage to the packaged item etc.), shall be specified elsewhere in the Contract.

- s. General requirements for service Packaging, including details of UK and NATO MLP and Commercial Packaging descriptions, are contained in Def Stan 81-041 (Part 1) "Packaging of Defence Materiel". Def Stans, NATO Standardisation Agreements (STANAGs), and further information are available from the DStan internet site at: <https://www.dstan.mod.uk/>
- t. Unless specifically stated otherwise in the invitation to tender or the Contract, reference to any standard including Def Stans or STANAGs in any invitation to tender or Contract document means the edition and all amendments extant at the date of such tender or Contract.
- u. In the event of conflict between the Contract and Def Stan 81-041, the Contract shall take precedence.

### **23. Supply of Data for Hazardous Materials or Substances in Contractor Deliverables**

- a. The Contractor shall provide to the Authority:
  - (1) for each hazardous material or substance supplied, a Safety Data Sheet (SDS) in accordance the extant Classification, Labelling and Packaging (GB CLP) Regulation; and
  - (2) for each Contractor Deliverable containing hazardous materials or substances, safety information as required by the Health and Safety at Work, etc Act 1974, at the time of supply.

Nothing in this Condition shall reduce or limit any statutory duty or legal obligation of the Authority or the Contractor.

- b. If the Contractor Deliverable contains hazardous materials or substances, or is a substance falling within the scope of the extant UK REACH Regulation:
  - (1) the Contractor shall provide to the Authority an SDS for the substance in accordance with the Regulation. If the Contractor becomes aware of new information which may affect the risk management measures or new information on the hazard, the Contractor shall update the SDS and forward it to the Authority and to the address listed in clause 23.h below; and
  - (2) the Authority, if it becomes aware of new information regarding the hazardous properties of the substance, or any other information that might call into question the appropriateness of the risk management measures identified in the SDS supplied, shall report this information in writing to the Contractor.
- c. If the Contractor is required, under, or in connection with the Contract, to supply Contractor Deliverables or components of Contractor Deliverables that, in the course of their use, maintenance, disposal, or in the event of an accident, may release hazardous materials or substances, they shall provide to the Authority a list of those hazardous materials or substances, and for each hazardous material or substance listed, provide an SDS.
- d. The Contractor shall provide to the Authority a completed Schedule 6 (Hazardous Contractor Deliverables, Materials or Substances Supplied under the Contract: Data Requirements) in accordance with Schedule 3 (Contract Data Sheet).
- e. If the Contractor Deliverables, materials or substances are ordnance, munitions or explosives, in addition to the requirements of the GB CLP and UK REACH the Contractor shall comply with hazard reporting requirements of DEF STAN 07-085 Design Requirements for Weapons and Associated Systems.
- f. If the Contractor Deliverables, materials or substances are or contain or embody a radioactive

substance as defined in the extant Ionising Radiation Regulations, the Contractor shall additionally provide details of:

- (1) activity; and
- (2) the substance and form (including any isotope);
- g. If the Contractor Deliverables, materials or substances have magnetic properties, the Contractor shall additionally provide details of the magnetic flux density at a defined distance, for the condition in which it is packed.
- h. Any SDS to be provided in accordance with this Condition, including any related information to be supplied in compliance with the Contractor's statutory duties under clause 23.a.(1) and 23.b.(1), any information arising from the provisions of clauses 23.e, 23.f and 23.g and the completed Schedule 6, shall be sent directly to the Authority's Representative (Commercial) as soon as practicable, and no later than one (1) month prior to the Contract delivery date, unless otherwise stated in Schedule 3 (Contract Data Sheet). In addition, so that the safety information can reach users without delay, a copy shall be sent preferably as an email with attachment(s) in Adobe PDF or MS WORD format, or, if only hardcopy is available, to the addresses below:

- (1) Hard copies to be sent to:

Hazardous Stores Information System (HSIS)

Department of Safety & Environment, Quality and Technology (DS & EQT)

Spruce 2C, #1260,

MOD Abbey Wood (South)

Bristol BS34 8JH

- (2) Emails to be sent to:

[DESTECH-QSEPEnv-HSISMulti@mod.gov.uk](mailto:DESTECH-QSEPEnv-HSISMulti@mod.gov.uk)

- i. Failure by the Contractor to comply with the requirements of this Condition shall be grounds for rejecting the affected Contractor Deliverables. Any withholding of information concerning Hazardous Contractor Deliverables, materials or substances shall be regarded as a material breach of Contract under Condition 42 (Material Breach) for which the Authority reserves the right to require the Contractor to rectify the breach immediately at no additional cost to the Authority or to terminate the Contract in accordance with Condition 42.
- j. Where delivery is made to the Defence Fulfilment Centre (DFC) and / or other Team Leidos location / building, the Contractor must comply with the Logistic Commodities and Services Transformation (LCST) Supplier Manual.

## **24. Timber and Wood-Derived Products**

- a. All Timber and Wood-Derived Products supplied by the Contractor under the Contract:
  - (1) shall comply with the Contract Specification; and
  - (2) must originate either:
    - (a) from a Legal and Sustainable source; or

- (b) from a FLEGT-licensed or equivalent source.
- b. In addition to the requirements of clause 24.a, all Timber and Wood-Derived Products supplied by the Contractor under the Contract shall originate from a forest source where management of the forest has full regard for:
  - (1) identification, documentation and respect of legal, customary and traditional tenure and use rights related to the forest;
  - (2) mechanisms for resolving grievances and disputes including those relating to tenure and use rights, to forest management practices and to work conditions; and
  - (3) safeguarding the basic labour rights and health and safety of forest workers.
- c. If requested by the Authority, the Contractor shall provide to the Authority Evidence that the Timber and Wood-Derived Products supplied to the Authority under the Contract comply with the requirements of clause 24.a or 24.b or both.
- d. The Authority reserves the right at any time during the execution of the Contract and for a period of five (5) years from final Delivery under the Contract to require the Contractor to produce the Evidence required for the Authority's inspection within fourteen (14) days of the Authority's request.
- e. If the Contractor has already provided the Authority with the Evidence required under clause 24.c, the Contractor may satisfy these requirements by giving details of the previous notification and confirming the Evidence remains valid and satisfies the provisions of clauses 24.a or 24.b or both.
- f. The Contractor shall maintain records of all Timber and Wood-Derived Products delivered to and accepted by the Authority, in accordance with Condition 17 (Contractor's Records).
- g. Notwithstanding clause 24.c, if exceptional circumstances render it strictly impractical for the Contractor to record Evidence of proof of timber origin for previously used Recycled Timber, the Contractor shall support the use of this Recycled Timber with:
  - (1) a record tracing the Recycled Timber to its previous end use as a standalone object or as part of a structure; and
  - (2) an explanation of the circumstances that rendered it impractical to record Evidence of proof of timber origin.
- h. The Authority reserves the right to decide, except where in the Authority's opinion the timber supplied is incidental to the requirement and from a low risk source, whether the Evidence submitted to it demonstrates compliance with clause 24.a or 24.b, or both. In the event that the Authority is not satisfied, the Contractor shall commission and meet the costs of an Independent Verification and resulting report that will:
  - (1) verify the forest source of the timber or wood; and
  - (2) assess whether the source meets the relevant criteria of clause 24.b.
- i. The statistical reporting requirement at clause 24.j applies to all Timber and Wood-Derived Products delivered under the Contract. The Authority reserves the right to amend the requirement for statistical reporting, in the event that the UK Government changes the requirement for reporting compliance with the Government Timber Procurement Policy. Amendments to the statistical reporting requirement will be made in accordance with Condition

6 (Formal Amendments to the Contract).

- j. The Contractor shall provide to the Authority, a completed Schedule 7 (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements), the data or Information the Authority requires in respect of Timber and Wood-Derived Products delivered to the Authority under the Contract, or in respect of each order in the case of a Framework Agreement, or at such other frequency as stated in the Contract. The Contractor shall send all completed Schedule 7s (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements), including nil returns where appropriate, to the Authority's Representative (Commercial).
- k. The Schedule 7 (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements) may be amended by the Authority from time to time, in accordance with Condition 6 (Formal Amendments to the Contract).
- l. The Contractor shall obtain any wood, other than processed wood, used in Packaging from:
  - (1) companies that have a full registered status under the Forestry Commission and Timber Packaging and Pallet Confederation's UK Wood Packaging Material Marking Programme (more detailed information can be accessed at [www.forestry.gov.uk](http://www.forestry.gov.uk)) and all such wood shall be treated for the elimination of raw wood pests and marked in accordance with that Programme; or
  - (2) sources supplying wood treated and marked so as to conform to Annex I and Annex II of the International Standard for Phytosanitary Measures, "Guidelines for Regulating Wood Packaging Material in International Trade", Publication No 15 published by the Food and Agricultural Organisation of the United Nations (ISPM15) (more detailed information can be accessed at [www.fao.org](http://www.fao.org)).

## **25. Certificate of Conformity**

- a. Where required in Schedule 3 (Contract Data Sheet) the Contractor shall provide a Certificate of Conformity (CofC) in accordance with Schedule 2 (Schedule of Requirements) and any applicable Quality Plan. One copy of the CofC shall be sent to the Authority's Representative (Commercial) upon Delivery, and one copy shall be provided to the Consignee upon Delivery.
- b. Each CofC should include the wording "Certificate of Conformity" in the title of the document to allow for easy identification. One CofC is to be used per NSN/part number; a CofC must not cover multiple line items.
- c. The Contractor shall consider the CofC to be a record in accordance with Condition 17 (Contractor's Records).
- d. The Information provided on the CofC shall include:
  - (1) Contractor's name and address;
  - (2) Contractor unique CofC number;
  - (3) Contract number and where applicable Contract amendment number;
  - (4) details of any approved concessions;
  - (5) acquirer name and organisation;
  - (6) Delivery address;

- (7) Contract Item Number from Schedule 2 (Schedule of Requirements);
- (8) description of Contractor Deliverable, including part number, specification and configuration status;
- (9) NATO Stock Number (NSN) (where allocated);
- (10) identification marks, batch and serial numbers in accordance with the Specification;
- (11) quantities;
- (12) a signed and dated statement by the Contractor that the Contractor Deliverables comply with the requirements of the Contract and approved concessions.

Exceptions or additions to the above are to be documented.

- e. Where Schedule 2 (Schedule of Requirements) and any applicable Quality Plan require demonstration of traceability and design provenance through the supply chain the Contractor shall include in any relevant subcontract the requirement for the Information called for at clause 25.d. The Contractor shall ensure that this Information is available to the Authority through the supply chain upon request in accordance with Condition 17 (Contractor Records).

## **26. Access to Contractor's Premises**

- a. The Contractor shall provide to the Authority's Representatives following reasonable Notice, relevant accommodation/facilities, at no direct cost to the Authority, and all reasonable access to their premises for the purpose of monitoring the Contractor's progress and quality standards in performing the Contract.  
*See 54.1 26a. For Special Conditions relating to Access to Contractor's Premises*
- b. As far as reasonably practical, the Contractor shall ensure that the provisions of clause 26.a are included in their subcontracts with those suppliers identified in the Contract. The Authority, through the Contractor, shall arrange access to such Subcontractors.

## **27. Delivery / Collection**

- a. Schedule 3 (Contract Data Sheet) shall specify whether the Contractor Deliverables are to be Delivered to the Consignee by the Contractor or Collected from the Consignor by the Authority.
- b. Where the Contractor Deliverables are to be Delivered by the Contractor (or a third party acting on behalf of the Contractor), the Contractor shall, unless otherwise stated in writing:
  - (1) contact the Authority's Representative as detailed in Schedule 3 (Contract Data Sheet) in advance of the Delivery Date in order to agree administrative arrangements for Delivery and provide any Information pertinent to Delivery requested;
  - (2) comply with any special instructions for arranging Delivery in Schedule 3 (Contract Data Sheet);
  - (3) ensure that each consignment of the Contractor Deliverables is accompanied by, (as specified in Schedule 3 (Contract Data Sheet)), a DEFFORM 129J in accordance with the instructions;
  - (4) be responsible for all costs of Delivery; and
  - (5) Deliver the Contractor Deliverables to the Consignee at the address stated in Schedule 2



(Schedule of Requirements) by the Delivery Date between the hours agreed by the Parties.

- c. Where the Contractor Deliverables are to be Collected by the Authority (or a third party acting on behalf of the Authority), the Contractor shall, unless otherwise stated in writing:
  - (1) contact the Authority's Representative (Transport) as detailed in box 10 of Annex A to Schedule 3 (Contract Data Sheet) in advance of the Delivery Date in order to agree specific arrangements for Collection and provide any Information pertinent to the Collection requested;
  - (2) comply with any special instructions for arranging Collection in Schedule 3 (Contract Data Sheet);
  - (3) ensure that each consignment of the Contractor Deliverables is accompanied by, (as specified in Schedule 3 (Contract Data Sheet)), a DEFFORM 129J in accordance with the instructions;
  - (4) ensure that the Contractor Deliverables are available for Collection by the Authority from the Consignor (as specified in Schedule 3 (Contract Data Sheet)) by the Delivery Date between the hours agreed by the Parties; and
  - (5) in the case of Overseas consignments, ensure that the Contractor Deliverables are accompanied by the necessary transit documentation. All Customs clearance shall be the responsibility of the Authority's Representative (Transport).
- d. Title and risk in the Contractor Deliverables shall only pass from the Contractor to the Authority:
  - (1) on the Delivery of the Contractor Deliverables by the Contractor to the Consignee in accordance with clause 27.b; or
  - (2) on the Collection of the Contractor Deliverables from the Consignor by the Authority once they have been made available for Collection by the Contractor in accordance with clause 27.c.

## **28. Acceptance**

- a. Acceptance of the Contractor Deliverables shall occur in accordance with any acceptance procedure specified in Schedule 8 (Acceptance Procedure). If no acceptance procedure is so specified acceptance shall occur when either:
  - (1) the Authority does any act in relation to the Contractor Deliverable which is inconsistent with the Contractor's ownership; or
  - (2) the time limit in which to reject the Contractor Deliverables defined in clause 29.b has elapsed.

## **29. Rejection and Counterfeit Materiel**

### **Rejection:**

- a. If any of the Contractor Deliverables Delivered to the Authority do not conform to the Specification or any other terms of the Contract, then (without limiting any other right or remedy that the Authority may have) the Authority may reject the Contractor Deliverables (in whole or in part). The Authority shall return these Contractor Deliverables to the Contractor at the Contractor's risk and cost.

- b. Rejection of any of the Contractor Deliverables under clause 29.a30.a shall take place by the time limit for rejection specified in Schedule 3 (Contract Data Sheet), or if no such period is specified, the Contractor Deliverables shall be deemed to be accepted within a reasonable period of time.

**Counterfeit Materiel:**

- c. Where the Authority suspects that any Contractor Deliverable or consignment of Contractor Deliverables contains Counterfeit Materiel, it shall:
  - (1) notify the Contractor of its suspicion and reasons therefore;
  - (2) where reasonably possible, and if requested by the Contractor within 10 Business Days of such notification, (at the Contractor's own risk and expense and subject to any reasonable controls specified by the Authority) afford the Contractor the facility to (i) inspect the Contractor Deliverable or consignment and/or (ii) obtain a sample thereof for validation or testing purposes.
  - (3) give the Contractor a further 20 Business Days or such other reasonable period agreed by the Authority, from the date of the inspection at 29.c.(2).(i) or the provision of a sample at 29.c.(2).(ii), to comment on whether the Contractor Deliverable or consignment meets the definition of Counterfeit Materiel; and
  - (4) determine, on the balance of probabilities and strictly on the evidence available to it at the time, whether the Contractor Deliverable or consignment meets the definition of Counterfeit Materiel

Where the Authority has determined that the Contractor Deliverable, part or consignment of Contractor Deliverables contain Counterfeit Material then it may reject the Contractor Deliverable, part or consignment under 29.a and 29.b (Rejection).

- d. In addition to its rights under 29.a and 29.b (Rejection), where the Authority reasonably believes that any Contractor Deliverable or consignment of Contractor Deliverables contains Counterfeit Materiel, it shall be entitled to:
  - (1) retain any Counterfeit Materiel; and/or
  - (2) retain the whole or any part of such Contractor Deliverable or consignment where it is not possible to separate the Counterfeit Materiel from the rest of the Contractor Deliverable, or consignment; and such retention shall not constitute acceptance under Condition 28 (Acceptance).
- e. Where the Authority intends to exercise its rights under clause 29.d, it shall where reasonable permit the Contractor, within a period specified by the Authority, to arrange at their own risk and expense and subject to any reasonable controls specified by the Authority, for:
  - (1) the separation of Counterfeit Materiel from any Contractor Deliverable or part of a Contractor Deliverable; and/or
  - (2) the removal of any Contractor Deliverable or part of a Contractor Deliverable that the Authority is satisfied does not contain Counterfeit Materiel.
- f. In respect of any Contractor Deliverable, consignment or part thereof that is retained in accordance with clause 29.d, including where the Authority permits the Contractor to remove non-Counterfeit Materiel under clause 29.e but the Contractor fails to do so within the period

specified by the Authority and subject to clause 29.j, the Authority shall be entitled to exercise any, all, or any combination of, the following rights:

- (1) to dispose of it responsibly, and in a manner that does not permit its reintroduction into the supply chain or market;
- (2) to pass it to a relevant investigatory or regulatory authority;
- (3) to retain conduct or have conducted further testing including destructive testing, for further investigatory, regulatory or risk management purposes. Results from any such tests shall be shared with the Contractor; and/or
- (4) to recover the reasonable costs of testing, storage, access, and/or disposal of it from the Contractor.

Exercise of the rights granted at clauses 29.f.(1) to 29.f.(3) shall not constitute acceptance under Condition 28 (Acceptance).

- g. Any scrap or other disposal payment received by the Authority shall be off set against any amount due to the Authority under clause 29.f.(4). If the value of the scrap or other disposal payment exceeds the amount due to the Authority under clause 29.f.(4) then the balance shall accrue to the Contractor.
- h. The Authority shall not use a retained Article or consignment other than as permitted in clauses 29.c – 29.j.
- i. The Authority may without restriction report a discovery of Counterfeit Materiel and disclose information necessary for the identification of similar materiel and its possible sources.
- j. The Contractor shall not be entitled to any payment or compensation from the Authority as a result of the Authority exercising the rights set out in clauses 29.c – 29.j except where it has been determined in accordance with Condition 39 (Dispute Resolution) that the Authority has made an incorrect determination in accordance with clause 20.c.(4). In such circumstances the Authority shall reimburse the Contractor's reasonable costs of complying with clause 29.c.

### **30. Diversion Orders**

- a. The Authority shall notify the Contractor at the earliest practicable opportunity if it becomes aware that a Contractor Deliverable is likely to be subject to a Diversion Order.
- b. The Authority may issue a Diversion Order for the urgent delivery of the Contractor Deliverables identified in it. These Contractor Deliverables are to be delivered by the Contractor using the quickest means available as agreed by the Authority.
- c. The Authority reserves the right to cancel the Diversion Order.
- d. If the terms of the Diversion Order are unclear, the Contractor shall immediately contact the Representative of the Authority who issued it for clarification and/or further instruction.
- e. If the Diversion Order increases the quantity of Contractor Deliverables beyond the scope of the Contract, it is to be returned immediately to the Authority's Commercial Officer with an appropriate explanation.
- f. The Contractor shall be entitled to reasonable additional delivery and packaging costs incurred in complying with the Diversion Order or cancellation. Claims are to be submitted by the Contractor to the Authority's Commercial Officer together with applicable receipts and agreed as

an amendment to the Contract in accordance with Condition 6 (Formal Amendments to the Contract). The Contractor shall comply with the requirements of the Diversion Order upon receipt of the Diversion Order.

### **31. Self-to-Self Delivery**

- a. Where it is stated in Schedule 3 (Contract Data Sheet) that any Contractor Deliverable is to be Delivered by the Contractor to their own premises, or to those of a Subcontractor ('self-to-self delivery'), the risk in such a Contractor Deliverable shall remain vested in the Contractor until such time as it is handed over to the Authority.

## **Licences and Intellectual Property**

### **32. Import and Export Licences**

- a. If, in the performance of the Contract, the Contractor needs to import into the UK or export out of the UK anything not supplied by or on behalf of the Authority and for which a UK import or export licence is required, the responsibility for applying for the licence shall rest with the Contractor. The Authority shall provide the Contractor with sufficient information, certification, documentation and other reasonable assistance in obtaining any necessary UK import or export licence.
- b. When an export licence or import licence or authorisation either singularly or in combination is required from a foreign government for the performance of the Contract, the Contractor shall as soon as reasonably practicable consult with the Authority on the licence requirements. Where the Contractor is the applicant for the licence or authorisation the Contractor shall:
  - (1) ensure that when end use or end user restrictions, or both, apply to all or part of any Contractor Deliverable (which for the purposes of this Condition shall also include information, technical data and software), the Contractor, unless otherwise agreed with the Authority, shall identify in the application:
    - (a) the end user as: His Britannic Majesty's Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter "HM Government"); and
    - (b) the end use as: For the Purposes of HM Government; and
  - (2) include in the submission for the licence or authorisation a statement that "information on the status of processing this application may be shared with the Ministry of Defence of the United Kingdom".
- c. If the Contractor or any Subcontractor in the performance of the Contract needs to export materiel not previously supplied by or on behalf of the Authority for which an export licence or import licence or authorisation from a foreign government is required, the responsibility for instituting expeditious action to apply for and obtain the licence shall rest with the Contractor or that Subcontractor. For the purposes of this Condition materiel shall mean information, technical data and items, including Contractor Deliverables, components of Contractor Deliverables and software.
- d. Where the Contract performance requires the export of materiel for which a foreign export licence or import licence or authorisation is required, the Contractor shall include the dependencies for the export licence or import licence or authorisation application, grant and maintenance in the Contract risk register and in the risk management plan for the Contract, with appropriate review points. Where there is no requirement under the Contract for a risk management plan the Contractor shall submit this information to the Authority's representative.

- e. During the term of the Contract and for a period of up to 2 years from completion of the Contract, the Authority may make a written request to the Contractor to seek a variation to the conditions to a foreign export licence or import licence or authorisation to enable the Authority to re-export or re-transfer a licensed or authorised item or licensed or authorised information from the UK to a non-licensed or unauthorised third party. If the Authority makes such a request it will consult with the Contractor before making a determination of whether the Authority or the Contractor is best placed in all the circumstance to make the request. Where, subsequent to such consultation the Authority notifies the Contractor that the Contractor is best placed to make such request:
- (1) the Contractor shall, or procure that the Contractor's Subcontractor shall, expeditiously consider whether or not there is any reason why it should object to making the request and, where it has no objection, file an application to seek a variation of the applicable export licence or import licence or authorisation in accordance with the procedures of the licensing authority. Where the Contractor has an objection, the Parties shall meet within five (5) working days to resolve the issue and should they fail the matter shall be escalated to an appropriate level within both Parties' organisations, to include their respective export licensing subject matter experts; and
  - (2) the Authority shall provide sufficient information, certification, documentation and other reasonable assistance as may be necessary to support the application for the requested variation.
- f. Where the Authority determines that it is best placed to make such request the Contractor shall provide sufficient information, certification, documentation and other reasonable assistance as may be necessary to support the Authority to make the application for the requested variation.
- g. Where the Authority invokes clause 32.e or 32.f the Authority will pay the Contractor a fair and reasonable charge for this service based on the cost of providing it.
- h. Where the Contractor subcontracts work under the Contract, which is likely to be subject to foreign export control, import control or both the Contractor shall use reasonable endeavours to incorporate in each subcontract equivalent obligations to those set out in this Condition. Where it is not possible to include equivalent terms to those set out in this Condition, the Contractor shall report that fact and the circumstances to the Authority.
- i. Without prejudice to HM Government's position on the validity of any claim by a foreign government to extra-territoriality, the Authority shall provide the Contractor with sufficient information, certification, documentation and other reasonable assistance to facilitate the granting of export licences or import licences or authorisations by a foreign Government in respect of the performance of the Contract.
- j. The Authority shall provide such assistance as the Contractor may reasonably require in obtaining any UK export licences necessary for the performance of the Contract.
- k. The Contractor shall use reasonable endeavours to identify whether any Contractor Deliverable is subject to:
- (1) a non-UK export licence, authorisation or exemption; or
  - (2) any other related transfer or export control,
- that imposes or will impose end use, end user or re-transfer or re-export restrictions, or restrictions on disclosure to individuals based upon their nationality. This does not include the

Intellectual Property-specific restrictions of the type referred to in Condition 33 (Third Party Intellectual Property – Rights and Restrictions).

- l. If at any time during the term of the Contract the Contractor becomes aware that all or any part of the Contractor Deliverables are subject to clause 32.k.(1) or 32.k.(2), they shall notify the Authority of this as soon as reasonably practicable by providing details in the DEFFORM 528 or other mutually agreed alternative format. Such notification shall be no later than thirty (30) days of knowledge of any affected Contractor Deliverable and in any event such notification shall be not less than thirty (30) days prior to delivery of the Contractor Deliverables.
- m. If the information to be provided under clause 32.l has been provided previously to the Authority by the Contractor under the Contract, the Contractor may satisfy these requirements by giving details of the previous notification and confirming they remain valid and satisfy the provisions of clause 32.l.
- n. During the term of the Contract, the Contractor shall notify the Authority as soon as reasonably practicable of any changes in the information notified previously under clauses 32.l or 32.m of which they become or are aware that would affect the Authority's ability to use, disclose, re-transfer or re-export an item or part of it as is referred to in those clauses by issuing an updated DEFFORM 528 to the Authority.
- o. For a period of up to 2 years from completion of the Contract and in response to a specific request by the Authority, the Contractor shall notify the Authority as soon as reasonably practicable of any changes in the information notified previously under clause 32.l or 32.m of which they become aware that would affect the Authority's ability to use, disclose, re-transfer or re-export an item or part of it as is referred to in those clauses by issuing an updated DEFFORM 528 to the Authority.
- p. Where following receipt of materiel from a Subcontractor or any of their other suppliers restrictions are notified to the Contractor by that Subcontractor, supplier or other third party or are identified by the Contractor, the Contractor shall immediately inform the Authority by issuing an updated DEFFORM 528. Within [X] days of such notification, the Contractor shall propose to the Authority actions to mitigate the impact of such restrictions. Such proposals may include, where appropriate, mutually supported attempts to obtain removal or modification to the restrictions or to obtain appropriate authorisations from the relevant foreign government. The Authority shall notify the contractor within [X] days of receipt of a proposal whether it is acceptable and where appropriate the Contract shall be modified in accordance with its terms to implement the proposal.
- q. If the restrictions prevent the Contractor from performing their obligations under the Contract and have not been removed, modified or otherwise satisfactorily managed within a reasonable time, the Authority may at its absolute discretion elect to amend the contract in accordance with Condition 6 or as otherwise may be provided by the Contract, or to terminate the Contract. Except as set out in clause 32.r, in the event of termination in these circumstances termination shall be on fair and reasonable terms having regard to all the circumstances including payments already made and that would otherwise be due under the Contract, costs incurred by the Contractor and benefits received by the Authority. The Parties, acting in good faith, will use all reasonable endeavours to agree such fair and reasonable terms failing which either Party may refer the matter to dispute resolution in accordance with the provisions in the Contract.
- r. In the event that the restrictions notified to the Authority pursuant to clause 32.l were known or ought reasonably have been known by the Contractor (but were not disclosed) at contract award or if restrictions notified to the Authority pursuant to clauses 32.n or 32.p were known or ought reasonably to have been known by the Contractor at the date of submission of the most

recent DEFFORM 528 submitted to the Authority in accordance with clause 32.l, termination under clause 32.t will be in accordance with Condition 42 (Material Breach) and the provisions of clause 33.v will not apply.

- s. The Authority shall use reasonable endeavours to identify any export control restrictions applying to materiel to be provided to the Contractor as Government Furnished Assets (GFA). Where the Authority is to provide materiel necessary to enable the Contractor to perform the Contract or in respect of which the Services are to be provided, and that materiel is subject to a non-UK export licence, authorisation, exemption or other related transfer or export control as described in the provisions of clause 32.k, the Authority shall provide a completed DEFFORM 528 or will provide a new or updated DEFFORM 528 to the Contractor within thirty (30) days of the date of knowledge and in any case not later than thirty (30) days prior to the delivery of such materiel to the Contractor.
- t. In the event that the Authority becomes aware that the DEFFORM 528 disclosure was incomplete or inaccurate or in the event additional such materiel is identified then the Authority shall provide, as soon as reasonably practicable a new or revised DEFFORM 528. In the event that the Authority becomes aware that a prior disclosure included in DEFFORM 528 submitted to the Contractor was incomplete or inaccurate less than thirty (30) days prior to the delivery to the Contractor of any material to which the updated or new disclosure relates, the Parties will meet as soon as reasonably practicable to discuss how to mitigate the impact of the incomplete or inaccurate disclosure.

u. Where:

- (1) restrictions are advised by the Authority to the Contractor in a DEFFORM 528 provided pursuant to clauses 32.s or 32.t or both; or
- (2) any of the information provided by the Authority in any DEFFORM 528 proves to be incorrect or inaccurate;

the Authority and the Contractor shall act promptly to mitigate the impact of such restrictions or incorrect or inaccurate information. Such mitigation shall include, where appropriate, mutually supported attempts to obtain removal or modification to the restrictions or to obtain appropriate authorisations from the relevant foreign government. If the restrictions or incorrect or inaccurate information adversely affect the ability of the Contractor to perform their obligations under the Contract, the matter shall be handled under the terms of Condition 6 (Formal Amendments to the Contract) or as may otherwise be provided by the Contract as appropriate and if no alternative solution satisfies the essential terms of the Contract and the restrictions have not been removed, modified or otherwise satisfactorily managed within a reasonable time the Authority may terminate the Contract. Termination under these circumstances will be under the terms of Condition 41 (Termination for Convenience) and as referenced in the Contract.

- v. Pending agreement of any amendment of the Contract as set out in clause 32.q or 32.u, provided the Contractor takes such steps as are reasonable to mitigate the impact, the Contractor shall be relieved from their obligations to perform those elements of the Contract directly affected by the restrictions or provision of incorrect or incomplete information.

### **33. Third Party Intellectual Property – Rights and Restrictions**

- a. The Contractor and, where applicable any Subcontractor, shall promptly notify the Authority as soon as they become aware of:
  - (1) any invention or design the subject of patent or registered Design Rights (or application

thereof) owned by a third party which appears to be relevant to the performance of the Contract or to use by the Authority of anything required to be done or delivered under the Contract;

- (2) any restriction as to disclosure or use, or obligation to make payments in respect of any other intellectual property (including technical Information) required for the purposes of the Contract or subsequent use by the Authority of anything delivered under the Contract and, where appropriate, the notification shall include such Information as is required by Section 2 of the Defence Contracts Act 1958;
- (3) any allegation of infringement of intellectual property rights made against the Contractor and which pertains to the performance of the Contract or subsequent use by the Authority of anything required to be done or delivered under the Contract.

clause 33.a does not apply in respect of Contractor Deliverables normally available from the Contractor as a Commercial Off The Shelf (COTS) item or service.

- b. If the Information required under clause 33.a has been notified previously, the Contractor may meet their obligations by giving details of the previous notification.
- c. For COTS Contractor Deliverables patents and registered designs in the UK, in respect of any question arising (by way of an allegation made to the Authority or Contractor, or otherwise) that the manufacture or provision under the Contract of Contractor Deliverables normally available from the Contractor as a COTS item or service is an infringement of a UK patent or registered design not owned or controlled by the Contractor or the Authority, the Contractor shall, subject to the agreement of the third party owning such patent or registered design, be given exclusive conduct of any and all negotiations for the settlement of any claim or the conduct of any litigation arising out of such question. The Contractor shall indemnify the Authority, its officers, agents and employees against any liability and cost arising from such allegation. This Condition shall not apply if:
  - (1) the Authority has made or makes an admission of any sort relevant to such question;
  - (2) the Authority has entered or enters into any discussions on such question with any third party without the prior written agreement of the Contractor;
  - (3) the Authority has entered or enters into negotiations in respect of any relevant claim for compensation in respect of Crown Use under Section 55 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949;
  - (4) legal proceedings have been commenced against the Authority or the Contractor in respect of Crown Use, but only to the extent of such Crown Use that has been properly authorised.
- d. The indemnity in clause 33.c does not extend to use by the Authority of anything supplied under the Contract where that use was not reasonably foreseeable at the time of the Contract.
- e. In the event that the Authority has entered into negotiation in respect of a claim for compensation, or legal proceedings in respect of the Crown Use have commenced, the Authority shall forthwith authorise the Contractor for the purposes of performing the Contract (but not otherwise) to utilise a relevant invention or design in accordance with Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949 and to use any model, document or information relating to any such invention or design which may be required for that purpose.
- f. For all other Contractor Deliverables patents and registered designs in the UK, if a relevant



invention or design has been notified to the Authority by the Contractor prior to the Effective Date of Contract, then unless it has been otherwise agreed, under the provisions of Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949, the Contractor is hereby authorised to utilise that invention or design, notwithstanding the fact that it is the subject of a UK Patent or UK Registered Design, for the purpose of performing the Contract.

- g. If, under clause 33.a, a relevant invention or design is notified to the Authority by the Contractor after the Effective Date of Contract, then:
- (1) if the owner (or its exclusive licensee) takes or threatens in writing to take any relevant action against the Contractor, the Authority shall issue to the Contractor a written authorisation in accordance with the provisions of Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949, and
  - (2) in any event, unless the Contractor and the Authority can agree an alternative course of action, the Authority shall not unreasonably delay the issue of a written authorisation in accordance with the provisions of Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949.
- h. The Authority shall assume all liability and shall indemnify the Contractor, their officers, agents and employees against liability, including the Contractor's costs, as a result of infringement by the Contractor or their suppliers of any patent, utility model, registered design or like protection outside the United Kingdom in the performance of the Contract when such infringement arises from or is incurred by reason of the Contractor following any specification, statement of work or instruction in the Contract or using, keeping or disposing of any item given by the Authority for the purpose of the Contract in accordance with the Contract.
- i. The Contractor shall assume all liability and shall indemnify the Authority, its officers, agents and employees against liability, including the Authority's costs, as a result of infringement by the Contractor or their suppliers of any patent, utility model, registered design or like protection outside the UK in the performance of the Contract when such infringement arises from or is incurred otherwise than by reason of the Contractor following any specification, statement of work or instruction in the Contract or using, keeping or disposing of any item given by the Authority for the purpose of the Contract in accordance with the Contract.
- j. The Contractor shall not be entitled to any reimbursement of any royalty, licence fee or similar expense incurred in respect of anything to be done under the Contract, where:
- (1) a relevant discharge has been given under Section 2 of the Defence Contracts Act 1958, or relevant authorisation in accordance with Sections 55 or 57 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Section 240 of the Copyright, Designs and Patents Act 1988 in respect of any intellectual property; or
  - (2) any obligation to make payments for intellectual property has not been promptly notified to the Authority under clause 33.a.
- k. Where authorisation is given by the Authority under clause 33.e, 33.f or 33.g, to the extent permitted by Section 57 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Section 240 of the Copyright, Designs and Patents Act 1988, the Contractor shall also be:
- (1) released from payment whether by way of royalties, licence fees or similar expenses in respect of the Contractor's use of the relevant invention or design, or the use of any relevant model, document or information for the purpose of performing the Contract; and

- (2) authorised to use any model, document or information relating to any such invention or design which may be required for that purpose.
- l. The Contractor shall assume all liability and indemnify the Authority and its officers, agents and employees against liability, including costs as a result of:
  - (1) infringement or alleged infringement by the Contractor or their suppliers of any copyright, database right, Design Right or the like protection in any part of the world in respect of any item to be supplied under the Contract or otherwise in the performance of the Contract;
  - (2) misuse of any confidential information, trade secret or the like by the Contractor in performing the Contract;
  - (3) provision to the Authority of any Information or material which the Contractor does not have the right to provide for the purpose of the Contract.
- m. The Authority shall assume all liability and indemnify the Contractor, their officers, agents and employees against liability, including costs as a result of:
  - (1) infringement or alleged infringement by the Contractor or their suppliers of any copyright, database right, Design Right or the like protection in any part of the world in respect of any item provided by the Authority for the purpose of the Contract but only to the extent that the item is used for the purpose of the Contract;
  - (2) alleged misuse of any confidential Information, trade secret or the like by the Contractor as a result of use of Information provided by the Authority for the purposes of the Contract, but only to the extent that Contractor's use of that Information is for the purposes intended when it was disclosed by the Authority.
- n. The general authorisation and indemnity is:
  - (1) clauses 33.a – 33.m represents the total liability of each Party to the other under the Contract in respect of any infringement or alleged infringement of patent or other Intellectual Property Right (IPR) owned by a third party;
  - (2) neither Party shall be liable, one to the other, for any consequential loss or damage arising as a result, directly or indirectly, of a claim for infringement or alleged infringement of any patent or other IPR owned by a third party;
  - (3) a Party against whom a claim is made or action brought, shall promptly notify the other Party in writing if such claim or action appears to relate to an infringement which is the subject of an indemnity or authorisation given under this Condition by such other Party. The notification shall include particulars of the demands, damages and liabilities claimed or made of which the notifying Party has notice;
  - (4) the Party benefiting from the indemnity or authorisation shall allow the other Party, at its own expense, to conduct any negotiations for the settlement of the same, and any litigation that may arise therefrom and shall provide such information as the other Party may reasonably require;
  - (5) following a notification under clause 33.n.(3), the Party notified shall advise the other Party in writing within thirty (30) Business Days whether or not it is assuming conduct of the negotiations or litigation. In that case the Party against whom a claim is made or action brought shall not make any statement which might be prejudicial to the settlement or defence of such a claim without the written consent of the other Party;

- (6) the Party conducting negotiations for the settlement of a claim or any related litigation shall, if requested, keep the other Party fully informed of the conduct and progress of such negotiations.
- o. If at any time a claim or allegation of infringement arises in respect of copyright, database right, Design Right or breach of confidence as a result of the provision of any Contractor Deliverable by the Contractor to the Authority, the Contractor may at their own expense replace the item with an item of equivalent functionality and performance so as to avoid infringement or breach. The Parties will co-operate with one another to mitigate any claim or damage which may arise from use of third party IPR.
- p. Nothing in Condition 33 shall be taken as an authorisation or promise of an authorisation under Section 240 of the Copyright, Designs and Patents Act 1988.
- q. Notwithstanding any other provisions of the Contract and for the avoidance of doubt, award of the Contract by the Authority and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Contractor acknowledges that any such authorisation by the Authority under its statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific intellectual property involved.

### **Pricing and Payment**

#### **34. Contract Price**

- a. The Contractor shall provide the Contractor Deliverables to the Authority at the Contract Price. The Contract Price shall be a Firm Price unless otherwise stated in Schedule 3 (Contract Data Sheet).
- b. Subject to clause 34.a the Contract Price shall be inclusive of any UK custom and excise or other duty payable. The Contractor shall not make any claim for drawback of UK import duty on any part of the Contract Deliverables supplied which may be for shipment outside of the UK.

#### **35. Payment and Recovery of Sums Due**

- a. Payment for Contractor Deliverables will be made by electronic transfer and prior to submitting any claims for payment under clause 35.b the Contractor will be required to register their details (Supplier on-boarding) on the Contracting, Purchasing and Finance (CP&F) electronic procurement tool.
- b. Where the Contractor submits an invoice to the Authority in accordance with clause 35.a, the Authority will consider and verify that invoice in a timely fashion.  
*See 54.1 35 b. For Special Conditions relating to Payment and Recovery of Sums Due*
- c. The Authority shall pay the Contractor any sums due under such an invoice no later than a period of 30 days from the date on which the Authority has determined that the invoice is valid and undisputed.
- d. Where the Authority fails to comply with clause 35.a and there is undue delay in considering and verifying the invoice, the invoice shall be regarded as valid and undisputed for the purpose of clause 35.c after a reasonable time has passed.
- e. The approval for payment of a valid and undisputed invoice by the Authority shall not be construed as acceptance by the Authority of the performance of the Contractor's obligations nor as a waiver of its rights and remedies under the Contract.

- f. Without prejudice to any other right or remedy, the Authority reserves the right to set off any amount owing at any time from the Contractor to the Authority against any amount payable by the Authority to the Contractor under the Contract or under any other contract with the Authority, or with any other Government Department.

*See 54.1 35 f. For Special Conditions relating to Payment and Recovery of Sums Due*

### **36. Value Added Tax**

- a. The Contract Price excludes any UK output Value Added Tax (VAT) and any similar EU (or non-EU) taxes chargeable on the supply of Contractor Deliverables by the Contractor to the Authority.
- b. If the Contractor is required by UK VAT law to be registered for UK VAT (or has registered voluntarily) in respect of their business activities at the time of any supply, and the circumstances of any supply are such that the Contractor is liable to pay the tax due to HM Revenue and Customs (HMRC), the Authority shall pay to the Contractor in addition to the Contract Price (or any other sum due to the Contractor) a sum equal to the output VAT chargeable on the tax value of the supply of Contractor Deliverables, and all other payments under the Contract according to the law at the relevant tax point.
- c. The Contractor is responsible for the determination of VAT liability. The Contractor shall consult their Client Relationship Manager or the HMRC Enquiries Desk (and not the Authority's Representative (Commercial)) in cases of doubt. The Contractor shall notify the Authority's Representative (Commercial) of the Authority's VAT liability under the Contract, and any changes to it, within twenty (20) Business 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 may require the Contractor to obtain, and pass to the Authority, a formal ruling from HMRC. The Contractor shall comply promptly with any such requirement. Where the Contractor obtains a ruling from HMRC, they shall supply a copy to the Authority within three (3) Business Days of receiving that ruling unless they propose to challenge the ruling. Where the Contractor challenges the ruling they shall supply to the Authority a copy of any final decisions issued by HMRC on completion of the challenge within three (3) Business Days of receiving the decision.
- d. Where supply of Contractor Deliverables comes within the scope of UK VAT, but the Contractor is not required by UK VAT law to be registered for UK VAT (and has not registered voluntarily), the Authority shall be responsible for assessing and paying over directly to HMRC any UK output VAT due in respect of the Contractor Deliverables. The Contractor shall be responsible for ensuring they take into account any changes in VAT law regarding registration.
- e. Where Contractor Deliverables are deemed to be supplied to the Authority outside the UK, the Contractor may be required by the laws of the country where the supply takes place to register there for EU (or non-EU) turnover or similar tax. In that event, the Authority shall pay to the Contractor in addition to the Contract Price (and any other sum due to the Contractor under the Contract) a sum equal to the tax the Contractor is liable to pay to the tax authorities of the country in question in relation to the Contractor Deliverables within thirty (30) calendar days of a written request for payment of any such sum by the Contractor.
- f. In relation to the Contractor Deliverables supplied under the Contract the Authority shall not be required to pay any sum in respect of the Contractor's input VAT (or similar EU or non-EU or both input taxes). However, these input taxes will be allowed where it is established that, despite the Contractor having taken all reasonable steps to recover them, it has not been possible to do so. Where there is any doubt that the Contractor has complied with this requirement the matter shall be resolved in accordance with Condition 39 (Dispute Resolution).

- g. Should HMRC decide that the Contractor has incorrectly determined the VAT liability, in accordance with clause 36.b above, the Authority will pay the VAT assessed by HMRC. In the event that HMRC so determines, the Contractor shall pay any interest charged on any assessment or penalties or both directly to HMRC. Such interest or penalties or both shall not be recoverable from the Authority under the Contract or any other contract. 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) Business Days of a written request from the Authority for such correspondence.

### **37. Debt Factoring**

- a. Subject to the Contractor obtaining the prior written consent of the Authority in accordance with Condition 11 (Assignment of Contract), the Contractor may assign to a third Party ("the Assignee") the right to receive payment of the Contract Price or any part thereof due to the Contractor under the Contract (including interest which the Authority incurred through late payment under the Late Payment of Commercial Debts (Interest) Act 1998 ("the Act")). Any assignment of the right to receive payment of the Contract Price (or any part thereof) under this Condition 37 shall be subject to:
  - (1) reduction of any sums in respect of which the Authority exercises its right of recovery under clause 35.f;
  - (2) all related rights of the Authority under the Contract in relation to the recovery of sums due but unpaid; and
  - (3) the Authority receiving notification under both clauses 37.b and 37.c.(2).
- b. In the event that the Contractor obtains from the Authority the consent to assign the right to receive the Contract Price (or any part thereof) under clause 37.a, the Contractor shall notify the Authority in writing of the assignment and the date upon which the assignment becomes effective.
- c. The Contractor shall ensure that the Assignee:
  - (1) is made aware of the Authority's continuing rights under clauses 37.a.(1) and 37.a.(2); and
  - (2) notifies the Authority of the Assignee's contact information and bank account details to which the Authority shall make payment, subject to any reduction made by the Authority in accordance with clauses 37.a.(1) and 37.a.(2).
- d. The provisions of Condition 35 (Payment and Recovery of Sums Due) shall continue to apply in all other respects after the assignment and shall not be amended without the prior approval of the Authority.

### **38. Subcontracting and Prompt Payment**

- a. Subcontracting any part of the Contract shall not relieve the Contractor of any of the Contractor's obligations, duties or liabilities under the Contract.
- b. Where the Contractor enters into a subcontract, they shall cause a term to be included in such subcontract:
  - (1) providing that where the Subcontractor submits an invoice to the Contractor, the Contractor will consider and verify that invoice in a timely fashion;
  - (2) providing that the Contractor shall pay the Subcontractor any sums due under such an

invoice no later than a period of thirty (30) days from the date on which the Contractor has determined that the invoice is valid and undisputed;

- (3) providing that where the Contractor fails to comply with clause 38.b.(1) above, and there is an undue delay in considering and verifying the invoice, that the invoice shall be regarded as valid and undisputed for the purposes of clause 38.b.(2) after a reasonable time has passed; and
- (4) requiring the counterparty to that subcontract to include in any subcontract which it awards, provisions having the same effect as clauses 38.b.(1) to 38.b.(4).

## **Termination**

### **39. Dispute Resolution**

- a. The Parties will attempt in good faith to resolve any dispute or claim arising out of or relating to the Contract 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 procedure on which the Parties may agree.
- b. In the event that the dispute or claim is not resolved pursuant to clause 39.a the dispute shall be referred to arbitration. Unless otherwise agreed in writing by the Parties, the arbitration and this clause 39.b shall be governed by the Arbitration Act 1996. For the purposes of the arbitration, the arbitrator shall have the power to make provisional awards pursuant to Section 39 of the Arbitration Act 1996.
- c. For the avoidance of doubt, anything said, done or produced in or in relation to the arbitration process (including any awards) shall be confidential between the Parties, except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

### **40. Termination for Insolvency or Corrupt Gifts**

#### **Insolvency:**

- a. The Authority may terminate the Contract, without paying compensation to the Contractor, by giving written Notice of such termination to the Contractor at any time after any of the following events:

Where the Contractor is an individual or a firm:

- (1) the application by the individual or, in the case of a firm constituted under English law, any partner of the firm to the court for an interim order pursuant to Section 253 of the Insolvency Act 1986; or
- (2) the court making an interim order pursuant to Section 252 of the Insolvency Act 1986; or
- (3) the individual, the firm or, in the case of a firm constituted under English law, any partner of the firm making a composition or a scheme of arrangement with them or their creditors; or
- (4) the presentation of a petition for bankruptcy order against the individual or, in the case of a firm constituted under English law, any partner of the firm unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (5) the court making a bankruptcy order in respect of the individual or, in the case of a firm constituted under English law, any partner of the firm; or

- (6) where the Contractor is either unable to pay their debts as they fall due or has no reasonable prospect of being able to pay debts which are not immediately payable. The Authority shall regard the Contractor as being unable to pay their debts if:
  - (a) they have failed to comply with or to set aside a Statutory demand under Section 268 of the Insolvency Act 1986 within twenty-one (21) days of service of the Statutory Demand on them; or
  - (b) execution or other process to enforce a debt due under a judgement or order of the court has been returned unsatisfied in whole or in part.
- (7) the presentation of a petition for sequestration in relation to the Contractor's estates unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (8) the court making an award of sequestration in relation to the Contractor's estates.

Where the Contractor is a company registered in England:

- (9) the presentation of a petition for the appointment of an administrator; unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (10) the court making an administration order in relation to the company; or
- (11) the presentation of a petition for the winding-up of the company unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (12) the company passing a resolution that the company shall be wound-up; or
- (13) the court making an order that the company shall be wound-up; or
- (14) the appointment of a Receiver or manager or administrative Receiver.

Where the Contractor is a company registered other than in England, events occur or are carried out which, within the jurisdiction to which they are subject, are similar in nature or effect to those specified in clauses 40.a.(9) to 40.a.(14) inclusive above.

- b. Such termination shall be without prejudice to and shall not affect any right of action or remedy which shall have accrued or shall accrue thereafter to the Authority and the Contractor.

**Corrupt Gifts:**

- c. The Contractor shall not do, and warrants that in entering the Contract they have not done any of the following (hereafter referred to as 'prohibited acts'):
- (1) offer, promise or give to any Crown servant any gift or financial or other advantage of any kind as an inducement or reward;
  - (a) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or execution of this or any other Contract with the Crown; or
  - (b) for showing or not showing favour or disfavour to any person in relation to this or any other Contract with the Crown.

- (2) enter into this or any other Contract with the Crown in connection with which commission has been paid or has been agreed to be paid by them or on their behalf, or to their knowledge, unless before the Contract is made particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the Authority.
- d. If the Contractor, their employees, agents or any Subcontractor (or anyone acting on their behalf or any of their employees) does any of the prohibited acts or commits any offence under the Bribery Act 2010 with or without the knowledge or authority of the Contractor in relation to this Contract or any other contract with the Crown, the Authority shall be entitled:
  - (1) to terminate the Contract and recover from the Contractor the amount of any loss resulting from the termination;
  - (2) to recover from the Contractor the amount or value of any such gift, consideration or commission; and
  - (3) to recover from the Contractor any other loss sustained in consequence of any breach of this Condition, where the Contract has not been terminated.
- e. In exercising its rights or remedies under this Condition, the Authority shall:
  - (1) act in a reasonable and proportionate manner having regard to such matters as the gravity of, and the identity of the person performing, the prohibited act;
  - (2) give all due consideration, where appropriate, to action other than termination of the Contract, including (without being limited to):
    - (a) requiring the Contractor to procure the termination of a subcontract where the prohibited act is that of a Subcontractor or anyone acting on their behalf;
    - (b) requiring the Contractor to procure the dismissal of an employee (whether their own or that of a Subcontractor or anyone acting on their behalf) where the prohibited act is that of such employee.
- f. Recovery action taken against any person in Her Majesty's service shall be without prejudice to any recovery action taken against the Contractor pursuant to this Condition.

#### **41. Termination for Convenience**

- a. The Authority shall have the right to terminate the Contract in whole or in part at any time by giving the Contractor at least twenty (20) Business Days written notice (or such other period as may be stated in Schedule 3 (Contract Data Sheet)). Upon expiry of the notice period the Contract, or relevant part thereof, shall terminate without prejudice to the rights of the parties already accrued up to the date of termination. Where only part of the Contract is being terminated, the Authority and the Contractor shall owe each other no further obligations in respect of the part of the Contract being terminated, but will continue to fulfil their respective obligations on all other parts of the Contract not being terminated.
- b. Following the above notification the Authority shall be entitled to exercise any of the following rights in relation to the Contract (or part being terminated) to direct the Contractor to:
  - (1) not start work on any element of the Contractor Deliverables not yet started;
  - (2) complete in accordance with the Contract the provision of any element of the Contractor Deliverables;



- (3) as soon as may be reasonably practicable take such steps to ensure that the production rate of the Contractor Deliverables is reduced as quickly as possible;
  - (4) terminate on the best possible terms any subcontracts in support of the Contractor Deliverables that have not been completed, taking into account any direction given under clauses 41.b.(2) and 41.b.(3) of this Condition.
- c. Where this Condition applies (and subject always to the Contractor's compliance with any direction given by the Authority under clause 41.b):
- (1) The Authority shall take over from the Contractor at a fair and reasonable price all unused and undamaged materiel and any Contractor Deliverables in the course of manufacture that are:
    - (a) in the possession of the Contractor at the date of termination; and
    - (b) provided by or supplied to the Contractor for the performance of the Contract,except such materiel and Contractor Deliverables in the course of manufacture as the Contractor shall, with the agreement of the Authority, choose to retain;
  - (2) the Contractor shall deliver to the Authority within an agreed period, or in absence of such agreement within a period as the Authority may specify, a list of:
    - (a) all such unused and undamaged materiel; and
    - (b) Contractor Deliverables in the course of manufacture,that are liable to be taken over by, or previously belonging to the Authority, and shall deliver such materiel and Contractor Deliverables in accordance with the directions of the Authority;
  - (3) in respect of Services, the Authority shall pay the Contractor fair and reasonable prices for each Service performed, or partially performed, in accordance with the Contract.
- d. The Authority shall (subject to clause 41.e below and to the Contractor's compliance with any direction given by the Authority in clause 41.b above) indemnify the Contractor against any commitments, liabilities or expenditure which would otherwise represent an unavoidable loss by the Contractor by reason of the termination of the Contract, subject to:
- (1) the Contractor taking all reasonable steps to mitigate such loss; and
  - (2) the Contractor submitting a fully itemised and costed list of such loss, with supporting evidence, reasonably and actually incurred by the Contractor as a result of the termination of the Contract or relevant part.
- e. The Authority's total liability under the provisions of this Condition shall be limited to the total price of the Contractor Deliverables payable under the contract (or relevant part), including any sums paid, due or becoming due to the Contractor at the date of termination.
- f. The Contractor shall include in any subcontract over £250,000 which it may enter into for the purpose of the Contract, the right to terminate the subcontract under the terms of clauses 41.a to 41.e except that:
- (1) the name of the Contractor shall be substituted for the Authority except in clause 41.c.(1);

- (2) the notice period for termination shall be as specified in the subcontract, or if no period is specified twenty (20) Business Days; and
  - (3) the Contractor's right to terminate the subcontract shall not be exercised unless the main Contract, or relevant part, has been terminated by the Authority in accordance with the provisions of this Condition 41.
- g. Claims for payment under this Condition shall be submitted in accordance with the Authority's direction.

#### **42. Material Breach**

- a. In addition to any other rights and remedies, the Authority shall have the right to terminate the Contract (in whole or in part) with immediate effect by giving written Notice to the Contractor where the Contractor is in material breach of their obligations under the Contract.
- b. Where the Authority has terminated the Contract under clause 42.a the Authority shall have the right to claim such damages as may have been sustained as a result of the Contractor's material breach of the Contract, including but not limited to any costs and expenses incurred by the Authority in:
  - (1) carrying out any work that may be required to make the Contractor Deliverables comply with the Contract; or
  - (2) obtaining the Contractor Deliverable in substitution from another supplier.

#### **43. Consequences of Termination**

- a. The termination of the Contract, however arising, shall be without prejudice to the rights and duties of either Party accrued prior to termination. The Conditions that expressly or by implication have effect after termination shall continue to be enforceable even after termination.

**44 Project specific DEFCONs and DEFCON SC variants that apply to this contract:****DEFCON 076 (SC2)**

DEFCON 076 (SC2) (Edn. 11/22) - Contractor's Personnel at Government Establishments

**DEFCON 117 (SC2)**

DEFCON 117 (SC2) (Edn. 11/17) - Supply Of Information For NATO Codification And Defence Inventory Introduction

**DEFCON 532A**

DEFCON 532A (Edn. 05/22) -Protection Of Personal Data (Where Personal Data is not being processed on behalf of the Authority)

**DEFCON 601 (SC)**

DEFCON 601 (SC) (Edn. 03/15) - Redundant Material

**DEFCON 611 (SC2)**

DEFCON 611 (SC2) (Edn. 12/22) – Issued Property

**DEFCON 624 (SC2)**

DEFCON 624 (SC2) (Edn. 08/22) - Use of Asbestos

**DEFCON 627**

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

**DEFCON 658 (SC2)**

DEFCON 658 (SC2) (Edn. 10/22) - Cyber

Note: Further to DEFCON 658 the Cyber Risk Profile of the Contract is VERY LOW, as defined in Def Stan 05-138. (Cyber Security for Defence Suppliers). The relevant RAR is RAR-405413999.

**DEFCON 660**

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

**DEFCON 694 (SC2)**

DEFCON 694 (SC2) (Edn. 07/21) - Accounting For Property of the Authority

**DEFCON 812**

DEFCON 812 (Edn. 04/15) Single Source Open Book

**DEFCON 814**

DEFCON 814 (Edn. 02/19) Single Source Confidentiality of Open Book and Reporting Information

**DEFCON 815**

DEFCON 815 (Edn. 04/15) Single Source Non-Qualifying Contracts – Contract Pricing Statement

**Special conditions that apply to this Contract****45. Supply Chain Data – Narrative****45.1 Supply Chain Data Definitions**

45.1.1. In this Condition ‘Subcontractor’ means any subcontractor engaged by the Contractor or by any other subcontractor of the Contractor at any level of subcontracting to provide Contractor Deliverables wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Contract and ‘Subcontract’ shall be interpreted accordingly.

**45.2 Contractor Obligations**

45.2.1. The Contractor shall provide a list in Microsoft Excel format of each Subcontract worth more than £1m. For each Subcontract, the list shall include, in so far as is reasonably practicable:

45.2.1.1. The registered name of the Subcontractor;

45.2.1.2. The company registration number and DUNS number;

45.2.1.3. Value, for all Subcontracts over £1m;

45.2.1.4. A description of the goods or services provided;

45.2.1.5. In respect of the DEFCONs that are included in this Contract and which require the Contractor to include equivalent terms in Subcontracts, confirmation, in respect of each such DEFCON, that such terms have been so included; and

45.2.1.6. In respect of the DEFCONs that are included in this Contract and which require information to be provided by the Contractor to the Authority, such information may be provided by being included in this list unless it is specifically stated in the DEFCON or elsewhere in this Contract that it should be provided separately, or through a specified tool, or online portal.

45.2.2 The information listed in Condition 45.2.1 above shall be provided within 30 days of the Contract start date and thereafter updated annually to reflect any changes to the accuracy of the information.

**46. Limitations on Liability****46.1 Limitations on Liability - Definitions**

In this Condition 46 the following words and expressions shall have the meanings given to them, except where the context requires a different meaning:

“Charges” means any of the charges for the provision of the Services, Contractor Deliverables and the performance of any of the Contractor’s other obligations under this Contract, as determined in accordance with this Contract;

“Data Protection Legislation” means all applicable Law in force from time to time in the UK relating to the processing of personal data and privacy, including but not limited to:

- (1) UK GDPR;
- (2) DPA 2018; and
- (3) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426) as amended, each to the extent that it relates to the processing of personal data and privacy;

“Default” means any breach of the obligations of the relevant Party (including fundamental breach or breach of a fundamental term) or any other default, act, omission, negligence or statement of the relevant Party, its employees, servants, agents or sub-contractors in connection with or in relation to the subject matter of this Contract and in respect of which such Party is liable to the other. In no event shall a failure or delay in the delivery of an Authority responsibility or an activity to be carried out by the Authority or its representatives in accordance with the Contract be considered a Default;

‘DPA 2018’ means the Data Protection Act 2018;

“Law” means any applicable law, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, regulation, order, regulatory policy, mandatory guidance or code of practice judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation or notice of any regulatory body.

“Service Credits” means the amount that the Contractor shall credit or pay to the Authority in the event of a failure by the Contractor to meet the agreed Service Levels as set out/referred to in [cross refer to service credit regime in the contract];

“Term” means the period commencing on the date on which this Contract is signed and ending 31<sup>st</sup> March 2026 or on earlier termination of this Contract.

‘UK GDPR’ means the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in UK law by the EU (Withdrawal) Act 2018 and the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;

## **46.2 Unlimited liabilities**

46.2.1. Neither Party limits its liability for:

46.2.2. death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable);

46.2.3. fraud or fraudulent misrepresentation by it or its employees;

46.2.5. breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

46.2.5. any liability to the extent it cannot be limited or excluded by law.

46.2.6. the financial caps on liability set out in Clauses 46.3. and 46.4. below shall not apply to the following:

- 46.2.6.1. for any indemnity given by the Contractor to the Authority under this Contract, including but not limited to:
- 46.2.6.2. The Contractor's indemnity in relation to DEFCON 91 (Intellectual Property in Software) and Condition 33 (Third Party IP – Rights and Restrictions);
- 46.2.6.3. The Contractor's indemnity in relation to TUPE.
- 46.2.6.4 The Contractors indemnity in relation to DEFCON 684
- 46.2.7. For any indemnity given by the Authority to the Contractor under this Contract, including but not limited to:
  - 46.2.7.1. the Authority's indemnity under DEFCON 514A (Failure of Performance under Research and Development Contracts);
  - 46.2.7.2. the Authority's indemnity in relation to TUPE;
- 46.2.8. breach by the Contractor of DEFCON 532A (SC2) and Data Protection Legislation; and
- 46.2.9. to the extent it arises as a result of a Default by either Party, any fine or penalty incurred by the other Party pursuant to Law and any costs incurred by such other Party in defending any proceedings which result in such fine or penalty.
- 46.2.10. For the avoidance of doubt any payments due from either of the Parties to the other in accordance with DEFCON 811 (SC2) or the Defence Reform Act 2014 and/or the Single Source Contract Regulations 2014, as amended from time to time, shall not be excluded or limited under the provisions of Clauses 46.4 and/or 46.5 below.

### 46.3 Financial limits

- 46.3.1. Subject to Clauses 46.2 and 46.3 and to the maximum extent permitted by Law:
- 46.3.2. Throughout the Term the Contractor's total liability in respect of losses that are caused by Defaults of the Contractor shall in no event exceed:
  - 46.3.2.1. in respect of DEFCON 76 (SC2) **text redacted under freedom of information act 2000 section 43.** in aggregate;
  - 46.3.2.2. in respect of Condition 42b **text redacted under freedom of information act 2000 section 43.** in aggregate;
  - 46.3.2.3. in respect of DEFCON 611 (SC2) shall be the value of the issued property under Leonardo's control at any one time; and
  - 46.3.2.4. in respect of condition 27d shall be the value of the issued property under Leonardo's control at any one time.
- 46.3.3. Without limiting Clause 46.4.1 and subject always to Clauses 46.2, 46.3 and 46.4.3, the Contractor's total liability throughout the Term in respect of all other liabilities (but excluding any Service Credits paid or payable in

accordance with Clause 47.3, whether in contract, in tort (including negligence), arising under warranty, under statute or otherwise under or in connection with this Contract shall be **text redacted under freedom of information act 2000 section 43** in aggregate.

- 46.3.4. On the exercise of any and, where more than one, each option period or agreed extension to the Term, the limitation of the Contractor's total liability (in aggregate) set out in Clauses 46.4.1 and 46.4.2 above shall be fully replenished such that on and from each such exercise or extension of the Term, the Authority shall be able to claim up to the full value of the limitation set out in Clauses 46.4.1 and 46.4.2 of this Contract.
- 46.3.5. Subject to Clauses 46.2, 46.3 and 46.6, and to the maximum extent permitted by Law the Authority's total liability (in aggregate) whether in contract, in tort (including negligence), under warranty, under statute or otherwise under or in connection with this Contract shall in respect of all liabilities (taken together) be limited to the Charges paid by the Authority in the relevant Contract Year in respect of any and all claims in that Contract Year.
- 46.3.6. Clause 46.5 shall not exclude or limit the Contractor's right under this Contract to claim for the Charges.

#### **46.4. Consequential loss**

- 46.4.1. Subject to Clauses 46.2, 46.3 and 46.8, neither Party shall be liable to the other Party or to any third party, whether in contract (including under any warranty), in tort (including negligence), under statute or otherwise for or in respect of:
  - 46.4.1.1. indirect loss or damage;
  - 46.4.1.2. special loss or damage;
  - 46.4.1.3. consequential loss or damage;
  - 46.4.1.4. loss of profits (whether direct or indirect);
  - 46.4.1.5. loss of turnover (whether direct or indirect);
  - 46.4.1.6. loss of business opportunities (whether direct or indirect); or
  - 46.4.1.7. damage to goodwill (whether direct or indirect),even if that Party was aware of the possibility of such loss or damage to the other Party.
- 46.4.2. The provisions of Clause 46.7 shall not restrict the Authority's ability to recover any of the following losses incurred by the Authority to the extent that they arise as a result of a Default by the Contractor:
  - 46.4.2.1. any additional operational and administrative costs and expenses arising from the Contractor's Default, including any costs paid or payable by the Authority:
    - 46.4.2.1.1. to any third party;
    - 46.4.2.1.2. for putting in place workarounds for the Contractor Deliverables

and other deliverables that are reliant on the Contractor Deliverables; and

- 46.4.2.1.3. relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
- 46.4.2.2.any or all wasted expenditure and losses incurred by the Authority arising from the Contractor's Default, including wasted management time;
- 46.4.2.3.the additional cost of procuring and maintaining in place transitional assistance and replacement deliverables for the remainder of the Term and any option period or agreed extension to the Term (including legal and other consultants' fees, re-procurement project costs, other expenses associated with such exercise and any increase in the fees for the replacement services over and above the Contract Price that would have been payable for the relevant Contractor Deliverables);
- 46.4.2.4.any losses arising in connection with the loss, destruction, corruption, inaccuracy or degradation of Authority data, or other data or software, including, to the extent the Authority data, other data or software can be recovered or reconstituted, the fees, costs and expenses of reconstituting such Authority data, data or software;
- 46.4.2.5.damage to the Authority's physical property and tangible assets, including damage under DEFCONs 76 (SC2) and 611 (SC2);
- 46.4.2.6.costs, expenses and charges arising from, or any damages, account of profits or other award made for, infringement of any third-party Intellectual Property Rights or breach of any obligations of confidence;
- 46.4.2.7.any additional costs incurred by the Authority in relation to the Authority's contracts with a third party (including any compensation or interest paid to a third party by the Authority) as a result of the Default (including the extension or replacement of such contracts);
- 46.4.2.8.any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; or
- 46.4.2.9.any savings, discounts or price reductions during the Term and any option period or agreed extension to the Term committed to by the Contractor pursuant to this Contract.

#### **46.5. Invalidity**

- 46.5.1. If any limitation or provision contained or expressly referred to in this Condition [1] is held to be invalid under any Law, it will be deemed to be omitted to that extent, and if any Party becomes liable for loss or damage to which that limitation or provision applied, that liability will be subject to the remaining limitations and provisions set out in this Condition 46.

#### **46.6. Third party claims or losses**

- 46.6.1. Without prejudice to any other rights or remedies the Authority may have under this Contract (including but not limited to any indemnity claim under DEFCONs



91 and Condition 33 or at Law), the Authority shall be entitled to make a claim under this Contract against the Contractor in respect of any losses incurred by the Authority which arise out of a claim made against the Authority by a third party under any contract with that third party provided that such third party claim:

46.6.1.1. arises naturally and ordinarily as a result of the Contractor's failure to provide the Contractor Deliverables or failure to perform any of its obligations under this Contract; and

46.6.1.1. is a type of claim or loss that would have been recoverable under this Contract if the third party were a party to this Contract (whether as the Authority or the Contractor), such claim to be construed as direct losses for the purpose of this Contract.

#### **46.7. No double recovery**

46.7.1. Neither Party shall be entitled to employ such rights and remedies available to it so as to seek to recover more than once in respect of the same loss, but the Authority shall be entitled to use (singly or together) such rights and remedies available to the Authority so as to recover the full extent of any recoverable losses suffered or incurred, including any remedies the Authority may have against any guarantor

### **47. Performance Management**

#### **Performance Measures**

47.1. The Key Performance Indicators (KPIs) (Schedule 11) shall be measured by the Contractor on a quarterly basis from contract commencement for the duration of the Contract.

47.2. Each KPI has a monthly achievement threshold as shown in table 1:

<b>KPI</b>	<b>Description</b>	<b>Level of Achievement Required</b>
1	Percentage of repairs rejected upon return to front line at Odiham to be no greater than 0%.	100%
2	Turn Around Times for Repair and Overhaul (R&O) activities in accordance with the Statement of Requirement (Schedule 18) Paras 29 – 40	100%
3	Turn Around Times for responses to Technical Issues met as per SoR (Schedule 18) Paras 61 – 62, 66 – 68. 69-70 & 71-73	100%
4	Achieving 100% of formally agreed delivery dates between the Authority and the Contractor for PDS Tasking (Schedule 14) – including but not limited to Spares.	100%

*Table 1 - KPI Performance Thresholds*

**Performance Level Review**

- 47.3. The Contractor shall provide as part of the monthly report a summary of performance against each KPI during the preceding month and cumulatively over a quarter. At the end of each quarter, the Authority and the Contractor shall undertake a joint review of the preceding quarter's performance and agree the actual performance level. The quarterly achievement for each individual KPI shall be calculated based upon the total arisings within that reporting period and not an average score.
- 47.4. The joint review shall agree the overall Level of Performance and any retentions or fee recovery reimbursements due under the next monthly Core Programme Management milestone payment, that shall apply as illustrated below.

TABLE 1

KPI Failure	Performance Level	Fee retained by Authority (A)	Fee recovery available to the Contractor (B)
0	0 (Clause 47.5.1)	N/A	N/A
1	1 (Clause 47.5.2)	5%	5%
2	2 (Clause 47.5.3)	10%	5%
3 or More	3 (Clause 47.5.4)	15%	0%

## 47.5. KPI Levels:

47.5.1. Level 0 performance is normal performance i.e. no KPI failure.

47.5.2. Level 1 performance is a failure of one KPI in a quarter.

47.5.3. Level 2 performance is a failure of two KPIs in a quarter or the failure of the same KPI for 2 consecutive quarters.

47.5.4. Level 3 performance is a failure of three or more KPIs in a quarter or the failure of the same KPI for 3 or more consecutive quarters.

- 47.6. If Contractor performance does not meet required levels, retention measures shall be applied through withhold of a Fee to the next monthly Core Programme Management milestone payment. Fee retention Levels shall be applied by the Authority as shown in Table 1 above.
- 47.7. The Contractor shall be entitled to recover fee retentions on achieving level 0 performance in the next quarter.
- 47.8. Where performance has been assessed as Level 1-3 at the end of the quarter, the Authority shall retain the fee as shown in Table 1 above. Where performance has been assessed as Level 1-3 at the end of the quarter, the Contractor shall present a Rectification Plan to the Authority within 10 working days. Rectification Plans shall be reviewed by the Authority within 10 working days and following agreement shall be implemented. In the event that KPI performance is not resolved as per the agreed Rectification Plan, this will be determined as a Contractor persistent breach and dealt with in accordance with Condition 43.

- 47.9. Zero arising's in any area of measurement shall be reflected as 100% achievement.
- 47.10. The Authority agrees to give relief on KPI's in the event that the Contractor can demonstrate a negative impact on achievement of Key Performance Indicators and such impact has been as a direct result of a breach by the Authority of its obligations under the Contract. Such demonstrable impact shall not be unreasonably rejected by the Authority.

#### **48. Contract Extension Options**

- 48.1. In addition to the Schedule of Requirements, the Contractor hereby grants to the Authority the following irrevocable option in accordance with the terms and conditions set out in this contract or any such subsequent contract or contracts where such options are taken up, it being agreed that the Authority has no obligation to exercise such option.
- a. Option 1: Additional contract year duration from 1st April 2025 to 31st March 2026 using the Firm Prices already detailed at Appendix 1 to Schedule 2 provided that the Authority exercises such an option by no later than 31st March 2025.
- 48.2. The Authority shall have the right to exercise the options by the specified dates or within such further period as corresponds to the aggregate of any period(s):
- a. of delay in the delivery programme whether constituting any breach of the Contract or resulting from any force majeure event, or
- b. for the duration of which the Authority is prevented from exercising any such option due to any other breach of the Contract by the Contractor.

#### **49. Quality Assurance Conditions**

- 49.1 A Deliverable Quality Plan shall be delivered under this Contract. It must be set out as defined in AQAP 2105 and delivered to the Authority (Quality) within 30 Business Days of Contract Award. Once agreed by the Authority the Quality Plan shall be incorporated into the Contract. The Contractor shall remain at all times solely responsible for the accuracy, suitability and applicability of the Deliverable Quality Plan.
- 49.2 Other Quality Assurance Requirements:
- AQAP2310 – NATO Quality Management System Requirements for Aviation, Space and Defence Suppliers. Edition B Version.
- Certificates of Conformity shall be provided in accordance with DEFCON 627
- 49.3 Additional Hazardous Material Conditions
- The Contractor will remain compliant with the following throughout the life of the contract:
- 49.3.1. JSP 375, Vol1 and Chapter 11 - Management of Hazards Substance

**50. Safety and Environmental Conditions**

- 50.1. Prior to contract start the Contractor shall hold an initial System Safety Working Group (SSWG) to inform the Constructor Statement of Work (CSOW) with high level planning. This shall include planning future SSWG's and setting specific Safety deliverables required by the scope of the task. The initial SSWG shall also identify any additional regulations and standards to be applied in the contract. Preferred safety assessment techniques will also be outlined and implemented.
- 50.2. Prior to contract start the Contractor shall deliver a Safety and Environment Plan and a Safety and Environmental Case Report. These shall be compliant with the DIDs and/or requirements set out in the latest editions of the following:
  - 50.2.1. Def-Stan 00-56 Safety Management Requirements for Defence Systems, Issue 7, Part 1 & 2
  - 50.2.2. Def-Stan 00-51 Environmental Management Requirements for Defence Systems, Issue 1, Part 1 & 2.
- 50.3. In addition, the Contractor shall remain compliant with the following throughout the life of the contract:
  - 50.3.1. DSA01.1 Defence policy for health, safety and environmental protection;
  - 50.3.2. JSP 375, Health & Safety Handbook;
  - 50.3.3. JSP 418, Management of Environmental Protection in Defence;
  - 50.3.4. MOD Sustainable Procurement Policy;
  - 50.3.5. Environmental Protection Act 1990 Part II.
- 50.4. Throughout the life of the contract the Contractor shall carry out Safety and Environmental Management in accordance with Def-Stan 0056 and Def-Stan 00-51. This shall be done with an aim to mitigate all in-service Safety and Environmental risks and address in-service Safety and Environmental issues.

**51. The processes that apply to this Contract are:**

General Conditions

**Third Party IPR Authorisation****AUTHORISATION BY THE CROWN FOR USE OF THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS**

Notwithstanding any other provisions of the Contract and for the avoidance of doubt, award of the Contract by the Authority and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Contractor acknowledges that any such authorisation by the Authority under its statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific intellectual property involved.

**52. Intellectual Property Rights (applicable to Additional Tasks)****DEFCON 14**

DEFCON 14 (Edn 06/21) – Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs

**DEFCON 15**

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

**DEFCON 16**

DEFCON 16 (Edn 06/21) – Repair and Maintenance Information – Authority to hold Repair & Maintenance rights at 1<sup>st</sup> to 2<sup>nd</sup> line, as reflected in DEFFORM 315 (Schedule 14).

**DEFCON 21**

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

**DEFCON 90**

DEFCON 90 (Edn 06/21) – Copyright

**53. Payment Terms**

53.1 Payments, as detailed in the Table below, shall be made in accordance with Condition 35 (Payment & Recovery of Sums Due).

53.1.1 Core Management & Engineering Services (SoR Items 1, 4, 5, 6, 7, 8, 9 & 10)

Period Ending	Payment Value £ (ex VAT)	
Year 1		
Bid Costs	text redacted under freedom of information act 2000 section 43.	
30th April 2023	text redacted under freedom of information act 2000 section 43	
31st May 2023	Redacted	
30th June 2023	Redacted	Assuming no Late Delivery Charges
31st July 2023	Redacted	
31st August 2023	Redacted	
30th September 2023	Redacted	Assuming no Late Delivery Charges
31st October 2023	Redacted	
30 November 2023	Redacted	
31st December 2023	Redacted	Assuming no Late Delivery Charges
Year 2		
31st January 2024	Redacted	
29th February 2024	Redacted	
31st March 2024	Redacted	Assuming no Late Delivery Charges
30th April 2024	Redacted	
31st May 2024	Redacted	
30th June 2024	Redacted	Assuming no Late Delivery Charges
31st July 2024	Redacted	
31st August 2024	Redacted	
30th September 2024	Redacted	Assuming no Late Delivery Charges
31st October 2024	Redacted	
30th November 2024	Redacted	
31st December 2024	Redacted	Assuming no Late Delivery Charges
Year 3		
31st January 2025	Redacted	
28th February 2025	Redacted	
31st March 2025	Redacted	Assuming no Late Delivery Charges
Year 4 (Option Year)		Assuming Option is taken up
30th April 2025	Redacted	
31st May 2025	Redacted	
30th June 2025	Redacted	Assuming no Late Delivery Charges
31st July 2025	Redacted	
31st August 2025	Redacted	
30th September 2025	Redacted	Assuming no Late Delivery Charges

31st October 2025	Redacted	
30th November 2025	Redacted	
31st December 2025	Redacted	Assuming no Late Delivery Charges
31st January 2026	Redacted	
28th February 2026	Redacted	
31st March 2026	Redacted	Assuming no Late Delivery Charges

See Payment Plan AP50205080 for further details

#### 53.1.2 Repairs & Spares (SoR Items 2 & 3) and Tasking

Payable on satisfactory delivery to the Authority

#### 54 Special Conditions that apply to this Contract

##### 54.1 Narrative Conditions that are incorporated into the Contract Conditions following negotiation:

Condition/Title	Agreed Position
12 Transparency	e The Authority confirms that no additional information will be required and the Monthly Status Report is sufficient.
26 Access to Contractor's Premises	a The Authority shall endeavour to provide 1 weeks notice to allow for Company Security visit clearance purposes.
35 Payment and Recovery of Sums Due	b) the Authority will seek to consider and verify invoices within 5 working days. (f) set-off shall apply to this Contract only.
52 Intellectual Property Rights	The Conditions shall apply to Additional Tasks only.
Schedule 1 Definitions of Contract	Business Day shall mean 09.00 – 17.00 Monday – Thursday and 09.00 – 12.00 Friday, excluding public and statutory holiday

## SC2 Schedules

### Schedule 1 - Definitions of Contract

<b>Articles</b>	means the Contractor Deliverables (goods and/or the services), including Packaging (and Certificate(s) of Conformity and supplied in accordance with any QA requirements if specified) which the Contractor is required to provide under the Contract in accordance with Schedule 2 (Schedule of Requirements), but excluding incidentals outside Schedule 2 (Schedule of Requirements) such as progress reports. <b>(This definition only applies when DEFCONs are added to these Conditions);</b>
<b>Authority</b>	means the Secretary of State for Defence acting on behalf of the Crown;
<b>Authority's Representative(s)</b>	shall be those person(s) defined in Schedule 3 (Contract Data Sheet) who will act as the Authority's Representative(s) in connection with the Contract. Where the term "Authority's Representative(s)" in the Conditions is immediately followed by a functional description in brackets, the appropriate Authority's Representative(s) shall be the designated person(s) for the purposes of Condition 7;
<b>Business Day</b>	means 09:00 to 17:00 Monday to Friday, excluding public and statutory holidays; <i>See 54.1 Schedule 1 Definitions of Contract for Special Conditions relating to Business Day definition.</i>
<b>Central Government Body</b>	a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics: <ul style="list-style-type: none"> <li>a. Government Department;</li> <li>b. Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);</li> <li>c. Non-Ministerial Department; or</li> <li>d. Executive Agency;</li> </ul>



<b>Collect</b>	means pick up the Contractor Deliverables from the Consignor. This shall include loading, and any other specific arrangements, agreed in accordance with Clause 28.c and Collected and Collection shall be construed accordingly;
<b>Commercial Packaging</b>	means commercial Packaging for military use as described in Def Stan 81-041 (Part 1)
<b>Conditions</b>	means the terms and conditions set out in this document;
<b>Consignee</b>	means that part of the Authority identified in Schedule 3 (Contract Data Sheet) to whom the Contractor Deliverables are to be Delivered or on whose behalf they are to be Collected at the address specified in Schedule 3 (Contract Data Sheet) or such other part of the Authority as may be instructed by the Authority by means of a Diversion Order;
<b>Consignor</b>	means the name and address specified in Schedule 3 (Contract Data Sheet) from whom the Contractor Deliverables will be dispatched or Collected;
<b>Contract</b>	means the Contract including its Schedules and any amendments agreed by the Parties in accordance with condition 6 ( Formal Amendments to the Contract);
<b>Contract Price</b>	means the amount set out in Schedule 2 (Schedule of Requirements) to be paid (inclusive of Packaging and exclusive of any applicable VAT) by the Authority to the Contractor, for the full and proper performance by the Contractor of its obligations under the Contract.
<b>Contractor</b>	means the person who, by the Contract, undertakes to supply the Contractor Deliverables, for the Authority as is provided by the Contract. Where the Contractor is an individual or a partnership, the expression shall include the personal representatives of the individual or of the partners, as the case may be, and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the consent of the Authority;

**Contractor Deliverables**

means the goods and/or the services, including Packaging (and Certificate(s) of Conformity and supplied in accordance with any QA requirements if specified) which the Contractor is required to provide under the Contract;

**Control**

means the power of a person to secure that the affairs of the Contractor are conducted in accordance with the wishes of that person:

- a. by means of the holding of shares, or the possession of voting powers in, or in relation to, the Contractor; or
- b. by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating the Contractor;

and a change of Control occurs if a person who Controls the Contractor ceases to do so or if another person acquires Control of the Contractor;

**CPET**

means the UK Government's Central Point of Expertise on Timber, which provides a free telephone helpline and website to support implementation of the UK Government timber procurement policy;

**Crown Use**

in relation to a patent means the doing of anything by virtue of Sections 55 to 57 of the Patents Act 1977 which otherwise would be an infringement of the patent and in relation to a Registered Design has the meaning given in paragraph 2A(6) of the First Schedule to the Registered Designs Act 1949;

**Dangerous Goods**

means those substances, preparations and articles that are capable of posing a risk to health, safety, property or the environment which are prohibited by regulation, or classified and authorised only under the conditions prescribed by the:

- a. Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009 (CDG) (as amended 2011);
- b. European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR);
- c. Regulations Concerning the International Carriage of Dangerous Goods by Rail (RID);
- d. International Maritime Dangerous Goods (IMDG) Code;
- e. International Civil Aviation Organisation

(ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air;

- f. International Air Transport Association (IATA) Dangerous Goods Regulations.

**DBS Finance**

means Defence Business Services Finance, at the address stated in Schedule 3 (Contract Data Sheet);

**DEFFORM**

means the MOD DEFFORM series which can be found at <https://www.aof.mod.uk>;

**DEF STAN**

means Defence Standards which can be accessed at <https://www.dstan.mod.uk>;

**Deliver**

means hand over the Contractor Deliverables to the Consignee. This shall include unloading, and any other specific arrangements, agreed in accordance with Condition 28 and Delivered and Delivery shall be construed accordingly;

**Delivery Date**

means the date as specified in Schedule 2 (Schedule of Requirements) on which the Contractor Deliverables or the relevant portion of them are to be Delivered or made available for Collection;

**Denomination of Quantity (D of Q)**

means the quantity or measure by which an item of material is managed;

**Design Right(s)**

has the meaning ascribed to it by Section 213 of the Copyright, Designs and Patents Act 1988;

**Diversion Order**

means the Authority's written instruction (typically given by MOD Form 199) for urgent Delivery of specified quantities of Contractor Deliverables to a Consignee other than the Consignee stated in Schedule 3 (Contract Data Sheet);

**Effective Date of Contract**

means the date upon which both Parties have signed the Contract;

<b>Evidence</b>	<p>means either:</p> <ol style="list-style-type: none"> <li>an invoice or delivery note from the timber supplier or Subcontractor to the Contractor specifying that the product supplied to the Authority is FSC or PEFC certified; or</li> <li>other robust Evidence of sustainability or FLEGT licensed origin, as advised by CPET;</li> </ol>
<b>Firm Price</b>	means a price (excluding VAT) which is not subject to variation;
<b>FLEGT</b>	means the Forest Law Enforcement, Governance and Trade initiative by the European Union to use the power of timber-consuming countries to reduce the extent of illegal logging;
<b>Government Furnished Assets (GFA)</b>	is a generic term for any MOD asset such as equipment, information or resources issued or made available to the Contractor in connection with the Contract by or on behalf of the Authority;
<b>Hazardous Contractor Deliverable</b>	means a Contractor Deliverable or a component of a Contractor Deliverable that is itself a hazardous material or substance or that may in the course of its use, maintenance, disposal, or in the event of an accident, release one or more hazardous materials or substances and each material or substance that may be so released;
<b>Independent Verification</b>	means that an evaluation is undertaken and reported by an individual or body whose organisation, systems and procedures conform to "ISO Guide 65:1996 (EN 45011:1998) General requirements for bodies operating product certification systems or equivalent", and who is accredited to audit against forest management standards by a body whose organisation, systems and procedures conform to "ISO 17011: 2004 General Requirements for Providing Assessment and Accreditation of Conformity Assessment Bodies or equivalent";
<b>Information</b>	means any Information in any written or other tangible form disclosed to one Party by or on behalf of the other Party under or in connection with the Contract;
<b>Issued Property</b>	means any item of Government Furnished Assets (GFA), including any materiel issued or otherwise furnished to the Contractor in connection with the Contract by or on behalf of the Authority;

<b>Legal and Sustainable</b>	means production and process methods, also referred to as timber production standards, as defined by the document titled "UK Government Timber Production Policy: Definition of legal and sustainable for timber procurement". The edition current on the day the Contract documents are issued by the Authority shall apply;
<b>Legislation</b>	means in relation to the United Kingdom any Act of Parliament, any subordinate legislation within the meaning of section 21 of the Interpretation Act 1978, or any exercise of Royal Prerogative;
<b>Military Level Packaging (MLP)</b>	means Packaging that provides enhanced protection in accordance with Def Stan 81-041 (Part 1), beyond that which Commercial Packaging normally provides for the military supply chain;
<b>Military Packager Approval Scheme (MPAS)</b>	is a MOD sponsored scheme to certify military Packaging designers and register organisations, as capable of producing acceptable Services Packaging Instruction Sheet (SPIS) designs in accordance with Defence Standard (Def Stan) 81-041 (Part 4);
<b>Military Packaging Level (MPL)</b>	shall have the meaning described in Def Stan 81-041 (Part 1);
<b>MPAS Registered Organisation</b>	is a packaging organisation having one or more MPAS Certificated Designers capable of Military Level designs. A company capable of both Military Level and commercial Packaging designs including MOD labelling requirements;
<b>MPAS Certificated Designer</b>	shall mean an experienced Packaging designer trained and certified to MPAS requirements;
<b>NATO</b>	means the North Atlantic Treaty Organisation which is an inter-governmental military alliance based on the North Atlantic Treaty which was signed on 4 April 1949;
<b>Notices</b>	shall mean all Notices, orders, or other forms of communication required to be given in writing under or in connection with the Contract;

<b>Overseas</b>	shall mean non UK or foreign;
<b>Packaging</b>	<p>Verb. The operations involved in the preparation of materiel for; transportation, handling, storage and Delivery to the user;</p> <p>Noun. The materials and components used for the preparation of the Contractor Deliverables for transportation and storage in accordance with the Contract;</p>
<b>Packaging Design Authority (PDA)</b>	shall mean the organisation that is responsible for the original design of the Packaging except where transferred by agreement. The PDA shall be identified in the Contract, see Annex A to Schedule 3 (Appendix – Addresses and Other Information), Box 3;
<b>Parties</b>	means the Contractor and the Authority, and Party shall be construed accordingly;
<b>Primary Packaging Quantity(PPQ)</b>	means the quantity of an item of material to be contained in an individual package, which has been selected as being the most suitable for issue(s) to the ultimate user, as described in Def Stan 81-041 (Part 1);
<b>Publishable Performance Information</b>	means any of the Information in Schedule 9 (KPI Data Report) as it relates to Key Performance Indicator where it is expressed as publishable in the table in Schedule 9 which shall not contain any Information which is exempt from disclosure which shall be determined by the Authority; and which shall not constitute Sensitive Information;
<b>Recycled Timber</b>	<p>means recovered wood that prior to being supplied to the Authority had an end use as a standalone object or as part of a structure.</p> <p>Recycled Timber covers:</p> <ol style="list-style-type: none"> <li>pre-consumer reclaimed wood and wood fibre and industrial by-products;</li> <li>post-consumer reclaimed wood and wood fibre, and driftwood;</li> <li>reclaimed timber abandoned or confiscated at least ten years previously;</li> </ol> <p>it excludes sawmill co-products;</p>

<b>Safety Data Sheet</b>	has the meaning as defined in the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulations 2007 (as amended);
<b>Schedule of Requirements</b>	means Schedule 2 (Schedule of Requirements), which identifies, either directly or by reference, Contractor Deliverables to be provided, the quantities and dates involved and the price or pricing terms in relation to each Contractor Deliverable;
<b>Sensitive Information</b>	means the Information listed in the completed Schedule 5 (Contractor's Sensitive Information), which is Information notified by the Contractor to the Authority, which is acknowledged by the Authority as being sensitive, at the point at which the Contract is entered into or amended (as relevant) and remains sensitive information at the time of publication;
<b>Short-Rotation Coppice</b>	means a specific management regime whereby the poles of trees are cut every one to two years and which is aimed at producing biomass for energy. It is exempt from the UK Government timber procurement policy. For avoidance of doubt, Short-Rotation Coppice is not conventional coppice, which is subject to the timber policy;
<b>Specification</b>	means the description of the Contractor Deliverables, including any specifications, drawings, samples and / or patterns, and shall include any document or item which, individually or collectively is referred to in Schedule 2 (Schedule of Requirements). The Specification forms part of the Contract and all Contractor Deliverables to be supplied by the Contractor under the Contract shall conform in all respects with the Specification;
<b>STANAG4329</b>	means the publication NATO Standard Bar Code Symbolologies which can be sourced at <a href="https://www.dstan.mod.uk/faqs.html">https://www.dstan.mod.uk/faqs.html</a> ;
<b>Subcontractor</b>	means any subcontractor engaged by the Contractor or by any other subcontractor of the Contractor at any level of subcontracting to provide Contractor Deliverables wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Contract and 'Subcontract' shall be interpreted accordingly;

**Timber and Wood-Derived Products**

means timber (including Recycled Timber and Virgin Timber but excluding Short-Rotation Coppice) and any products that contain wood or wood fibre derived from those timbers. Such products range from solid wood to those where the manufacturing processes obscure the wood element;

**Transparency Information**

means the content of this Contract in its entirety, including from time to time agreed changes to the Contract, except for (i) any Information which is exempt from disclosure in accordance with the provisions of the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR), which shall be determined by the Authority, and (ii) any Sensitive Information;

**Virgin Timber**

means Timber and Wood-Derived Products that do not include Recycled Timber.



**Annex to Schedule 1**

NOT USED

## Schedule 2 – Schedule of Requirements for Contract No: CHC/648

Schedule of Requirements			
#	Requirement	Total Qty	Firm Price (£) ex VAT
			Total inc packaging (and delivery if specified in contract data sheet)
1	Provision of a core management service in accordance with the agreed proposal.	1	Text redacted under the freedom of information (FOI) act 2000, section 43
2	Repair and Overhaul of the Leonardo Titan 385ES System at the Contractor's premises, in accordance with the Statement of Requirement.	1	Text redacted under the FOI act 2000, section 43
3	Provision of a spares solution service to meet the Authority's requirements at Main Operating Base.	1	Text redacted under the FOI act 2000, section 43
4	Provision of documentation management in accordance with the Statement of Requirement.	1	Text redacted under the FOI act 2000, section 43
5	Provision of an Obsolescence Management service in accordance with the Statement of Requirement.	1	Text redacted under the FOI act 2000, section 43
6	Provision of Post Design Services (PDS) in accordance with the Statement of Requirement.	1	Text redacted under the FOI act 2000, section 43
7	Provision of a technical publication revision service in accordance with the Statement of Requirement.	1	Text redacted under the FOI act 2000, section 43
8	Provision of a helpdesk to answer technical queries in accordance with the Statement of Requirement	1	Text redacted under the FOI act 2000, section 43
9	Provision of support in drafting Special Instructions (Technical) (S(IT)) in accordance with the Statement of Requirement.	1	Text redacted under the FOI act 2000, section 43
10	Provision of Engineering Change Proposals in accordance with the Statement of Requirement	1	Text redacted under the FOI act 2000, section 43
11	Bid costs	1	Text redacted under the FOI act 2000, section 43

**Total Price Inc. Packaging and  
Delivery \*\***

\*as detailed in DEFFORM 96

**\*\*and Delivery if specified in  
Schedule 3 (Contract Data Sheet)**

£4,025,399

## Appendix 1 to Schedule 2

## Repair Prices

Repair Category	Firm Price (£) ex VAT 01/04/2023 – 31/12/2023	Firm Price (£) ex VAT 01/01/2024 – 31/12/2024	Firm Price (£) ex VAT 01/01/2025 – 31/03/2025	OPTION YEAR Firm Price (£) ex VAT 01/04/2025 – 31/03/2026
Albion Turret -Survey	Text redacted. FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Albion Turret - No Fault Found	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Albion Turret – Beyond Economic Repair	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Albion Turret -Minor	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Albion Turret - Medium	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Albion Turret -Major	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Albion Turret – Out of Scope	Quotation Required	Quotation Required	Quotation Required	Quotation Required
Control Switch Unit - Survey	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Switch Unit - No Fault Found	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Switch Unit - Beyond Economic Repair	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Switch Unit - Minor	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Switch Unit - Major	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Switch Unit – Out of Scope	Quotation Required	Quotation Required	Quotation Required	Quotation Required

Control Grip Unit - Survey	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Grip Unit – No Fault Found	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Grip Unit - Beyond Economic Repair	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Grip Unit - Minor	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43	Text redacted under the FOI act 2000, section 43
Control Grip Unit – Out of Scope	Quotation Required	Quotation Required	Quotation Required	Quotation Required

**Repair Categorisation**

Repair Category	Definition
Albion Turret -Survey	Initial serviceability test & breakdown of turret to its main LRU's to identify the problem/fault.
Albion Turret - No Fault Found	Upon completion of strip & survey, no faults can be identified.
Albion Turret – Beyond Economic Repair	Upon completion of strip & survey, it is determined that costs to repair would exceed 75% of unit value. Or unit is determined to be Beyond Physical Repair.
Albion Turret - Minor	The cost of the repair work needed is below a medium Turret repair
Albion Turret - Medium	The cost of the repair work needed is an average Turret Repair (+/- 10% bracket).
Albion Turret - Major	The cost of the repair work needed is above a Medium Turret Repair.
Albion Turret – Out of Scope	Unit has water damage or impact damage.
Control Switch Unit – Survey	Initial serviceability test & breakdown of the unit to its main SRU's to identify the problem/fault.
Control Switch Unit - No Fault Found	Upon completion of strip & survey, no faults can be identified.
Control Switch Unit - Beyond Economic Repair	Upon completion of strip & survey, it is determined that costs to repair would exceed 75% of unit value. Or unit is determined to be Beyond Physical Repair.
Control Switch Unit - Minor	All repair activities excluding the repair of Illuminated Switch Panel.

Control Switch Unit - Major	Unit requires Illuminated Switch Panel repair and minor repairs/modifications to the chassis.
Control Switch Unit – Out of Scope	Any repairs over and above the scope of work required to repair/assemble the Illuminated Switch Panel.
Control Grip Unit - Survey	Initial serviceability test & breakdown of the unit to its main SRU's to identify the problem/fault.
Control Grip Unit – No Fault Found	Upon completion of strip & survey, no faults can be identified.
Control Grip Unit - Beyond Economic Repair	Upon completion of strip & survey, it is determined that costs to repair would exceed 75% of unit value. Or unit is determined to be Beyond Physical Repair.
Control Grip Unit - Minor	Unit requires replacement of switch, outer shield and/or flying lead. Alternatively, unit may require modification with existing mod kits.

## Schedule 3 - Contract Data Sheet

<b>General Conditions</b>
<b>Condition 2 – Duration of Contract:</b>  The Contract expiry date shall be: 31 <sup>st</sup> March 2025 00:00:00
<b>Condition 4 – Governing Law:</b>  Contract to be governed and construed in accordance with:  English Law <input checked="" type="checkbox"/>  Scots Law <input type="checkbox"/> clause 4.d shall apply <i>(one must be chosen)</i>  Solicitors or other persons based in England and Wales (or Scotland if Scots Law applies) irrevocably appointed for Contractors without a place of business in England (or Scotland, if Scots Law applies) in accordance with clause 4.g (if applicable) are as follows: <b>N/A</b>
<b>Condition 7 – Authority's Representatives:</b>  The Authority's Representatives for the Contract are as follows:  Commercial: Text redacted under the FOI act 2000, section 40  Project Manager: Text redacted under the FOI act 2000, section 40 (as per Annex A to Schedule 3) (DEFFORM 111))
<b>Condition 18 – Notices:</b>  Notices served under the Contract shall be sent to the following address:  Authority: Chinook Delivery Team, MOD Abbey Wood, #5101. Teak 1, Bristol, BS34 8JH (as per Annex A to Schedule 3 (DEFFORM 111))  Contractor: Leonardo UK Ltd Christopher Martin Road, Basildon, Essex, SS14 3EL  Notices can be sent by electronic mail? Yes
<b>Condition 19.a – Progress Meetings:</b>  The Contractor shall be required to attend the following meetings:  <b>Type:</b> Service use Review & Progress Report  <b>Frequency:</b> Quarterly  <b>Medium/location:</b> in person (unless otherwise pre-agreed) Alternating between MOD Abbey Wood & Leonardo Basildon and Leonardo Bristol

**Condition 19.b – Progress Reports:**

The Contractor is required to submit the following Reports in electronic format:

**Type:** Progress Report

**Frequency:** Monthly (by 3<sup>rd</sup> working day of the month)

**Type:** Obsolescence Report

**Frequency:** Every six (6) months

**Type:** Support Overview Report

**Frequency:** Annual

Reports shall be Delivered to the following address:

**In accordance with Appendix 1 to Schedule 3 (DEFFORM111) Box 2**

**Supply of Contractor Deliverables****Condition 20 – Quality Assurance:**

Is a Deliverable Quality Plan required for this Contract? ☒ (tick as appropriate)

If required, the Deliverable Quality Plan must be set out as defined in AQAP 2105 and delivered to the Authority (Quality) within 30 Business Days of Contract Award. Once agreed by the Authority the Quality Plan shall be incorporated into the Contract. The Contractor shall remain at all times solely responsible for the accuracy, suitability and applicability of the Deliverable Quality Plan.

**Other Quality Assurance Requirements:**

AQAP2310 – NATO Quality Management System Requirements for Aviation, Space and Defence Suppliers. Edition B Version.

**Condition 21 – Marking of Contractor Deliverables:**

Special Marking requirements:

**N/A**



**Condition 23 - Supply of Data for Hazardous Contractor Deliverables, Materials and Substances:**

A completed Schedule 6 (Hazardous Contractor Deliverables, Materials or Substance Statement), and if applicable, Safety Data Sheet(s) are to be provided by e-mail with attachments in Adobe PDF or MS WORD format to:

- a) The Authority's Representative (Commercial)
- b) Defence Safety Authority – [DESTTECH-QSEPEnv-HSISMULTI@mod.gov.uk](mailto:DESTTECH-QSEPEnv-HSISMULTI@mod.gov.uk)

to be Delivered no later than one (1) month prior to the Delivery Date

**Condition 24 – Timber and Wood-Derived Products:**

A completed Schedule 7 (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements) is to be provided by e-mail with attachments in Adobe PDF or MS WORD format to the Authority's Representative (Commercial)

to be Delivered by the following date: 31/05/2023

**Condition 25 – Certificate of Conformity:**

Is a Certificate of Conformity required for this Contract? ☐ (tick as appropriate) **N/A**

Applicable to:

If required, does the Contractor Deliverables require traceability throughout the supply chain?  
☐ (tick as appropriate)

**Condition 27.b – Delivery by the Contractor:**

The following Line Items are to be Delivered by the Contractor:

**All**

Special Delivery Instructions:

**N/A**

Each consignment is to be accompanied by a DEFFORM 129J.

**Condition 27.c - Collection by the Authority:**

The following Line Items are to be Collected by the Authority: **N/A**

Special Delivery Instructions: **N/A**

Each consignment is to be accompanied by a DEFFORM 129J.

Consignor details (in accordance with Condition 27.c.(4)):

Line Items: Address:

Line Items: Address:

Consignee details (in accordance with condition 22):

Line Items: Address:

Line Items: Address:

**Condition 29 – Rejection:**

The default time limit for rejection of the Contractor Deliverables is thirty (30) days unless otherwise specified here:

The time limit for rejection shall be **thirty (30) Business Days**.

**Condition 31 – Self-to-Self Delivery:**

Self-to-Self Delivery required? **N/A**

If required, Delivery address applicable:

**Pricing and Payment****Condition 34 – Contract Price:**

All Schedule 2 line items shall be FIRM Price other than those stated below:

Line Items: Line 2 - Repair and Overhaul of the Leonardo Titan 385ES System at the Contractor's premises, in accordance with the Statement of Requirement.

**Termination****Condition 41 – Termination for Convenience:**

The Notice period for terminating the Contract shall be twenty (20) days unless otherwise specified here:

The Notice period for termination shall be **thirty (30) Business Days**

**Other Addresses and Other Information** (*forms and publications addresses and official use information*)

See Annex A to Schedule 3 (DEFFORM 111)

**Schedule 4 DEFFORM 111**

**DEFFORM 111****Appendix - Addresses and Other Information****1. Commercial Officer**

Name: Text redacted under the FOI act 2000, section 40

Address: Chinook Delivery Team,  
MOD Abbey Wood,  
#5101. Teak 1,  
Bristol, BS34 8JH

Email: Text redacted under the FOI act 2000, section 40

**2. Project Manager, Equipment Support Manager or PT Leader** (from whom technical information is available)

Name: Text redacted under the FOI act 2000, section 40

Address: Chinook Delivery Team,  
MOD Abbey Wood,  
#5101. Teak 1,  
Bristol, BS34 8JH

Email: Text redacted under the FOI act 2000, section 40

**3. Packaging Design Authority** Organisation & point of contact:

(Where no address is shown please contact the Project Team in Box 2)

**4. (a) Supply / Support Management Branch or Order Manager:**  
**Branch/Name:**

**(b) U.I.N.**

**5. Drawings/Specifications are available from****6. Intentionally Blank****7. Quality Assurance Representative:**

Commercial staff are reminded that all Quality Assurance requirements should be listed under the General Contract Conditions.

**AQAPS** and **DEF STANs** are available from UK Defence Standardization, for access to the documents and details of the helpdesk visit <http://dstan.gateway.isg-r.r.mil.uk/index.html> [intranet] or <https://www.dstan.mod.uk/> [extranet, registration needed].

**8. Public Accounting Authority**

1. Returns under DEFCON 694 (or SC equivalent) should be sent to  
DBS Finance ADMT – Assets In Industry 1,  
Level 4 Piccadilly Gate,  
Store Street,  
Manchester, M1 2WD  
+44 (0) 161 233 5397
2. For all other enquiries contact  
DES Fin FA-AMET Policy,  
Level 4 Piccadilly Gate,  
Store Street,  
Manchester, M1 2WD  
+ 44 (0) 161 233 5394

**9. Consignment Instructions** The items are to be consigned as follows:**10. Transport.** The appropriate Ministry of Defence Transport Offices are:**A. DSCOM,**

DE&S,  
DSCOM,  
MoD Abbey Wood,  
Cedar 3c,  
Mail Point 3351,  
BRISTOL BS34 8JH

**Air Freight Centre**

IMPORTS (( 030 679 81113 / 81114 Fax 0117 913 8943

EXPORTS (( 030 679 81113 / 81114 Fax 0117 913 8943

**Surface Freight Centre**

IMPORTS (( 030 679 81129 / 81133 / 81138 Fax 0117 913 8946

EXPORTS (( 030 679 81129 / 81133 / 81138 Fax 0117 913 8946

**B.JSCS**

JSCS Helpdesk No. 01869 256052 (select option 2, then option 3)

JSCS Fax No. 01869 256837

Users requiring an account to use the MOD Freight Collection Service should contact  
[UKStratCom-DefSp-RAMP@mod.gov.uk](mailto:UKStratCom-DefSp-RAMP@mod.gov.uk) in the first instance.

**11. The Invoice Paying Authority**

Ministry of Defence,  
DBS Finance,  
Walker House,  
Exchange Flags  
Liverpool, L2 3YL

(( 0151-242-2000 Fax: 0151-242-2809

**Website is:** <https://www.gov.uk/government/organisations/ministry-of-defence/about/procurement#invoice-processing>

**12. Forms and Documentation are available through \*:**

Ministry of Defence,  
Forms and Pubs Commodity Management  
PO Box 2,  
Building C16, C Site,  
Lower Arncott,  
Bicester, OX25 1LP  
(Tel. 01869 256197 Fax: 01869 256824)

**Applications via fax or email:** [Leidos-FormsPublications@teamleidos.mod.uk](mailto:Leidos-FormsPublications@teamleidos.mod.uk)

**\* NOTE**

1. Many **DEFCONs** and **DEFFORMs** can be obtained from the MOD Internet Site:

<https://www.aof.mod.uk/aofcontent/tactical/toolkit/index.htm>

2. If the required forms or documentation are not available on the MOD Internet site requests should be submitted through the Commercial Officer named in Section 1.

**Schedule 5 - Contract Change Control Procedure (i.a.w. Clause 6b)****Contract No: CHC/648****Authority Changes**

1. The Authority shall be entitled to propose any change to the Contract (a "Change") or (subject to Clause 2) Changes in accordance with this Schedule 4.
2. Nothing in this Schedule shall operate to prevent the Authority from specifying more than one Change in any single proposal, provided that such changes are related to the same or similar matter or matters.

**Notice of Change**

2. If the Authority wishes to propose a Change or Changes, it shall serve a written notice (an "Authority Notice of Change") on the Contractor.
3. The Authority Notice of Change shall set out the Change(s) proposed by the Authority in sufficient detail to enable the Contractor to provide a written proposal (a "Contractor Change Proposal") in accordance with clauses 7 to 9 (inclusive).
4. The Contractor may only refuse to implement a Change or Changes proposed by the Authority, if such change(s):
  - a. would, if implemented, require the Contractor to deliver any Contractor Deliverables under the Contract in a manner that infringes any applicable law relevant to such delivery; and/or
  - b. would, if implemented, cause any existing consent obtained by or on behalf of the Contractor in connection with their obligations under the Contract to be revoked (or would require a new necessary consent to be obtained to implement the Change(s) which, after using reasonable efforts, the Contractor has been unable to obtain or procure and reasonably believes it will be unable to obtain or procure using reasonable efforts);

and/or

- c. would, if implemented, materially change the nature and scope of the requirement (including its risk profile) under the Contract; and:
- d. the Contractor notifies the Authority within 10 (ten) Business Days (or such longer period as shall have been agreed in writing by the parties) after the date of the Authority Notice of Change that the relevant proposed Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c providing written evidence for the Contractor's reasoning on the matter; and
- e. further to such notification:
  - (1) either the Authority notifies the Contractor in writing that the Authority agrees, or (where the Authority (acting reasonably) notifies the Contractor that the Authority disputes the Contractor's notice under Clause 5.d) it is determined in accordance with Condition 40 (Dispute Resolution), that the relevant Change(s) is/are a Change(s) falling

within the scope of Clauses 5.a, 5.b and/or 5.c; and

- (2) (where the Authority either agrees or it is so determined that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c) the Authority fails to make sufficient adjustments to the relevant Authority Notice of Change (and issue a revised Authority Notice of Change) to remove the Contractor's grounds for refusing to implement the relevant Change under Clauses 5.a, 5.b and/or 5.c within 10 (ten) Business Days (or such longer period as shall have been agreed in writing by the parties) after:
    - i) the date on which the Authority notifies in writing the Contractor that the Authority agrees that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c); or
    - ii) the date of such determination.
6. The Contractor shall at all times act reasonably, and shall not seek to raise unreasonable objections, in respect of any such adjustment.

### **Contractor Change Proposal**

7. As soon as practicable, and in any event within:
- a. (where the Contractor has not notified the Authority that the relevant Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c in accordance with Clause 5) fifteen (15) Business Days (or such other period as the Parties agree (acting reasonably) having regard to the nature of the Change(s)) after the date on which the Contract shall have received the Authority Notice of Change; or
  - b. (where the Contractor has notified the Authority that the relevant Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c in accordance with Clause 5 and:
    - (1) the Authority has agreed with the Contractor's conclusion so notified or it is determined under Condition 40 (Dispute Resolution) that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c and the Authority has made sufficient adjustments to the relevant Authority Notice of Change (and issued a revised Authority Notice of Change(s)) to remove the Contractor's grounds for refusing to implement the relevant Change(s) under Clauses 5.a, 5.b and/or 5.c) fifteen (15) Business Days (or such other period as the parties shall have agreed (both parties acting reasonably) having regard to the nature of the Change(s)) after the date on which the Contractor shall have received such revised Authority Notice of Change; or
    - (2) the Authority has disputed such conclusion and it has been determined in accordance with Condition 40 (Dispute Resolution) that the relevant Change(s) is/are not a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c) fifteen (15) Business Days (or such other period as the parties shall have agreed (both parties acting reasonably) having regard to the nature of the Change(s)) after the date of such determination,
- the Contractor shall deliver to the Authority a Contractor Change Proposal. For the avoidance of doubt, the Contractor shall not be obliged to deliver to

the Authority a Contractor Change Proposal where the Contractor notifies the Authority, and the Authority agrees or it is determined further to such notification in accordance with Clause 5, that the relevant Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c.

8. The Contractor Change Proposal shall comprise in respect of each and all Change(s) proposed:
  - a. the effect of the Change(s) on the Contractor's obligations under the Contract;
  - b. a detailed breakdown of any costs which result from the Change(s);
  - c. the programme for implementing the Change(s);
  - d. any amendment required to this Contract as a result of the Change(s), including, where appropriate, to the Contract Price; and
  - e. such other information as the Authority may reasonably require.
9. The price for any Change(s) shall be based on the prices (including rates) already agreed for the Contract and shall include, without double recovery, only such charges that are fairly and properly attributable to the Change(s).

#### **Contractor Change Proposal – Process and Implementation**

10. As soon as practicable after the Authority receives a Contractor Change Proposal, the Authority shall:
  - a. evaluate the Contractor Change Proposal; and
  - b. where necessary, discuss with the Contractor any issues arising (and (in relation to a Change(s) proposed by the Authority) following such discussions the Authority may modify the Authority Notice of Change) and the Contractor shall as soon as practicable, and in any event not more than ten (10) Business Days (or such other period as the Parties shall have agreed in writing) after receipt of such modification, submit an amended Contractor Change Proposal.
11. As soon as practicable after the Authority has evaluated the Contractor Change Proposal (amended as necessary) the Authority shall:
  - a. either indicate its acceptance of the Change Proposal by issuing an amendment to the Contract in accordance with Condition 6 (Formal Amendments to the Contract), whereupon the Contractor shall promptly issue to the Authority the Contractor's DEFFORM 10B indicating their unqualified acceptance of such amendment in accordance with, and otherwise discharge their obligations under, such Condition and implement the relevant Change(s) in accordance with such proposal; or



- b. serve Notice on the Contractor rejecting the Contractor Change Proposal and withdrawing (where issued in relation to a Change or Changes proposed by the Authority) the Authority Notice of Change (in which case such notice of change shall have no further effect).
12. If the Authority rejects the Contractor Change Proposal, it shall not be obliged to give its reasons for such rejection.
13. The Authority shall not be liable to the Contractor for any additional work undertaken or expense incurred in connection with the implementation of any Change(s), unless a Contractor Change Proposal has been accepted by the Authority in accordance with Clause 11.a and then subject only to the terms of the Contractor Change proposal so accepted.

**Contractor Changes**

14. If the Contractor wishes to propose a Change or Change(s), they shall serve a Contractor Change Proposal on the Authority. Such proposal shall be prepared and reviewed in accordance with and otherwise be subject to the provisions of Clauses 8 to 13 (inclusive).

**Schedule 6 - Contractor's Commercial Sensitive Information Form (i.a.w. condition 12)**  
**Contract No: CHC/648**

Contract No: CHC/648
Description of Contractor's Sensitive Information:  All information contained within this proposal is commercially sensitive to Leonardo UK Ltd
Cross Reference(s) to location of Sensitive Information:  All documents within Bid CHC/648
Explanation of Sensitivity:  Our proposal describes our approach to this type of Project and provides rates and pricing information specific to Leonardo Business.
Details of potential harm resulting from disclosure:  The release of proprietary information and pricing
Period of Confidence (if applicable): Throughout the duration of the Contract and 10 Years after
Contact Details for Transparency / Freedom of Information matters:  Name: Text redacted under the FOI act 2000, section 40  Position: Commercial Officer  Address: Sigma House, Christopher Martin Road, Basildon, Essex SS14 3EL  Telephone Number: Text redacted under the FOI act 2000, section 40  Email Address: Text redacted under the FOI act 2000, section 40

**Schedule 7 - Hazardous Contractor Deliverables, Materials or Substances Supplied under the Contract****Data Requirements for Contract No: CHC/648****Hazardous Contractor Deliverables, Materials or Substances  
Statement by the Contractor**

Contract No: CHC/648

Contract Title: Support of the UK Chinook Electro Optic Sensor Turret (EOST) System

Contractor: Leonardo UK Ltd

Date of Contract: TBA

~~\* To the best of our knowledge there are no hazardous Contractor Deliverables, materials or substances to be supplied.~~

\* To the best of our knowledge the hazards associated with materials or substances to be supplied under the Contract are identified in the Safety Data Sheets (Qty:1) attached in accordance with condition 24.

Contractor's Signature:

Name: Text redacted under the FOI act 2000, section 40

Job Title: Commercial Officer

Date: 05<sup>th</sup> October 2022

\* check box (TT) as appropriate

To be completed by the Authority

Domestic Management Code (DMC):

NATO Stock Number:

Contact Name:

Contact Address:

Copy to be forwarded to:

Hazardous Stores Information System (HSIS)  
Defence Safety Authority (DSA)  
Movement Transport Safety Regulator (MTSR)  
Hazel Building Level 1, #H019  
MOD Abbey Wood (North)  
Bristol BS34 8QW  
Emails to be sent to:

[DESTECH-QSEPEnv-HSISMulti@mod.gov.uk](mailto:DESTECH-QSEPEnv-HSISMulti@mod.gov.uk)

**Schedule 8 - Timber and Wood- Derived Products Supplied under the Contract****Data Requirements for Contract No: CHC/648**

The following information is provided in respect of condition 24 (Timber and Wood-Derived Products):

<b>Schedule of Requirements item and timber product type</b>	<b>Volume of timber Delivered to the Authority with FSC, PEFC or equivalent evidence</b>	<b>Volume of timber Delivered to the Authority with other evidence</b>	<b>Volume (as Delivered to the Authority) of timber without evidence of compliance with Government Timber Procurement Policy</b>	<b>Total volume of timber Delivered to the Authority under the Contract</b>
0	0	0	0	0

**Schedule 9 – Acceptance Procedure (Condition 29) For Contract No: CHC/648**

At the end of every month the Contractor shall submit management reports in a format agreed with the Authority, which shall detail the work completed during the month for which payment is due. The Authority and Contractor shall agree the contents of each report within 5 working days. Once agreed, the payment for that month shall be entered onto CP&F in order to allow the Contractor to claim for payment.

**Schedule 10 – Security Aspects Letter**

Security Aspects Letter was issued on the 15<sup>th</sup> August 2022 to Leonardo with the Invitation to Negotiate

**CHC/648 - Invitation To: Negotiate Reference Number: 703918454- CHC/648 Support, Repairs & Spares of the Electro-Optic Sensor Turret (EOST)**

1. On behalf of the Secretary of State for Defence, I hereby give you notice of the information or assets connected with, or arising from, the referenced Contract that constitute classified material.
2. Aspects that constitute 'SECRET Matter' for the purpose of the DEFCON 659A Security Clause and OFFICIAL-SENSITIVE for the purpose of DEFCON 660 are specified below. These aspects must be fully safeguarded. The enclosed Security Condition (Schedule 11) outlines the minimum measures required to safeguard OFFICIAL-SENSITIVE assets and information.

ASPECT	CLASSIFICATION
FLIR Turret	UK OFFICIAL-SENSITIVE
Switching Unit	UK OFFICIAL
Grip Unit	UK OFFICIAL

3. Your attention is drawn to the provisions of the Official Secrets Act 1911-1989 in general, and specifically to the provisions of Section 2 of the Official Secrets Act 1911 (as amended by the Act of 1989). In particular you should take all reasonable steps to make sure that all individuals employed on any work in connection with this Contract have notice of the above specified aspects and that the aforementioned statutory provisions apply to them and will continue to apply after completion or earlier termination of the contract
4. Will you please confirm that:
  - a. This definition of the classified aspects of the referenced Contract has been brought to the attention of the person directly responsible for security of classified material.
  - b. The definition is fully understood.
  - c. Measures can, and will, be taken to safeguard the classified aspects identified herein in accordance with applicable national laws and regulations. [The requirement and obligations set out above and in any contractual document can and will be met and that the classified information shall be protected in accordance with applicable national laws and regulations.
  - 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 have otherwise been informed that the provisions of the OSA apply to all classified information and assets associated with this contract.

5. If you have any difficulty either in interpreting this definition of the classified aspects or in safeguarding them, will you please let me know immediately.
6. Classified Information associated with this Contract must not be published or communicated to anyone without the approval of the MOD Contracting Authority.
7. Any access to classified information or assets on MOD premises that may be needed will be subject to MOD security regulations under the direction of the MOD Project Officer in accordance with DEFCON 76.

## **Schedule 11 – Key Performance Indicators**

### **Introduction**

1. The purpose of this Annex is to set out the Key Performance Indicators for support to the Electro Optic Sensor Turret.

### **Key Performance Indicators**

2. The performance of the Contractor shall be assessed and monitored throughout the Term of the Contract by the use of Key Performance Indicators (KPIs). Each KPI should be read in conjunction with the Statement of Requirement to ensure that Contract performance fully meets the requirements.
3. The Contractor shall provide to the Authority's Project Manager (PM) & Commercial Officer a monthly report of performance against the KPIs in accordance with Condition 47. The Authority's PM will review and confirm the Contractors performance against the KPIs.
4. Where the Authority has responsibility for GFA which directly contributes to a failure against a KPI, the Contractor will be given due alleviation of that KPI. However, the Contractor shall inform the Authority's PM as soon as they are aware of any impending GFA delays/issues which could cause the KPI failure.

### **KPI Management System**

5. The Contractor's performance will be measured against the agreed Contract KPIs above as set out in the Tables below. KPIs will be measured considering all aspects impacting on the KPI being monitored, ensuring only occurrences directly related to performance are considered.



**KPI 1 Repair and Overhaul Serviceability (measured monthly) is calculated as follows:**

KPI.	Requirement Description	Measurement Category	Detailed Requirement - Contractor	Reporting Period	Performance Measure	Performance Level
1.	Repair and Overhauls are to be delivered in full-working order at RAF Odiham	Number of repairs rejected upon return to front line at RAF Odiham	Serviceable assets are provided to RAF Odiham	Quarterly	Percentage of repairs rejected upon return to front line at RAF Odiham to be no greater than 0%.	100%

- The Contractor shall monitor and manage the number of repair rejected upon return to the front line, in accordance with the following.

Percentage of repairs rejected upon return to front line at RAF Odiham to be no greater than 0%.
100%

- The first KPIs assessment shall be provided by the Contractor on the completion of the first quarter post Contract award and quarterly thereafter.
- The Contractor shall ensure that repairs rejected upon return to the front line does not exceed 0% of the total repairs delivered in the quarter.
- KPI 1 shall assess the completion of all repaired components that are delivered in the current period. The following calculation shall be used for KPI 1:

$$\text{REPAIRS COMPLETED \%} = \frac{\text{Number of repairs rejected by the front line at RAF Odiham}}{\text{Total number of repairs delivered in the applicable Quarter}} \times 100$$

**KPI 2 Percentage Of R&O Items Delivered in Accordance with The Contractually Agreed Timescales is calculated as follows:**

KPI.	Requirement Description	Measurement Category	Detailed Requirement - Contractor	Reporting Period	Performance Measure	Performance Level
2.	All Repair and Overhaul (R&O) activities (SoR Paras 29 – 40) shall be delivered in accordance with the agreed turnaround timescales.	Repair and Overhaul	Serviceable assets are provided in the required quantity to the specified place within the turnaround timescales.	Quarterly	Percentage of Assets due to be delivered in the quarter to be agreed in accordance with the agreed turnaround timescales for the repair category.	100%

1. The measure is the number of Repair and Overhaul items delivered within the quarter to agreed turnaround timescales.
2. Time -  
The Contractor shall return the Initial Response:
  - a) 'Clock start' shall commence on the date recorded on the Leonardo Goods Received Note (GRN) for when the Component arrived at Leonardo Basildon Goods inwards.
  - b) "Clock stop" shall occur upon notification that the item is ready for dispatch.
3. The first KPIs assessment shall be provided by the Contractor on the completion of the 1<sup>st</sup> Quarter post Contract award and Quarterly thereafter.
4. Performance level to be achieved over reporting period is 100%.
5. Turnaround Timescales: Should the Contractor not deliver the article within agreed Contractual turnaround timescales this will be treated as a failure. The Contractor shall provide the Authority Project Manager (PD4) with a new delivery forecast for the failure item together with supporting evidence for the delay.

$$\text{R\&O ITEMS DELIVERED TO TURNAROUND TIMESCALES (\%)} = \frac{\text{Number of R\&O Items that achieved the turnaround time within the Quarter.}}{\text{Total Number of R\&O Items delivered within the Quarter.}} \times 100$$

## Repair Turn Around Times (RTATs)

Category	Turn around time
Albion Turret	NFF 70 days
	Minor Repair 90 days
	Medium Repair 120 days
	Major Repair 150 days
Albion Control Switch Unit (CSU)	NFF 70 days
	Minor Repair 90 days
	Major Repair 90 days
Albion Control Grip Unit (CGU)	NFF 70 days
	Minor Repair 180 days
Out of Scope (OOS) Repair	As agreed by the Authority

**KPI 3 Technical Queries (Measured Monthly):**

KPI.	Requirement Description	Measurement Category	Detailed Requirement - Contractor	Reporting Period	Performance Measure	Performance Level
3.	Turnaround times for Technical Issues.	Turnaround time of initial response to queries.	Please see below table for categories and turnaround timescales.	Quarterly	Number of technical queries responded to within the timescales listed below.	100%

Category	Turnaround Timescale
Urgent	1 working day
Priority	3 working days
Routine	10 working days

1. The Contractor shall provide response to Technical Queries in accordance with the following.

Responses completed to agreed timeframe (%)
100%

2. The first KPIs assessment shall be provided by the Contractor on the completion of the first quarter post Contract award and quarterly thereafter.

The Contractor shall deliver each Technical Queries response to the Authority within a timeframe that meets or improves upon agreed completion timeframe.

4. Technical Queries measurement shall assess the completion of all Technical Queries that are recorded in the current period. The following calculation shall be used for KPI 3:

$$\text{TECHNICAL QUERIES COMPLETED \%} = \frac{\text{Number of Technical Queries responded to within turnaround times}}{\text{Total number of Technical Queries responded to in the applicable month}} \times 100$$

**KPI 4 – PDS Tasking Milestone Deliverables (Measured Quarterly):**

KPI.	Requirement Description	Measurement Category	Detailed Requirement - Contractor	Reporting Period	Performance Measure	Performance Level
4.	Achieving formally agreed delivery dates between the Authority and the Contractor for PDS Tasking – including but not limited to Spares.	Performance against agreed milestone deliverables shall be monitored via KPI 4.	Delivery dates shall be agreement on a task by task basis for PDS Tasking.	Quarterly	Number of scheduled deliverables under PDS tasking within the month.	100%

1. The measure is the number of PDS Milestone Deliverables due within the quarter, achieved to agreed Contractual timescales. For this KPI the relevant timescale shall be agreed on a task-by-task basis.
2. The first KPIs assessment shall be provided by the Contractor on the completion of the 1st quarter post Contract award and quarterly thereafter.
3. Performance level to be achieved over reporting period is 100%.
4. Delivery Forecasts: Should the Contractor not deliver the article within agreed Contractual delivery timescales this will be treated as a failure. The Contractor then shall provide the Authority Project Manager with a new delivery forecast for the failure item together with supporting evidence for the delay.

$$\text{DELIVERY DATES ACHIEVED} = \frac{\text{Total Number of PDS Milestone Deliverables due within the quarter, achieved to agreed Contractual timescales.}}{\text{Total Number of PDS Milestone Deliverables due within the quarter}} \times 100$$

## **Schedule 12 – Official Sensitive Security Requirements for Contract No: CHC/648**

### **Definitions**

1. The term "Authority" for the purposes of the Schedule means a Ministry of Defence (MOD) official acting on behalf of the Secretary of State for Defence.

### **Security Grading**

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

### **Official Secrets Acts**

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

### **Protection of OFFICIAL and OFFICIAL- SENSITIVE Information**

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

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/594320/DART\\_ISN\\_-\\_V2\\_3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/594320/DART_ISN_-_V2_3.pdf)

6. OFFICIAL and OFFICIAL-SENSITIVE information shall be protected in a manner to avoid unauthorised access. The Contractor shall take all reasonable steps to prevent the loss, compromise or inappropriate access of the information or from deliberate or opportunist attack.
7. All OFFICIAL and OFFICIAL-SENSITIVE material including documents, media and other material shall be physically secured to prevent unauthorised access. When not in use OFFICIAL and OFFICIAL- SENSITIVE documents/material shall be handled with care. As a minimum, when not in use, OFFICIAL-SENSITIVE material shall be stored under lock and key and in a lockable room, cabinets, drawers or safe and the

keys/combinations are themselves to be subject to a level of physical security and control.

8. Disclosure of OFFICIAL and OFFICIAL-SENSITIVE information shall be strictly in accordance with the "need to know" principle. Except with the written consent of the Authority, the Contractor shall not disclose any of the classified aspects of the Contract detailed in the Security Aspects Letter other than to a person directly employed by the Contractor or sub-Contractor, or Service Provider.
9. Any samples, patterns, specifications, plans, drawings or any other documents issued by or on behalf of the Authority for the purposes of the Contract remain the property of the Authority and shall be returned on completion of the Contract or, if directed by the Authority, destroyed in accordance with paragraph 32.

### **Access**

10. Access to OFFICIAL and OFFICIAL-SENSITIVE information shall be confined to those individuals who have a "need-to-know", have been made aware of the requirement to protect the information and whose access is essential for the purpose of his or her duties.
11. The Contractor shall ensure that all individuals having access to OFFICIAL-SENSITIVE information have undergone basic recruitment checks. Contractors shall apply the requirements of HMG Baseline Personnel Security Standard (BPSS) for all individuals having access to OFFICIAL-SENSITIVE information. Further details and the full requirements of the BPSS can be found at the Gov.UK website at:

<https://www.gov.uk/government/publications/government-baseline-personnel-security-standard>.

### **Hard Copy Distribution**

12. OFFICIAL and OFFICIAL-SENSITIVE documents shall be distributed, both within and outside company premises in such a way as to make sure that no unauthorised person has access. It may be sent by ordinary post or Commercial Couriers in a single envelope. The words OFFICIAL or OFFICIAL-SENSITIVE shall not appear on the envelope. The envelope should bear a stamp or details that clearly indicates the full address of the office from which it was sent.
13. 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.

### **Electronic Communication, Telephony and Facsimile Services**

14. 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 MOD approved cryptographic technique such as Transmission Layer Security (TLS). In the case of TLS both the sender and recipient organisations must have TLS enabled. Details of the required TLS implementation are available at:

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

Details of the CPA scheme are available at:

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

Exceptionally, in urgent cases, OFFICIAL-SENSITIVE information may be emailed unencrypted over the internet where there is a strong business need to do so and only with the prior approval of the Authority.

15. OFFICIAL-SENSITIVE information shall only be sent when it is known that the recipient has been made aware of and can comply with the requirements of these Security Conditions and subject to any explicit limitations that the authority shall require. Such limitations, including any regarding publication, further circulation or other handling instructions shall be clearly identified in the email sent with the material.
16. OFFICIAL information may be discussed on fixed and mobile telephones with persons located both within the UK and overseas. OFFICIAL-SENSITIVE information may be discussed on fixed and mobile types of telephone within the UK, but not within earshot of unauthorised persons.
17. OFFICIAL information may be faxed to recipients located both within the UK and overseas, however OFFICIAL-SENSITIVE information may be faxed only to UK recipients.

### **Use of Information Systems**

18. The detailed functions that must be provided by an IT system to satisfy the minimum requirements cannot all be described here; it is for the implementers to identify possible means of attack and ensure proportionate security mitigations are applied to prevent a successful attack.
19. The contractor shall ensure 10 Steps to Cyber Security is applied in a proportionate manner for each IT and communications system storing, processing or generating MOD UK OFFICIAL or OFFICIAL-SENSITIVE information. 10 Steps to Cyber Security is available at:

<https://www.ncsc.gov.uk/guidance/10-steps-cyber-security>

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

20. As a general rule, any communication path between an unauthorised user and the data can be used to carry out an attack on the system or be used to compromise or ex-filtrate data.
21. Within the framework of the 10 Steps to Cyber Security, the following describes the minimum security requirements for processing and accessing OFFICIAL-SENSITIVE information on IT systems.
  - a. Access Physical access to all hardware elements of the IT system is to be strictly controlled. The principle of “least privilege” will be applied to System Administrators. Users of the IT System -Administrators should not conduct ‘standard’ User functions using their privileged accounts.
  - b. Identification and Authentication (ID&A). All systems shall have the following functionality:



- (1) Up-to-date lists of authorised users.
  - (2) Positive identification of all users at the start of each processing session.
- c. Passwords. Passwords are part of most ID&A, Security Measures. Passwords shall be 'strong' using an appropriate method to achieve this, for example including numeric and "special" characters (if permitted by the system) as well as alphabetic characters.
- d. Internal Access Control. All systems shall have internal Access Controls to prevent unauthorised users from accessing or modifying the data.
- e. Data Transmission. Unless the Authority authorises otherwise, OFFICIAL-SENSITIVE information shall be transmitted or accessed electronically (e.g. point to point computer links) via a public network like the Internet, using a CPA product or equivalent as described in paragraph 13 above.
- f. Security Accounting and Audit. Security relevant events fall into two categories, namely legitimate events and violations.
- (1) The following events shall always be recorded:
    - (a) All log on attempts whether successful or failed,
    - (b) Log off (including time out where applicable),
    - (c) The creation, deletion or alteration of access rights and privileges,
    - (d) The creation, deletion or alteration of passwords,
  - (2) For each of the events listed above, the following information is to be recorded:
    - (e) Type of event,
    - (f) User ID,
    - (g) Date & Time,
- g. Device ID, The accounting records shall have a facility to provide the System Manager with a hard copy of all or selected activity. There shall also be a facility for the records to be printed in an easily readable form. All security records are to be inaccessible to users without a need to know. If the operating system is unable to provide this then the equipment shall be protected by physical means when not in use i.e. locked away or the hard drive removed and locked away.
- h. Integrity & Availability. The following supporting measures shall be implemented:
- (1) Provide general protection against normally foreseeable accidents/mishaps and known recurrent problems (e.g. virus power supply variations),
  - (2) Defined Business Contingency Plan,
  - (3) Data backup with local storage,
  - (4) Anti-Virus Software (Implementation, with updates, of an acceptable industry standard Anti-virus software),

- (5) Operating systems, applications and firmware should be supported,
- (6) Patching of Operating Systems and Applications used shall be in line with the manufacturers recommended schedule. If patches cannot be applied an understanding of the resulting risk will be documented,
- i. Logon Banners Wherever possible, a “*Logon Banner*” shall be provided to summarise the requirements for access to a system which may be needed to institute legal action in case of any breach occurring. A suggested format for the text (depending on national legal requirements) could be:

*Unauthorised access to this computer system may constitute a criminal offence”*

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

## **Laptops**

- 22. Laptops holding any MOD supplied or contractor generated OFFICIAL-SENSITIVE information are to be encrypted using a CPA product or equivalent as described in paragraph 14 above.
- 23. Unencrypted laptops not on a secure site (defined as either Government premises or a secured office on the contractor 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, which should explain any limitations on the use of the system, is to be submitted to the Authority for consideration. Unencrypted laptops and drives containing personal data are not to be taken outside of secure sites. For the avoidance of doubt the term “drives” includes all removable, recordable media (e.g. memory sticks, compact flash, recordable optical media e.g. CDs and DVDs), floppy discs and external hard drives.
- 24. Any token, touch memory device or password(s) associated with the encryption package is to be kept separate from the machine whenever the machine is not in use, left unattended or in transit.
- 25. Portable CIS devices are not to be left unattended in any public location. They are not to be left unattended in any motor vehicles either in view or in the boot or luggage compartment at any time. When the vehicle is being driven the CIS is to be secured out of sight in the glove compartment, boot or luggage compartment as appropriate to deter opportunist theft.

## Loss and Incident Reporting

26. The contractor shall immediately report any loss or otherwise compromise of any OFFICIAL or OFFICIAL-SENSITIVE information to the Authority.
27. Accordingly, in accordance with Industry Security Notice 2014/02 as may be subsequently updated at:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/293480/ISN\\_2014\\_02\\_Incident\\_Reporting.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/293480/ISN_2014_02_Incident_Reporting.pdf)

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

### 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.gov.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.

## Sub-Contracts

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

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/367494/Contractual\\_Process\\_-\\_Appendix\\_5\\_form.doc](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/367494/Contractual_Process_-_Appendix_5_form.doc).

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

## **Publicity Material**

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

## **Private Venture**

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

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/414857/20150310\\_PV\\_Ex\\_Guidance\\_Document.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/414857/20150310_PV_Ex_Guidance_Document.pdf)

## **Promotions and Potential Export Sales**

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

<https://www.gov.uk/mod-f680-applications>.

## **Destruction**

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

## **Interpretation/Guidance**

33. Advice regarding the interpretation of the above requirements should be sought from the Authority.
34. 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>.

## **Audit**

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

### **Schedule 13 – Assumptions, Exclusions and Dependencies**

- Contract Award Date assumed to be 31st March 2023
- Contract Start Date assumed to be 1st April 2023
- End of the Contract is assumed to be 31st March 2025 (to be changed if Option Year is taken up).
- Contract Years have been allocated as follows
  - Year 1: April to December 2023 (9 months)
  - Year 2: January to December 2024 (12 months)
  - Year 3: January to March 2025 (3 months)
  - Year 4 (Option) : April 2025 to March 2026 (12 months)
- Terms and Conditions Compliance Matrix applies.

#### **1 CORE**

- Assumes management of contract as per Leonardo mandated processes.
- Assumes Security Classification does not exceed OFFICIAL-SENSITIVE
- Assumes Contract is non-QDC
- Assumes Main Payments are Monthly as per Payment Plan AP50205080.
- Scope and Cost Tasks - Assumes x 3 per Contract Year. Effort to Scope and Cost additional Tasks each Contract Year will be costed within the Task itself.
- Scope and Cost Spares - Assumes x1 emergent spare per Contract Year. Effort to Scope and Cost additional emergent spares each Contract Year will be costed within the Spare itself.
- Assumes x4 QPMs per Year, half at Abbey Wood/RAF Odiham/Bristol/London and half at Leonardo Basildon.
- Assumes the Local Technical Committee (LTC) will be held at the same time as the QPMs.
- Excludes Return to Vendor Child Repairs, GFE Top Ups, Out of Scope Turret specific items or MOB Spares.
- ADSL Succession Refresher Courses assume initial ADSL Succession Training will occur on a TAF.
- Quality - includes Product Assurance Planning, estimating, auditing and other company procedure-related activities.

## 2 REPAIRS

- Repair Menu Pricing will be applied by the Contract Year in which the Demand Order is accepted by Leonardo and the Classification made following the Survey.
- Assumes repairs have individual Purchase Orders
- Assumes Leonardo will send a Survey Report to the Authority once the Survey of a unit has been completed.
- Assumes TAT clock stops once the Survey Report has been sent to the Authority until the PO is uplifted to the correct value.
- Assumes Major Turrets Repairs are subject to Authority approval of the Classification within 5 working days (or after 5 working days are approved by default).
- Assumes Out of Scope Repairs are subject to quotation approval.
- Assumes all other repairs do not require approval.
- Turn Around Times are in Business Days.
- Turn Around Times are from the Date Booked In (Date SAP Notification is raised) to the Date Shipped (Date Notification is Post Goods Inspected)
- Leonardo will endeavour to unofficially meet as many of the Turn Around Times as possible for those units not officially subject to them.
- Repairs are deemed shipped when the unit is collected by the courier.
- Illuminated Switch Panels will be charged for individually ONLY if the unit is returned from the MOB in its own right (i.e. not part of a Control Switch Unit (CSU)). All other occurrences will be included within the CSU price.
- Out of Scope Turret repairs will be charged at the Survey price plus a quoted Repair Price, to be agreed on a case-by-case basis. Rates used for the Repair Price will be assessed at the time of quotation.
- Firm prices include all materials, shipping and labour associated with the repair.
- Accomplishment of stated Turn Around Times assumes three returns of each repairable unit in any calendar month. If more than three returns of each repairable unit are received in any calendar month Turn Around Times will not officially apply to the additional quantities.
- Accomplishment of stated Turn Around Times is subject to availability the following factors caused by existing CHC/602 and CHC/648 units in the repair loop:
- Rotable Units in GLO
- Component items in Leonardo stores
- Workload.

- For units requiring repair when stocks are low or existing workload is already high Turn Around Times will not officially apply. The Authority will be informed before the Demand Order is accepted by Leonardo.

### **3 SPARES**

- Assumes that at time of bid all Spares are being treated as "Emergent Spares".
- Assumes Spares are MOB Spares only and that topping up GFE Stock at Leonardo will be covered by TAFs.
- Rates used for Spares will be assessed at the time of quotation.

### **4 DOCUMENTATION MANAGEMENT**

- Documents covered in this work package are assumed to be:
  - QPM Documents
- Assumes QPM Dates are agreed prior to Contract Start Date in order to fulfil the 20 working days / 5 Working Days Calling Notice / Presentation requirements.
  - Monthly Status Report
- Assumed to be due for submission by 3rd working day of the following month
  - GFX Plan
  - Safety Management Plan
  - Quality Plan

### **5 OBSOLESCENCE MANAGEMENT**

- Effort will comprise of "re-active" issues such as 1821 forms (obsolete components flagged during procurement activities) and "pro-active" work such as generating obsolescence reports.
- Includes maintenance of the Obsolescence Management Plan
- Excludes actions to resolve Obsolescence issues which will be covered on separate TAFs
- Assumes two reports per year (every six months).

### **6 POST DESIGN SERVICES**

- PDS includes - Design Integrity and Safety, ADSL Bearing Testing, Refresher course, Fault Investigations (F760As) FRACAS and Engineering work not included in other workpackages
- FRACAS (Fault Reporting) : Analysis of fault trends to be carried out every three months to allow sufficient amount of data to be analysed.
- Safety: Individual tasks will address any additional safety management support requirements not covered by PDS.

- F760As assumes any actions required as a result of a 761 report will be covered under a separate tasking.
- Individual PDS tasks will address any additional effort not included as part of PDS core.

## **7 TECHNICAL PUBLICATIONS REVISION SERVICE**

- Includes maintaining the Technical Publications Management Plan
- Assumes a Commercial format is acceptable and the use of one single document with the removal of multiple separate chapters is acceptable.
- Assumes design changes will be on a separate TAF.
- Assumes transfer from FrameMaker to Microsoft Word.

## **8 HELPDESK**

- Assumes KPIs only apply on requests received within the working hours stated below:
  - Monday to Thursday 09:00 – 16:00
  - Friday 08:00 – 12:00
  - Excluding factory shut down periods
  - Factory shut down periods include, but are not limited to, Bank Holidays and 1 week at Christmas.
- Assumes Helpdesk Queries are received via e-mail
- Assumes KPIs will only apply if e-mail is sent to the Leonardo PDSO, Project Manager and Commercial Point of Contact.
- Assumes e-mails will be marked as "Urgent", "Priority" or "Routine". Any E-mails not marked will be treated as "Routine".
- It is assumed that an initial response to an Urgent query (as opposed to the full answer (i.e. the way forward)) is enough to meet the KPI.
- It is assumed that if an agreement is reached with the Authority to extend the deadline (prior to it expiring) KPIs will not apply.
- Any necessary follow-on work from the query is assumed to be covered by a PDS task.
- "Major" queries (>20 hours effort) are assumed to be covered by a PDS task not the Helpdesk.

## **9 SPECIAL INSTRUCTIONS (TECHNICAL)**

- Assumes Special Instructions (Technical) (SI(T)) are the instructions to the bay on how to carry out certain tasks.



## **10 ENGINEERING CHANGE PROPOSALS**

- Excludes any sizeable or numerous changes which will be covered on separate TAFs.

## **11 BID COSTS**

- Assumes bid costs will be paid upon Contract award and will account for Leonardo's labour in putting the proposal and bid together.

## **12 TASKS (TAFS)**

- Assumes any NRE resulting from a transfer to a new Cover Supplier will be covered on a TAF.
  - Standard RAF Odiham Visit menu Pricing assumes 2 person visit (PDSO plus Tester) an overnight stay and 8 hours at RAF Odiham. Visits will be arranged and authorised via a TAF.
  - Rates used for TAFs will be assessed at the time of quotation.
-

**Schedule 14 – Task Authorisation Form (TAF)**

**TASK AUTHORISATION FORM (PDS)**

**PART A - MOD REQUIREMENT**

**Section 1: Description of requirement**

<b>MoD Ref No:</b>		<b>Revision:</b>		<b>Date:</b>	
------------------------	--	------------------	--	--------------	--

<b>TITLE</b>	
--------------	--

**Background**

**Task Requirement**

**Required Deliverable(s) & Delivery Date**

**Section 2: Authorisation for the Requirement**

**Project**

<b>TITLE</b>	<b>NAME</b>	<b>SIGNATURE</b>	<b>DATE</b>

**Commercial**

<b>TITLE</b>	<b>NAME</b>	<b>SIGNATURE</b>	<b>DATE</b>

## **PART B - QUOTATION AGAINST PART A**

### **Section 1: Scope of Work**

**Specific tasks as defined hereunder shall be undertaken in accordance with the terms and conditions applicable to Contract CHC/648.**

<b>MoD Ref No:</b>		<b>Revision:</b>		<b>Date:</b>	
--------------------	--	------------------	--	--------------	--

<b>TITLE</b>	
--------------	--

#### **Statement of Work**

#### **Agreed Timescales**

**Firm Price (including full breakdown at Appendix 1 to this TAF):**

**£..... (VAT Ex)**

**Quotation Valid Until:**

### **Section 2: Contractor Authorisation**

	<b>TITLE</b>	<b>NAME</b>	<b>SIGNATURE</b>
<b>Tasking response authorised on behalf of Contractor</b>			
			<b>Date:</b>

## **PART C - MOD AUTHORISATION TO PROCEED**

### **Section 1: Details**

<b>MoD Ref No:</b>		<b>Revision:</b>		<b>Date:</b>	
--------------------	--	------------------	--	--------------	--

<b>TITLE</b>	
--------------	--

## **Section 2: Authorisation to Proceed**

### **Project Authorisation**

The hours and direct costs quoted are considered to be fair and reasonable for the work to be undertaken and there are no other issues. The Task can proceed.

TITLE	NAME	SIGNATURE	DATE

### **Commercial Authorisation**

Firm Price agreed:	£
--------------------	---

TITLE	NAME	SIGNATURE	DATE

## **Section 3: Rejected by MoD**

### **Project**

TITLE	NAME	SIGNATURE	DATE

### **Commercial**

TITLE	NAME	SIGNATURE	DATE

### **Reasons for Rejection**

**PART D - COMPLETION OF ADDITIONAL TASK**

Section 1: Details

<b>MoD Ref No:</b>		<b>Revision:</b>		<b>Date:</b>	
--------------------	--	------------------	--	--------------	--

<b>TITLE</b>	
--------------	--

Section 2: Confirmation of Task Completion

	<b>TITLE</b>	<b>SIGNATURE</b>
<b>Signed on behalf of the Contractor to confirm the additional task has been completed.</b>		
		<b>Date:</b>

	<b>TITLE</b>	<b>SIGNATURE</b>
<b>Signed on behalf of the Authority to confirm the additional task has been completed.</b>		
		<b>Date:</b>

## SCHEDULE 14 – AUTHORISED TASKS

### ***SCHEDULE 14.1 - AUTHORISED PDS TASKS***

Task No	Issue Date	Task Description	Firm Price £ VAT ex	Date to be Completed

### ***SCHEDULE 14.2 - AUTHORISED OUT OF SCOPE REPAIRS***

Serial No	Repair Description	Firm Price £ VAT ex

## Ministry of Defence

### Schedule 15 – Contract Data Requirement

1. <u>ITT/Contract Number</u>  CHC/648 –  Support of the UK Chinook Electro Optic Sensor Turret (EOST) System	2. <u>CDR Number</u>  CHC648-CDR1-	3. <u>Data Category</u>  Maintenance/Repair/Reconditioning	4. <u>Contract Delivery Date</u>  N/A
5. <u>Equipment/Equipment Subsystem Description</u>  Electro Optic Sensor Turret (EOST) System as used on the UK Chinook fleet.	6. <u>General Description of Data Deliverable</u>  Maintenance Manual		
7. <u>Purpose for which data is required</u>  1st & 2nd level maintenance of the System by and on behalf of the MOD	8. <u>Intellectual Property Rights</u>  a. <u>Applicable DEFCONs</u>  DEFCON 16 DEFCON 21  b. <u>Special IP Conditions</u>		

	N/A
9. <u>Update/Further Submission Requirements</u>  As Required	
10. <u>Medium of Delivery</u>  In line with ITN/CHC/648 SOR	11. <u>Number of Copies</u>  In line with ITN/CHC/648 SOR



### Schedule 16 – Government Furnished Assets

<b>Description of GFA</b> <b>To include part numbers, specification etc where known</b>	<b>Quantity &amp; Format</b>	<b>Terms on which GFA is provided, i.e. Contract Work Item, Contract Support Item, Contract Embodiment Item</b> <b>(See Note 1)</b>	<b>Duration that GFA is provided</b>	<b>Comments</b>
Repairable Items, as detailed in the SOR to the Contract	N/A	Contract Work Items	TBA	
Special-to-Type Containers (STCs)	N/A	Contract Embodiment Items	TBA	
Spares listed at Schedule 15.1 in this Contract	As at Schedule 15.1 in this Contract	Contract Embodiment Items	To be used in the repair process	The minimum quantities specified in Schedule 15.1 shall be maintained by the Contractor and additional items procured on behalf of the Authority in accordance with the terms and conditions of this Contract.

#### Notes

1. Terms as per DEF STAN 05-99.
2. For the purpose of this Contract GFA is a generic term to cover Government Furnished Equipment (GFE), Government Furnished Services (GFServ), Government Furnished Facilities (GFF) and Government Furnished Information (GFI).

### SCHEDULE 16.1 - GFA SPARES

Item	Part Number	NSN	Description	Minimum Quantity
1	AP50028076		LRU/WRA - IR SENSOR	11
2	AP50028380		RECEIVER - INFRARED	5
3	AP50058019		HOUSING - NUC ASSEMBLY	3
4	AP50028756		LENS INFRARED 3 TO 5	5
5	AP50029090		PEC - VIM	3
6	AP50030161		FRAME - BULKHEAD MACHINED	2
7	AP50030199		PEC - OGS1 2 SS	3
8	AP50030200		PEC - OGS1 1 SS	3
9	AP50030201		PEC - OGS1 3 SS	3
10	AP50030202		PEC - OGS1 4 SS	3
11	AP50030224		PEC - OGS1 6 SS	3
12	AP50030234		PEC - FILTER CABLE ASSY	6
13	AP50030505		LRU/WRA - CAMERA ASSY LWIR	9
14	AP50030696		CABLE ASSY - (LOW LIGHT)	5
15	AP50030697		LRU/WRA - CAMERA ASSY L3	5
16	AP50031377		MOTOR - ASSEMBLY ELEVATION	5
17	AP50031573		FIBRE OPTIC GYRO,INLINE	3
18	AP50031574		FIBRE OPTIC GYRO,PERPENDICULAR	3
19	AP50031881		PEC - SERVO FILTER ASSY	3
20	AP50031918		CABLE ASSY - SLX MERLIN	3
21	AP50031961		CABLE ASSY - NUC/PIM	5
22	AP50057717		PEC - PIMMS CONFORMAL COAT	5
23	AP50032386		PEC - SERVO CONTROL 1	5
24	AP50032472		PEC - SERVO CONTROL 2	5
25	AP50032562		COVER - SIDE RH ASSEMBLY	3
26	AP50032643		PEC - FLEXI CONFORMAL COAT	5
27	AP50032644		PEC - CPM + FIRMWARE	8
28	AP50032730		PEC - PAYLOAD PSU SS	3

Item	Part Number	NSN	Description	Minimum Quantity
29	AP50032793		PEC - PIM + SOFTWARE	4
30	AP50032944		COVER - TOP PAINTING	3
31	AP50033175		CABLE ASSEMBLY AZIMUTH	5
32	AP50033178		PLATE - MOTOR ASSEMBLY	1
33	AP50033369		CABLE ASSEMBLY GYRO	5
34	AP50033371		CABLE ASSEMBLY GYRO	5
35	AP50033373		CABLE ASSY - (LWIR)	5
36	AP50033379		CABLE ASSY - SIDE-LEG	5
37	AP50033382		CABLE ASSY EXT COMMS	4
38	AP50033395		CABLE ASSY PRIMARY IR LENS	5
39	AP50033459		PEC - SERVO AMP INTERFACE	4
40	AP50034290		FRAME - INNER PAINTING	1
41	AP50034364		COVER - FAIRING PAINTING	3
42	AP50034373		COVER - REAR ASSY	5
43	AP50034383		COVER - SIDE LH ASSY	3
44	AP50034393		COVER - DESICCATOR ASSY	5
45	AP50034418		FRAME OUTER PAINTING	2
46	AP50034512		COVER - FRONT ASSEMBLY	5
47	AP50035292		CABLE ASSY POWER CONTROL	5
48	AP50057455		PEC - DIM + FIRMWARE	4
49	G0064853		BEARING	3
50	V-00-8451-01-4		PEC - SWITCH UNIT SERIAL INTERFACE	3
51	V-00-8751-01-3		PEC - POWER SUPPLY	3
52	V-20-5369-01		LRU/WRA - CONTROL GRIP UNIT	4
53	V-01-8525-01-2		PEC - DUAL TRACKER	3
54	V-01-8848-01-2		PEC - PAYLOAD MOTHERBOARD	3
55	V-02-8431-01-1		PEC - POWER CONTROL	5
56	V-20-5370-01		LRU/WRA - CONTROL SWITCH UNIT	10
57	V-05-8450-01-4		PEC - SWITCH PANEL	3

Item	Part Number	NSN	Description	Minimum Quantity
58	V-36-4170-01-3		PEC - SERVO CONTROL 3	5
59	V-36-4174-01-2		PEC - GIMBAL INTERFACE	3
60	AP50057384		PEC - OGSi 5 SS	3
61	V-36-9443-01-2		PEC - OGSi MOTHER BOARD	3
62	VA-01-0007-001		AMPLIFIER ELCTRNC CO	3
63	VA-31-0084-001		MOTOR CONTROL QT3411	5
64	VA-31-0085-001		MOTOR CONTROL QT4420	3
65	VA-52-0006-001		RESOLVER ELECTRICAL	3
66	AP50055349		BEARING - AZIMUTH	5
67	VZ-39-0006-001-1		POWER SUPPLY DC-DC P	3
68	AP50057526		SWITCH ASSY ILLUMINATION PANEL	12
69	VZ-52-0005-001-1		RING ELECTRICAL AZIMUTH	7
70	VZ-52-0006-001-1		RING ELECTRICAL ELEVATION	7

Schedule 17 – Repairs Demand Order Data

Demand Order No	Date	Serial No	Part No	Description	Quantity

**Schedule 18 Statement of Requirement (SOR)**

Electro Optic Sensor Turret (EOST) System Statement of requirement (SOR)

Version: 3

Date: 13/04/2022

Reference: CHC/648

## Purpose

1. This document describes the requirement for the strip, survey, investigation, repair and overhaul of, as well as the provision of a Post Design Service for, the Electro Optic Sensor Turret (EOST) system, formally the Forward Looking Infra-Red (FLIR) Turret system. The required standards and publications are detailed within the Requirements section.

## Background

2. An EOST System consists of the Leonardo Titan 385ES Turret, a Control Switch Unit (CSU) and Control Grip Unit (CGU). Other cabling and Aircraft fixed fittings are also required but will not be covered under this Contract. The Titan 385 ES HD Turret produced by Leonardo is the only EOST turret cleared for use in the aircraft's engineering set and Release to Service. When fitted, the EOST integrates into the aircrafts mission management system, display and structure.
3. Leonardo are the Original Equipment Manufacturer (OEM) for the Titan 385ES Turret, CGU and CSU. First and Second Line Turret, CSU and CGU support is performed by Military Personnel and MOD Contractors based at RAF Odiham. All fourth line support is to be performed by the equipment OEM.
4. EOST is baseline for the aircraft build standard post JULIUS. While the Chinook still can fly without EOST fitted, it will have a severely degraded mission capability. **Text redacted under the FOI act 2000, section 43**, Exercises, National Standby capability and UK Training Aircraft), and disallow routine sorties in areas with a degraded visual environment (especially if a landing is required).
5. The EOST System was procured under Urgent Operational Requirement (UOR) AO 1369 dated 28 Jul 2009. It provided the Aircrew with an enhanced situational awareness when conducting Night Vision Device (NVD) operations and Low Visibility Landings (LVL) due to Brownouts<sup>1</sup>. At the time of this UOR, the current NVD systems were not suitable to provide the level of safety in certain phases of flight and/or lighting conditions. The Support Helicopter (SH) FLIR project further enhanced the Situational Awareness (SA) of aircrew and facilitated the expansion of the Chinook capability, enabling Aircrew and Airframes to undertake more demanding operations.
6. **Text redacted under the FOI act 2000, section 43**, several additional spare Control Switch Units, 2 training media test sets and associated EOST support equipment. To date the requirement to fit the Forward Fleet with EOST is covered by Contract CHC/602, this contract is due to expire in Oct 2022, with an ongoing requirement for the equipment.
7. **Text redacted under the FOI act 2000, section 43**
8. There is a CASP requirement to ensure the Chinook Forward Available Fleet is Fitted- With the EOST system. As such there is a requirement to provide ongoing support for the EOST system and ensure that R&O activities continue.
9. There is a requirement for the OEM to provide spares, repairs, and Post Design Services (PDS) in support of the EOST System.

---

<sup>1</sup> Brown Outs are a total loss of situational awareness due to Dust and Sand kicked up by the Rotor down wash

## Proposal Scope

10. The Contractor shall deliver a FIRM price proposal for the Repair and Maintenance of the Electro Optic Sensor Turret (EOST), for the Chinook platforms, in accordance with this statement of requirement (SOR).
11. The following items will hereinafter be referred to as the Components.
  - a. Selex TITAN "ALBION" 385ES Turret [NSN: 1270-99-3554703 / PN: V-20-5416-01]
  - b. Selex TITAN "ALBION" 385ES Turret Special to Type Container (STC) [NSN: 8145-99-5636434 / PN: AP50029998]
  - c. Selex TITAN "ALBION" 385ES Control Grip Unit (CGU) [NSN: 5855-99-5518952 / PN: V-20-5369-01]
  - d. Selex TITAN "ALBION" 385ES Control Grip Unit Special to Type Container [NSN: 8145-99-1846712 / PN: AP50062117]
  - e. Selex TITAN "ALBION" 385ES Control Switch Unit (CSU) [NSN: 5975-99-5104024 / PN: V-20-5370-01]
  - f. Selex TITAN "ALBION" 385ES Control Switch Unit Special to Type Container [NSN: 8145-99-2979619 / PN: AP50062110]
  - g. Albion Switch Assembly Illumination Panel [PN: AP50057526]
  - h. Training Media Test Set [PN: AP50047064]
  - i. Training Media Case [PN: AP50043618]
  - j. 1553 Test Equipment [PN: AP50081139]
12. The Contractor shall be an Approved Organization under the Military Aviation Authority Design Approved Organisation Scheme (DAOS).
13. The proposal shall be provided with individual annexes to cover the requested elements. These should include the documents detailed below:
  - a. The Contractor shall deliver, as part of the Invitation to Negotiate (ITN), a breakdown of all the abbreviations used in the proposal and supporting documents.
  - b. The Contractor shall document all the ground rules and assumptions used to prepare the proposal. This document shall include not only the technical assumptions but also any other assumptions related to the satisfaction of this requirement including, but not limited to, Project Management, Finance and Commercial processes. This document shall include:
    - i. Assumptions
    - ii. Exclusions
    - iii. Dependencies



- c. In accordance with Schedule 3 Contract Data Sheet to the ITN the Authority has proposed meetings considered to be necessary for the management of this contract. The Contractor shall review the meetings and provide as part of the proposal any additional meetings for review. That list must include a list of events along with the specific accomplishments and accomplishment criteria for each event. When requested, the Contractor shall provide a schedule, a meeting agenda, the meeting slide package, and minutes of the meeting. Where the Contractor does not believe that the meeting is necessary, or wishes to propose an alternative, this may only be changed with appropriate justification and the agreement of the Authority. The meetings list shall include:
  - i. Item number
  - ii. Meeting Title
  - iii. Frequency
  - iv. Proposed date (could be linked to a project milestone)
  - v. Location (Virtual/UK)
  - vi. Proposed attendance
- d. The Contractor shall deliver a Government Furnished Assets/Equipment/Information (GFX) Plan including a GFX List. This document shall identify the processes to manage GFX requirements for the programme. The GFX Plan shall include:
  - i. Description of the process for The Contractor to request GFX (including roles and responsibilities)
  - ii. Supply, storage and upkeep of GFX
  - iii. Return of GFX
  - iv. Retained GFX
  - v. GFX List including as a minimum the equipment name, the equipment part number, the quantity and need date, level of classification, points of delivery.
  - vi. Processes for the management of classified equipment/information
- e. To comply with Chinook DT processes for managing GFX there is a requirement to formally request GFX required by the Contractor. The Authority shall provide a "CH DT GFE Loan Request Template" which the Contractor must deliver as part of their Proposal.
- f. The Contractor shall provide an Obsolescence Management Plan (OMP) within their proposal detailing the proposed approach to Obsolescence Management. Further detail is contained in the Obsolescence Management section. The OMP shall include as a minimum:
  - i. The Contractor's roles and responsibilities
  - ii. The Contractor's process as to how obsolescence will be managed
  - iii. The Contractor's process for management of identification of obsolescence risks and their management
  - iv. The Contractor's process for notifying the Authority of an obsolescence issue
  - v. How the supply chain will be monitored
  - vi. How threats will be anticipated and understood

- vii. How mitigations and treatments can be implemented by the Contractor to ensure continuity of support and avoidance of cost growth throughout the duration of the contract.
- g. The Contractor shall deliver a Payment Plan detailing proposed costings and payment for the core management of the contract, the R&O activities detailed in Sections 30 - 41 of this SOR, the spares activities detailed in Section 42 of this SOR, and any other chargeable items covered by this contract.
- h. The Contractor shall propose a Technical Publications Management Plan describing how they intend to deliver and manage the Technical Publication Revision Service.
- i. The Contractor shall propose turnaround times (TATs) for R&O activities for each of the Components and instances of No Fault Found (NFF). As measured from receipt of item (as detailed in Schedule 11 KPI #2) to completion of work (as detailed in Schedule 11 KPI#2). Turnaround times should be listed in working days.

#### **Requirement boundaries**

- 14. The duration of the contract shall be from 1 April 2023 to 31<sup>st</sup> March 2025.

#### **Export Requirements and ITAR Accreditation**

- 15. The Contractor shall be in possession of a valid Technical Assistance Agreement accreditation within 6 months of contract award.
- 16. The Contractor shall provide agreement that they will commit to secure a valid Technical Assistance Agreement to the Authority within their proposal and confirm this when achieved.
- 17. The Contractor shall ensure that it is in possession of valid export approvals for work to be performed under the Contract. This includes ITAR approvals. The Contractor shall have valid export approvals in place for the duration of the Contract.

#### **Contract Management**

- 18. The Contractor shall provide a core management service in accordance with the agreed proposal.
- 19. The Contractor shall provide the following to support Authority accruals and payments:
  - a. The Contractor shall track, and report, record individual instances of all R&O activity, including details of the cost, carried out for the duration of the contract.
- 20. All work under the Contract shall be subject to the security requirements set out in JSP 44
- 21. The Contractor shall make the Authority aware of any changes to systems, processes, management arrangements or other activities that will or could deliver efficiencies to the Authority (including but not limited to cost reduction, cost avoidance, performance, or timeliness improvements) even if indirectly. This continuous improvement activity will be reported to the Authority quarterly at a relevant programme review meeting (as detailed in 23).

22. The contractor shall provide within their proposal a cost breakdown of all replacement spare parts that will be consumed as part of repairs within one calendar month of contract award.
23. The Quarterly Progress Meeting (QPM) Pack shall contain the following information to be updated by the Contractor:
  - i. Authority and Contractor Circulation list and contact information
  - ii. PRM Actions
  - iii. Key Performance Indicator status
  - iv. Finance status
  - v. Component Repair Status – by Serial number
  - vi. Spares & Repairs Status – by Order Number
  - vii. Technical Questions – by Item Number
  - viii. Quality Issues – by Serial Number
  - ix. Risks, Issues and Opportunities – by Owner
  - x. Continuous Improvement
  - xi. Obsolescence Management Plan
24. The Contractor shall provide the QPM Pack at regular intervals quarterly. PRM Pack to be sent via email to:
  - i. EOST EA Desk Officer
  - ii. EOST Commercial Officer
  - iii. EOST Project Manager

### **Key Performance Indicators**

25. The Contractor shall be cognisant of and comply with the Key Performance Indicators (KPI) for this contract when carrying out any associated tasks.
26. The Contractor shall track and record their compliance with KPIs throughout the duration of the contract. The Contractor shall report their compliance with the KPIs monthly. This report should be sent via email.
27. The KPIs are as listed in Schedule 11.
28. NOT USED
29. The Contractor shall provide a Monthly Survey Report/ Fault Narrative Report of each item returned for repair; this report shall include:
  - i. Reason for Return
  - ii. Survey Results
  - iii. Test Findings
  - iv. Proposed Repair

## **Repair and Overhaul**

30. The Contractor is to perform a strip survey on all components sent in for a repair - any repairs considered No Fault Found (NFF), Minor or Medium/Standard shall be completed without requirement for sign off by the Authority where as a repair considered to be Major will require the Authority's approval prior to any repair being undertaken. All repairs will be sent with a purchase order for the minimum value which shall be modified with uplift if required subject to MOD approval of Major repairs.
31. The Contractor shall supply all Strip survey reports upon completion of the survey to the Authority within five (5) working days. For No Fault Found (NFF), Minor or Medium/Standard, the Authority will modify the purchase order to provide the Contractor instruction to undertake the work. For Major Repairs the Authority will reply within five (5) working days as to if they want to undertake the work or require a requote due to a contest on the level of repair.
32. The Contractor shall provide technical definitions and menu pricing for Sub-Assemblies inclusive repairs under the following headings:
  - a. NFF
  - b. Minor Repair
  - c. Medium/Standard Repair
  - d. Major Repair
33. The Contractor shall provide a monthly Survey Report/Fault Narrative Report to the Authority detailing current disposition of items undergoing repair. The workbook is to detail
  - a. Serial No
  - b. Reason for Return
  - c. Survey Results/Testing Findings
  - d. Proposed Level of repair
  - e. Level of repair actioned
  - f. Level of completion
  - g. Forecasted Completion Date
34. The Contractor shall propose turnaround times (TATs) for R&O activities for each of the Components and instances of No Fault Found (NFF). As measured from receipt of item (as detailed in Schedule 11: KPI 2) to completion of work (as detailed in Schedule 11: KPI 2). Turnaround times should be listed in working days.
35. The Contractor shall provide a spares inclusive R&O service for the Components. The Contractor shall provide as part of their proposal a full breakdown of spares which shall include the part cost, anticipated delivery timeframe to support agreement of FIRM priced Repair categories.
36. The Contractor shall propose a detailed breakdown of FIRM pricing for all R&O activities as part of their proposal.

37. The Contractor shall carry out R&O activities in line with the FIRM price, quantity and schedule agreed with the Authority.
38. R&O will be achieved under the following constraints:
- a. All R&O activity will be completed to meet the requirements of Leonardo (Design Organisation (DO)) Repair and Overhaul manuals.
  - b. Any spares used in the R&O activity have a valid Leonardo (The DO) Certificate of Conformity which details NATO Stock Number, Part Number and Serial Number (if applicable) for R&O purposes.
  - c. The Contractor shall ensure that all work performed on each component shall be covered under warranty at nil cost to the Authority. The warranty shall cover all workmanship, materials and condition of assets as receipted by the Authority. The Contractor to assess warranty claim by Authority and provide formal response by email with 20 working days.
  - d. The Contractor shall communicate the receipt of each Component in support of this contract within the next Monthly Report (as agreed in the programme management plan). A Component is deemed as being received by the Contractor when it arrives at one of the Contractor's facilities. The Contractor shall book each Component onto the Contractor's Asset Management System once receipted.
  - e. The Contractor shall carry out an initial test of each component to determine or confirm the reported fault within 14 calendar days this will be advised to the Authority. All fault investigation will be completed to meet the requirements of Leonardo (The DO) Documentation extant at the date of the test.
  - f. The Contractor shall communicate the most suitable level of repair/recondition for each Component within the next Monthly Report from inspection, except for Major Repairs.
  - g. The Contractor shall not induct any Components into a Major repair without explicit prior approval from the Authority.
  - h. The Contractor shall abide by the maximum R&O TATs as agreed with the Authority (see Section 13.h of this SOR)
  - i. To maintain Fleet Cohesion, all Components not compliant with the latest configuration standard when presented for repair are to be brought up to the latest configuration standard as agreed by the Authority.
  - j. The Contractor shall notify the Authority if the estimated cost of repair (including labour and spares) will exceed 75% of the cost of a replacement Component. If, after general external cleaning, initial inspection, strip, and survey of the Component (and as part of the "as received" test) the unit is believed to be Beyond Repair (BR) the Contractor is to immediately report its findings to the Authority. If the Authority agrees that it is BR and have sent instructions, the Contractor is entitled to claim the strip and survey cost. The Contractor shall salvage any serviceable parts and place them into the Government Furnished Equipment (GFE) Store for possible future use.
  - k. The Contractor shall notify the Authority within the next Monthly Report (as agreed in the programme management plan) of the completion of R&O activity. A Component is deemed as being returned to the Authority when it is received at the agreed delivery location.

39. The Contractor shall propose a standard cost for a site visit per person to RAF Odiham to last 8 hours to survey and provide minor repairs (Level 1 and 2) part of their statement of work. These site visits will be contracted through the PDS tasking mechanism on an as-required basis. The Contractor shall carry out survey and R&O activities in line with the schedule agreed with the Authority.
40. The Contractor is to be cognisant of the work currently undertaken by Leonardo under the previous contract. The commencement of this contract will need to provide seamless transition from the current R&O arrangements with no interruption to output. The Contractor is required to propose an approach for achieving this.
41. The Contractor shall provide a full breakdown of all anticipated costs for the duration of the contract

### **Spares**

42. The Contractor shall provide a Spares Solution Service in order to meet the Authority's requirements at Main Operation Base (MOB) RAF Odiham. Annex A to this SOR details the spares required to be supported by this solution. For each spare an item price and delivery timescales are to be provided. Purchases of spares will occur on an 'as arising' basis and work will only be carried out at the discretion of the Authority. The Contractor shall provide a breakdown of the Menu pricing for spares and timeframes for delivery of spares in the Contract proposal. When the Authority requests that spares be provided via the PDS Tasking process, the spares should meet the following criteria and be delivered under the following constraints:
  - a. Spares provided will need to meet the minimum standards of Leonardo (The DO) and be approved for use by them.
  - b. The Contractor shall supply spares with a valid Leonardo (The DO) Certificate of Conformity which details NATO Stock Number, Part Number and Serial Number (if applicable) for R&O purposes all in accordance with the airworthiness certification.
  - c. Spares to be supplied on an as required basis and free from defect and fit for purpose.
  - d. Spares demanded which are not included on Annex A will be delivered as an emergent spare. The prices for these items will be agreed with The Authority prior to the Contractor fulfilling the demand. The Contractor is to advise the Authority if they identify a trend of repeated demands for the same emergent spare notifying the Authorities commercial representative for discussion on potential contract amendment(s).

### **Obsolescence Management**

43. The Contractor shall provide an Obsolescence Management service for the EOST system which, through continuous scanning of the supply chain and other techniques, enables threats to be anticipated and understood such that mitigations and treatments can be implemented by the Contractor to ensure continuity of support and avoidance of cost growth throughout the duration of the contract (see Section 13.e). Provision shall be in accordance with BS EN IEC 62402:2019, the MOD Guide to Obsolescence Management (hosted on the Defence Logistics Framework (DLF), DEF Stan 05-0135 (Avoidance of Counterfeit Material) and MAA Regulatory Publications (MRPs)
44. The Contractor shall identify a point of contact (focal) to provide direct assistance to the Authority on obsolescence issues. The focal shall:

- i. Provide any obsolescence notifications along with a recommended solution to the Authority Obsolescence Manager
  - ii. Provide direct assistance to support Authority on obsolescence issues.
  - iii. Provide potential solutions to the problem to support all proposed quantities through the contract period of performance.
  - iv. Provide obsolescence updates to the Authority at the quarterly meeting.
45. The Contractor shall provide a six-monthly Obsolescence Management Report which shall detail the following:
- i. The identification of obsolescence issues, incorporation of Fit, Form, & Function (FFF) equivalent and alternative components and the timely procurement of Life of Need Buy components/modules. The report should detail current status for all Piece Part Spares used within the contract and the current status of outstanding obsolescence notifications.
  - ii. The Life of Need Buy (LNB) component stock holdings shall be provided to show the burn down and current quantity of Supplier and MoD owned LNB stock.
  - iii. In the event that a major sub-contractor of the Supplier withdraws its support for any element of Supplier's service, or chooses to leave the marketplace, then this will be treated as an obsolescence event.
46. The Contractor shall inform the Authority of the requirement for any LNB using an Obsolescence LNB Notification. The Contractor will supply recommendations for sufficient quantities to cover requirements until equipment EOL.
47. The Contractor shall ensure provision for the Authority to action any LNB within the given time frame.
48. The Contractor shall provide initial notification of an obsolescence issue to the authority as soon as reasonably possible after the Contractor is made aware. The Contractor is responsible for recording obsolescence issues and providing mitigation for those issues throughout the contracted period.
49. In the event that the Authority does not purchase the quantities recommended by the Contractor then any subsequent risk to the sustainment of the product to EOL will be borne by the Authority.
50. Any parts purchased as LNB are to be segregated and accounted for separately to meet MoD accounting regulations. Such stock may be subject to audit and stocktaking.
51. Where the Contractor is unable to calculate AMN&D arisings, obsolescence stock procured as LNB will exclude occurrences of AMN&D. However, the Contractor shall include suggestions/assessments for the likely additional percentage of components.
52. The Contractor shall provide amounts required for any LNB using the below formula:
- $$(((FH/wMTBF \text{ at LRU level}) * \text{No. of LRUs per A/C}) * \text{No. Components per LRU}) * \text{LRU RF}) + \text{Supplementary} = \text{Required qty}$$

Notes:

- i. FH = Flying hours for PP1 when calculating contractual requirements or from PP1 end to end of predicted product EOL or 2040 for the calculated qty beyond the contracted period.
- ii. FH includes provision for LRU qty on aircraft.
- iii. wMTBF = Worst case MTBF (either predicted or actual MTBF, whichever is lower).
- iv. LRU RF = LRU Risk Factor (Risk Factor is calculated on an individual basis on previously observed failure rates of LRU based on OEM feedback).
- v. Supplementary = +25% figure to determine potential future spares orders and to cover unforeseen events etc

**Documentation and Return Procedure**

- 53. The Contractor shall maintain a record of all Component repairs and reconditions, conducting trending analysis throughout the life of the contract. The Contractor shall record trend analysis and report trends found. The Contractor shall provide this information to the Authority at the quarterly meeting.
- 54. The Contractor shall complete and supply a Survey Report with information/record of individual repairs performed including all photographs taken.
- 55. All Components will be dispatched in approved STC as Government Furnished Equipment. The Contractor shall return 100% of units in Authority provided STC. STCs are:
  - i. Turret - Part Number: AP50062117 / NSN 8145-99-5636434
  - ii. CSU - Part Number: AP50062110 / NSN 8145-99-2979619
  - iii. CGU - Part Number: AP50062117 / NSN 8145-99-1846712
- 56. The Contractor shall complete and supply the following documentation at the return of assets:

Quantity two Serviceability and conditioning label:

  - i. One OEM Serviceability Label in a clear plastic wallet securely attached to the outside of the STC.
  - ii. One OEM Serviceability Label in a clear plastic wallet within the STC.
  - iii. One Engineering Record Card (ERC) detailing any life components replaced during the R&O activity within the STC.
  - iv. One MF753 Test, Inspection and Modification Certificate detailing all modifications during the R&O activity within the STC.



### **Post Design Services**

57. The Contractor shall provide a PDS for the duration of the contract.
58. The Contractor shall provide man hours, confirmation of grade of personnel on task, confirmation of 3rd party costs, time scales and costings for each PDS task requested, in accordance with PDS Tasking Template (DEFFORM 47ST - Section D & Annexes I & J to the ITN).

### **Technical Change Management**

59. The Contractor shall establish a Local Technical Committee (LTC) with the Authority. The LTC will provide a forum for dealing with Technical and associated matters including, but not limited to, modifications. The LTC will, where necessary, make recommendation to the Configuration Control Board (CCB).
60. The Contractor shall establish a CCB with the Authority to manage and control technical or configuration changes throughout the life of the project.
61. The Contractor shall (as part of the LTC/CCB) notify the Authority of any Modifications which will improve the safety, reliability, or cost of ownership during the period of this contract.

### **Fault Investigation**

62. The Contractor shall provide a Fault Investigation service for on aircraft and off aircraft equipment at the request of the Authority in the form of an F760A.
63. The Contractor shall comply with Defence Air Safety Occurrence Report policy.

### **Technical Publications**

64. The Contractor shall provide a Technical Publication Revision Service for, but not limited to, the following publications:
  - i. Standard Practices
  - ii. Maintenance Manual
  - iii. IPC
  - iv. Preservation and Packaging

The Revision service should include all;

- i. Publication amendments
- ii. Service Bulletins

The review is applicable to all Components and should be supplied in a digital format.

65. The Contractor shall agree a Technical Publications Management Plan with the Authority and manage the service in accordance with the mutually agreed plan. The Contractor shall maintain and update the Technical Publications Management Plan. The Technical Publications Management Plan shall be reviewed annually.

66. The Contractor shall provide Technical Publications Service for the Components Air Publications. Any amendments shall be supplied within 20 working days of contractor/authority change request arising.

#### **Technical Queries**

67. The Contractor shall provide a Help Desk/Query Answering Service for Technical Queries.
68. Minor technical queries (estimated <20 hours effort) will be submitted in writing via email to the Contractor.
69. The Contractor shall respond within:
- i. Urgent: < 1 working day
  - ii. Priority: < 3 working days
  - iii. Routine: < 10 working days

Unless explicitly agreed by the Authority prior to the deadline passing.

#### **Technical Instruction**

70. The Contractor shall support the Authority in the drafting of Special Instructions (Technical) (SI(T)) as requested by the Authority.
71. The Contractor shall respond with a formal acknowledgment and answer to each information request in relation to an SI(T) commensurate with the importance of the SI(T) to the Authority.

#### **Engineering Change Proposals**

72. As required by obsolescence, airworthiness, and other intervention activities, the Contractor shall prepare a Class I and Class II Engineering Change Proposal (ECP) / Service Bulletin (SB).
73. The Contractor shall also prepare fully costed Class I and Class II Engineering Change Notes.
74. The Contractor shall submit the ECP/SB, the SOW and the fully costed Class I and Class II Engineering Change Notes to the Authority within 5 working days of the ECP completion.

#### **Quality**

75. The Contractor shall conform to the Authority's quality requirements as detailed at Condition 49 in the Contract.
76. NOT USED
77. The Contractor shall produce a Test and Evaluation report as approved by the Authority as per Condition 49 of the Terms and Conditions.
78. The Contractor shall complete and submit a Quality Verification (QV) report to the Authority within 20 working days of the completion of the Test and Evaluation report.

## **Meetings**

79. The Contractor shall provide administration and secretarial services in support of all joint meetings. Support to include calling notices, minutes and presentations, unless otherwise agreed with the Authority. This shall include:
- i. Calling notices to be issued 20 working days prior to the joint meeting with the Authority.
  - ii. Presentation to be issued no later than 5 working days prior the meeting with the Authority.
  - iii. Minutes will be delivered to the Authority within 10 working days of the meeting.
  - iv. Upon receipt of the minutes the Authority shall have 10 working days to review minutes.
  - v. All notices, administration and/or secretarial services must be agreed by the Authority prior to release/issue.
80. The Contractor shall provide facilities for joint meetings that take place face to face. Facilities to include meeting rooms with suitable audio-visual display equipment and access to phone and copy facilities unless otherwise agreed with the Authority.
81. Where mutually agreed with the Authority, the Contractor shall be capable of attending meetings at MOD Abbey Wood, MOD Abbey Wood North, RAF Odiham or Leonardo Basildon, Leonardo London or Leonardo Bristol.
82. Where mutually agreed with the Authority, the Contractor shall be capable of holding teleconference and videoconference meetings.

## **Safety**

83. The Contractor shall notify the Authority of any airworthiness, safety, catastrophic failure, or technical issues which may adversely affect the airworthiness of the Chinook platform. Notification of such events is to be promulgated in the most expedient way to minimise the risk to the affected fleet.

## **Intellectual Property Rights**

84. The Contractor shall conform to the Authority's IPR requirements as detailed at condition 52 in the Contract.
85. The Contractor shall provide the Authority with the rights to carry out repair and maintenance of the components up to and including 4th line maintenance.
86. The Contractor shall provide The Authority with repair and maintenance manuals, and any additional information required, to carry out repairs on the components up to and including 4th line maintenance.

## ANNEX B: Deliverables

### Deliverables Note

This matrix is intended to provide an overview of the parties' contractual obligations to assist with contract management. It does not form part of the contract and should not be relied upon to aid interpretation of the contract. In the event of any conflict, inconsistency or discrepancy between this matrix and the contract, the terms of the contract shall take precedence.

### Negotiation Deliverables

All Negotiation Deliverables

#### *Supplier Contractual Deliverables*

##### Supplier Contractual Deliverables

Name	Description	Due	Responsible Party
Mandatory Standstill Period Ending	The 10 day mandatory Standstill Period is closing		Supplier Organization
Obligation Condition 1.c.(2) - Notification of litigation	Notification of; Litigation, arbitration, administrative, adjudication or mediation proceedings against itself or a Subcontractor		Supplier Organization
Commercial Exploitation Levy - Reminder that Statements of Sales and Auditor Certificate are required annually	Applicable to contracts with Commercial Exploitation Agreements. A reminder to Suppliers that Statements of Sales along with Auditor Certificate are required annually.	01-JAN-2020	Supplier Organization
Obligation Condition 1.c.(4) - Notification of Winding-up	Notice of any proceedings or steps taken for its winding-up or dissolution or for the appointment of a receiver, administrator, liquidator,		Supplier Organization
Obligation Condition 5.b - Notice of inconsistency between contract documents	If either Party becomes aware of any inconsistency within or between Contractual documents they shall notify the other Party forthwith		Supplier Organization
Obligation DEFCON 21 ( Edn 10/04) Clause - 3a - Maintenance of Deliverables (reminder)	To maintain at least one copy of all deliverable information to which DEFCON 21 applies during the period of the Contract and for at least two years after the Contract, or period as may be specified in the contract.		Supplier Organization
Obligation Condition 23.f.(6) And Condition 23.g.(1).(b) - Documents relating to design of new MLP Packaging	"All SPIS, new or modified, shall be uploaded by the on to SPIN. where the Supplier is the PDA and registered a list of all SPIS which have been prepared or revised against the Contract; and a copy of all new / revised SPIS, complete with all continuation sheets and associated drawings shall be provided for upload"		Supplier Organization

Name	Description	Due	Responsible Party
Obligation Condition 24.d - Schedule 6 hazardous Contractor Deliverables, Materials or Substances Supplied under the Contract: Data Requirements	a completed Schedule 6 (Hazardous Contractor Deliverables, Materials or Substances Supplied under the Contract: Data Requirements)		Supplier Organization
Obligation DEFCON 697 ( Edn 07/13) Clause - 6f - Confirmation that employees have appropriate security clearance.	Confirmation that employees have appropriate security clearance.		Supplier Organization
Obligation Condition 20.a - Attendance at Progress Meetings	attend progress meetings at the frequency or times specified in the contract		Supplier Organization
Obligation Condition 20.b - Progress Reports	submit progress reports at the times and in the format specified in the contract		Supplier Organization
Contract Planning and Administration - Completion of Contract Statistics (reminder)	To update and complete Contract Statistics Form paying particular attention to SIC code, Location of Work and Subcontractors information (discussing with Contractor as necessary to complete)		Supplier Organization
Obligation Condition 26.a - Certificate of Conformity	sufficient information, certification, documentation and other reasonable assistance to obtain necessary UK import/export licence or to facilitate the granting of export/import licences or authorisations by a foreign Government		Supplier Organization
Obligation Condition 36.a - Provide Registration Details for CP&F	provide details for registration on CP&F		Supplier Organization
Obligation Condition - Compliance with hazard reporting requirements for materials or substances, munitions or explosives	in addition to the requirements of UK REACH CLP the Contractor shall comply with hazard reporting requirements of DEF STAN 07-085 Design Requirements for Weapons and Associated Systems.		Supplier Organization
Obligation Condition 25.c - Source of Timber and Wood	If requested Evidence that the Timber and Wood-Derived Products supplied to the Authority comply with the requirements of clause 25.a or 25.b or both.		Supplier Organization
Obligation Condition 37.c - Notification of applicable VAT	Notification of VAT liability or changes to it		Supplier Organization
Obligation Condition 42.c.(2) - Post notification of Termination	List of Unused and undamaged materiel; contractor deliverables in the course of manufacture.		Supplier Organization

Name	Description	Due	Responsible Party
Obligation Clause Condition 42.f - Subcontract Termination	inclusion of Termination clause in subcontracts over £250,000		Supplier Organization
Obligation DEFCON 697 ( Edn 07/13) Clause - 6h - Confirm that appropriate risk assessments have been undertaken.	Confirmation that appropriate risk assessments have been undertaken.		Supplier Organization
Obligation Condition 23.e, 24.a, and 24.c - Safety Data Sheet	provide a Safety Data Sheet in respect of each Dangerous/Hazardous Material or substance supplied or deliverable containing such.		Supplier Organization
Obligation Condition 16.a - Change of Control of Contractor	Written Notification of any intended, planned or actual change in control of the Contractor, including any Sub-contractors.		Supplier Organization
Obligation Condition 16.b - Notification of Concern due to Change of Control	advise the Contractor in writing of any concerns due to Change of Control		Supplier Organization
Obligation Condition 18.a - Contractors Records (reminder)	maintain all records in connection with the Contract for a period of at least six (6) years		Supplier Organization

## Buyer Contractual Deliverables

### Buyer Contractual Deliverables

Name	Description	Due	Responsible Party
Obligation Condition 5.b - Notice of inconsistency between contract documents	If either Party becomes aware of any inconsistency within or between Contractual documents they shall notify the other Party forthwith		Buyer Organization
Obligation Condition 8.c - Change in Authority Representatives	Written confirmation of any change to the Authorities Representatives		Buyer Organization
Obligation Condition 14.f.(6) - Use of confidentiality agreement	Disclosure of Information on a confidential basis shall be subject to a confidentiality agreement containing terms no less stringent than those placed on the Authority		Buyer Organization
Obligation Condition 33.l - Notification of restrictions in use due to non-UK licence	If all or any part of the Contractor Deliverables are subject to Clause 33.k(1) or 33.k(2), it shall notify the Authority of this as soon as reasonably practicable		Buyer Organization
Obligation Condition 36.c - Payment	Payment of sums due		Buyer Organization
Obligation Condition 42.a - Termination	Written notice of Termination of part or whole of contract		Buyer Organization

**CHC/648 (703918454) for the [Supply / Provision] of Support, Repairs & Spares of the Electro-Optic Sensor Turret (EOST)**

This Contract shall come into effect on the date of signature by both parties.

**For and on behalf of the Company Name Leonardo UK Ltd**

Name, Title and Company Position	Text redacted under the FOI act 2000, section 40
Signature	Text redacted under the FOI act 2000, section 40
Date	23 <sup>rd</sup> May 2023

**For and on behalf of the Secretary of State for Defence**

Name and Title	Text redacted under the FOI act 2000, section 40
Signature	Text redacted under the FOI act 2000, section 40
Date	05/05/2023