

**Contract No: 700418320 - Provision of External Assistance to support the delivery of  
the Skills Framework using the MOD Efficiency & Capability Programme (ECP)  
Framework RM3806**

**CALL OFF ORDER FORM AND CALL OFF TERMS**

**PART 1 – CALL OFF ORDER FORM**

**SECTION A**

This Call Off Order Form is issued in accordance with the provisions of the MOD ECP Framework Agreement RM3806. The Contractor will provide External Assistance to support the delivery of the Skills Framework.

The Supplier agrees to supply the Services specified in the Statement of Requirement (SOR).

For the avoidance of doubt this Call Off Contract consists of the terms set out in this Call Off Order Form and the Call Off Terms.

Contract Number	<b>700418320</b>
From	<b>Ministry of Defence (MOD) ("CUSTOMER")</b>
To	<b>KPMG LLP ("SUPPLIER")</b>

**SECTION B**

**1. CALL OFF CONTRACT PERIOD**

<b>1.1.</b>	<b>Commencement Date: 13 Jul 20</b>
<b>1.2.</b>	<b>Expiry Date:</b>  End date of initial period: <b>13 Feb 21.</b>

**2. SERVICES**

<b>2.1</b>	<b>Services required:</b> <ul style="list-style-type: none"><li>As detailed in the Statement of Requirement (SOR),</li></ul>
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### 3. IMPLEMENTATION PLAN

3.1.	<b>Implementation Plan</b> – As per KPMG LLP tender response and as agreed with the People PCD project team.
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### 4. CONTRACT PERFORMANCE

4.1.	<b>Standards:</b> - The performance standards (Milestones / Deliverables) are as detailed in the SOR and the Terms and Conditions
4.2	<b>Service Levels:</b> As per Paragraph 12 of SOR
4.3	<b>Critical Service Level Failure:</b> Not Applicable
4.4	<b>Performance Monitoring:</b> This will be carried out by the People PCD Team in accordance with Paras 15.1 – 15.3 of SOR
4.5	<b>Period for providing Rectification Plan:</b> In the event that Rectification Plan is required the Authority will advise the Contractor accordingly. In Clause 38.2.1(a) of the Call Off Terms

### 5. PERSONNEL

5.1	<b>Supplier Key Personnel:</b> As detailed in the KPMG LLP tender
5.2	<b>Relevant Convictions</b> (Clause 27.2 of the Call Off Terms): <b>NA</b>

### 6. PAYMENT

6.1	<b>Call Off Contract Charges</b> – Payment will be made via the MODs Contract Purchasing and Finance (CP&F).
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<b>6.2</b>	<b>Payment terms/profile</b> - As per 6.1 above:
<b>6.3</b>	<b>Reimbursable Expenses – Not Applicable</b>
<b>6.4</b>	<b>Customer billing address</b> – See 6.1 above
<b>6.5</b>	<b>Call Off Contract Charges firm for</b> – As detailed in Pricing Schedule.
<b>6.6</b>	<b>Supplier periodic assessment of Call Off Contract Charges</b> – As detailed in Pricing Schedule.
<b>6.7</b>	<b>Supplier request for increase in the Call Off Contract Charges</b> – Not permitted

## **7. LIABILITY AND INSURANCE**

<b>7.1</b>	<b>Estimated Year 1 Call Off Contract Charges:-</b> As detailed in 36.2.1 (b) (i), (ii) and (iii).
<b>7.2</b>	<b>Suppliers limitation of Liability</b> (Clause 36.2.1 of the Call Off Terms); In Clause 36.2.1 of the Call Off Terms. The Limit of Liability is set at 150% of the contract value.
<b>7.3</b>	<b>Insurance</b> (Clause 37.3 of the Call Off Terms): As per Clause 37.7 of the Call Off Terms

## **8. TERMINATION AND EXIT**

<b>8.1</b>	<b>Termination on material Default</b> (Clause 41.2.1(c) of the Call Off Terms): In Clause 41.2.1(c) of the Call Off Terms
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<b>8.2</b>	<p><b>Termination without cause notice period</b> (Clause 41.7.1 of the Call Off Terms): In Clause 41.7.1 of the Call Off Terms</p> <p><b>Audit Independence.</b> The Supplier may terminate this Call Off Contract upon such period of written notice as is reasonable in the circumstances if there is a change of law, rule, regulation or professional standard or circumstances arise that would prejudice the Supplier's ability to comply with applicable auditor independence requirements provided that the Supplier shall use reasonable endeavours to mitigate the impact of any such circumstances and seek a work-around solution with the Customer, prior to issuing any notice of termination.</p>
<b>8.3</b>	<p><b>Undisputed Sums Limit:</b>  In Clause 42.1.1 of the Call Off Terms</p>
<b>8.4</b>	<p><b>Exit Management:</b>  In Call Off Schedule 9 (Exit Management)</p>

## 9. SUPPLIER INFORMATION

<b>9.1</b>	<b>Suppliers inspection of Sites, Customer Property and Customer Assets: NA</b>
<b>9.2</b>	<p><b>Commercially Sensitive Information:</b> - As per Deform 539A, which formed part of the Contractor's Tender response</p> <p><b>Issue of KPMG-branded materials.</b> We do not anticipate that any the products of this task will be Supplier-branded. However, notwithstanding any other provision of the agreed Call Off Contract, and except where required by Applicable Law, that MOD will not without the Supplier's prior written consent:</p> <ul style="list-style-type: none"> <li>• disclose or transfer any Supplier-branded Deliverable to any third party; or</li> <li>• alter any Supplier-branded Deliverable; or</li> <li>• attribute any non-Supplier-branded Deliverable to the Supplier; or</li> <li>• refer to the Supplier's role in the provision of any non-Supplier-branded Deliverable</li> </ul>

## 10. OTHER CALL OFF REQUIREMENTS

<b>10.1</b>	<b>NOT USED</b>
<b>10.2</b>	<b>Call Off Guarantee (Clause 4 of the Call Off Terms):</b> Not required
<b>10.3</b>	<b>Security:</b> The Contractor shall comply with MODs security requirements as necessary and in accordance with their tender response.

<b>10.4</b>	<b>ICT Policy:</b> Not applied
<b>10.5</b>	<b>Testing:</b> Not applied
<b>10.6</b>	<b>Business Continuity &amp; Disaster Recovery:</b> As per the Contractor's Business Continuity and Disaster Recovery Plan
<b>10.7</b>	<b>Failure of Supplier Equipment (Clause 32.8 of the call off Terms)</b>

	Not applied
<b>10.8</b>	<b>Protection of Customer Data</b> – As per the Contract Terms and Conditions (Clause 34.2.3 of the Call Off Terms) -
<b>10.9</b>	<b>Notices</b> (Clause 55.6 of the Call Off Terms): Customer's postal address and email address: Email: Lisa.Ireland645@mod.gov.uk Address: MOD Main Building, London  Suppliers postal address and email address: Email: Gareth.S.Woods@kpmg.co.uk
<b>10.10</b>	<b>Transparency Reports -</b> In Call Off Schedule 13 (Transparency Reports)
<b>10.11</b>	<b>Alternative and/or additional provisions (including any Alternative and/or Additional Clauses under Call Off Schedule 14):</b> As per Call Off Schedule 14.


## FORMATION OF CALL OFF CONTRACT

BY SIGNING AND RETURNING THIS CALL OFF ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Services in accordance with the terms Call Off Order Form and the Call Off Terms.

The Parties hereby acknowledge and agree that they have read the Call Off Order Form and the Call Off Terms and by signing below agree to be bound by this Call Off Contract.

In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Call Off Order Form from the Supplier within two (2) Working Days from such receipt.

For and on behalf of the Supplier: KPMG LLP

Name and Title	Gareth Woods (Director)
Signature	
Date	15 July 2020

For and on behalf of the Customer: HO Comrcl

Name and Title	David Docherty (Def Comrcl CC-HOCS 1)
Signature	<b>David Docherty (signed electronically 10/07/2020 09:55)</b>
Date	10 July 2020

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## PART 2 – CALL OFF TERMS TERMS AND CONDITIONS

### RECITALS

- A. NOT USED
- B. Where recitals B to E have been selected in the Call Off Order Form, the Customer has followed the call off procedure set out in paragraph 1.3 of Framework Schedule 5 (Call Off Procedure) and has awarded this Call Off Contract to the Supplier by way of further competition.
- C. The Customer issued its Statement of Requirements for the provision of the Goods and/or Services on the date specified at paragraph 10.1 of the Call Off Order Form.
- D. In response to the Statement of Requirements the Supplier submitted a Call Off Tender to the Customer on the date specified at paragraph 10.1 of the Call Off Order form through which it provided to the Customer its solution for providing the Goods and/or Services.
- E. On the basis of the Call Off Tender, the Customer selected the Supplier to provide the Goods and/or Services to the Customer in accordance with the terms of this Call Off Contract.

### A. PRELIMINARIES

#### 1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Call Off Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in Call Off Schedule 1 (Definitions) or the relevant Call Off Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in Call Off Schedule 1 (Definitions) or relevant Call Off Schedule, it shall have the meaning given to it in the Framework Agreement. If no meaning is given to it in the Framework Agreement, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 In this Call Off Contract, unless the context otherwise requires:
  - 1.3.1 the singular includes the plural and vice versa;
  - 1.3.2 reference to a gender includes the other gender and the neuter;

- 1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- 1.3.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- 1.3.5 the words "**including**", "**other**", "**in particular**", "**for example**" and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words "**without limitation**";
- 1.3.6 references to "**writing**" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;
- 1.3.7 references to "**representations**" shall be construed as references to present facts, to "**warranties**" as references to present and future facts and to "**undertakings**" as references to obligations under this Call Off Contract;
- 1.3.8 references to "**Clauses**" and "**Call Off Schedules**" are, unless otherwise provided, references to the clauses and schedules of this Call Off Contract and references in any Call Off Schedule to parts, paragraphs, annexes and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Call Off Schedule in which these references appear; and
- 1.3.9 the headings in this Call Off Contract are for ease of reference only and shall not affect the interpretation or construction of this Call Off Contract.
- 1.4 Subject to Clauses 1.5 and 1.6 (Definitions and Interpretation), in the event of and only to the extent of any conflict between the Call Off Order Form, the Call Off Terms and the provisions of the Framework Agreement, the conflict shall be resolved in accordance with the following order of precedence:
  - 1.4.1 the Framework Agreement, except Framework Schedule 21 (Tender);
  - 1.4.2 the Call Off Order Form;
  - 1.4.3 these Call Off Terms; and
  - 1.4.4 any other document referred to in the Contract.
- 1.5 Any permitted changes by the Customer to the Template Call Off Terms and the Template Call Off Order Form under Clause 5 (Call Off Procedure) of the Framework Agreement and Framework Schedule 5 (Call Off Procedure) prior to them becoming the Call Off Terms and the Call Off Order Form which comprise this Call Off Contract shall prevail over the Framework Agreement.
- 1.6 Where these Call Off terms or Framework Schedule 21 (Tender) contain provisions which are more favourable to the Customer in relation to (the rest of) this Call Off Contract, such provisions of the Call Off Tender or the Tender shall prevail. The Customer shall in its absolute and sole discretion determine whether any provision in the Call Off Tender or Tender is more favourable to it in this context.

## 2. DUE DILIGENCE

- 2.1 The Supplier acknowledges that:
  - 2.1.1 the Customer has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Call Off Contract;

- 2.1.2 it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information;
- 2.1.3 it has raised all relevant due diligence questions with the Customer before the Call Off Commencement Date;
- 2.1.4 it has undertaken all necessary due diligence and has entered into this Call Off Contract in reliance on its own due diligence alone; and
- 2.1.5 it shall not be excused from the performance of any of its obligations under this Call Off Contract on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of any:
  - (a) misinterpretation of the requirements of the Customer in the Call Off Order Form or elsewhere in this Call Off Contract;
  - (b) failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information; and/or
  - (c) failure by the Supplier to undertake its own due diligence.

### **3. REPRESENTATIONS AND WARRANTIES**

- 3.1 Each Party represents and warrants that:
  - 3.1.1 it has full capacity and authority to enter into and to perform this Call Off Contract;
  - 3.1.2 this Call Off Contract is executed by its duly authorised representative;
  - 3.1.3 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it (or, in the case of the Supplier, any of its Affiliates) that might affect its ability to perform its obligations under this Call Off Contract; and
  - 3.1.4 its obligations under this Call Off Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable (as the case may be for each Party) bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or Law).
- 3.2 The Supplier represents and warrants that:
  - 3.2.1 it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;
  - 3.2.2 it has all necessary consents (including, where its procedures so require, the consent of its Parent Company) and regulatory approvals to enter into this Call Off Contract;
  - 3.2.3 its execution, delivery and performance of its obligations under this Call Off Contract does not and will not constitute a breach of any Law or obligation applicable to it and does not and will not cause or result in a Default under any agreement by which it is bound;
  - 3.2.4 as at the Call Off Commencement Date, all written statements and representations in any written submissions made by the Supplier as part of the procurement process, its Tender, Call Off Tender and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Call Off Contract;

- 3.2.5 if the Call Off Contract Charges payable under this Call Off Contract exceed or are likely to exceed five (5) million pounds, as at the Call Off Commencement Date it has notified the Customer in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in connection with any Occasions of Tax Non Compliance;
- 3.2.6 it has and shall continue to have all necessary rights in and to the Third Party IPR, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-Contractor) to the Customer which are necessary for the performance of the Supplier's obligations under this Call Off Contract including the receipt of the Services by the Customer;
- 3.2.7 it shall take all steps, in accordance with Good Industry Practice, to prevent the introduction, creation or propagation of any disruptive elements (including any virus, worms and/or trojans, spyware or other malware) into systems, data, software or the Customer's Confidential Information (held in electronic form) owned by or under the control of, or used by, the Customer;
- 3.2.8 it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Call Off Contract;
- 3.2.9 it is not affected by an Insolvency Event and no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue; and
- 3.2.10 for the Call Off Contract Period and for a period of twelve (12) Months after the termination or expiry of this Call Off Contract, the Supplier shall not employ or offer employment to any personnel of the Customer which have been associated with the provision of the Services without Approval or the prior written consent of the Customer which shall not be unreasonably withheld.
- 3.3 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any undertaking in this Call Off Contract.
- 3.4 If at any time a Party becomes aware that a representation or warranty given by it under Clauses 3.1 and 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.
- 3.5 For the avoidance of doubt, the fact that any provision within this Call Off Contract is expressed as a warranty shall not preclude any right of termination the Customer may have in respect of breach of that provision by the Supplier which constitutes a material Default.

#### **4. CALL OFF GUARANTEE**

- 4.1 Where the Customer has stipulated in the Call Off Order Form that this Call Off Contract shall be conditional upon receipt of a Call Off Guarantee, then, on or prior to the Call Off Commencement Date or on any other date specified by the Customer, the Supplier shall deliver to the Customer:
- 4.1.1 an executed Call Off Guarantee from a Call Off Guarantor; and

4.1.2 a certified copy extract of the board minutes and/or resolution of the Call Off Guarantor approving the execution of the Call Off Guarantee.

4.2 The Customer may in its sole discretion at any time agree to waive compliance with the requirement in Clause 4.1 by giving the Supplier notice in writing.

**B. DURATION OF CALL OFF CONTRACT**

**5. CALL OFF CONTRACT PERIOD**

5.1 This Call Off Contract shall take effect on the Call Off Commencement Date and the term of this Call Off Contract shall be the Call Off Contract Period.

5.2 Where the Customer has specified a Call Off Extension Period in the Call Off Order Form, the Customer may extend this Call Off Contract for the Call Off Extension Period by providing written notice to the Supplier before the end of the Initial Call Off Period. The minimum period for the written notice shall be as specified in the Call Off Order Form.

**C. CALL OFF CONTRACT PERFORMANCE**

**6. IMPLEMENTATION PLAN**

**6.1 Formation of Implementation Plan**

6.1.1 Where an Implementation Plan has not been agreed and included in Call Off Schedule 4 (Implementation Plan) on the Call Off Commencement Date, but the Customer has specified in the Call Off Order Form that the Supplier shall provide a draft Implementation Plan prior to the commencement of the provision of the Services, the Supplier's draft must contain information at the level of detail necessary to manage the implementation stage effectively and as the Customer may require. The draft Implementation Plan shall take account of all dependencies known to, or which should reasonably be known to, the Supplier.

6.1.2 The Supplier shall submit the draft Implementation Plan to the Customer for Approval (such decision of the Customer to Approve or not shall not be unreasonably delayed or withheld) within such period as specified by the Customer in the Call Off Order Form.

6.1.3 The Supplier shall perform each of the Deliverables identified in the Implementation Plan by the applicable date assigned to that Deliverable in the Implementation Plan so as to ensure that each Milestone identified in the Implementation Plan is achieved on or before its Milestone Date. 6.1.4 The Supplier shall monitor its performance against the Implementation Plan and Milestones (if any) and any other requirements of the Customer as set out in this Call Off Contract and report to the Customer on such performance.

**6.2 Control of Implementation Plan**

6.2.1 Subject to Clause 6.2.2, the Supplier shall keep the Implementation Plan under review in accordance with the Customer's instructions and ensure that it is maintained and updated on a regular basis as may be necessary to reflect the then current state of the provision of the Services. The Customer shall have the right to require the Supplier to include any reasonable changes or provisions in each version of the Implementation Plan.

6.2.2 Changes to the Milestones (if any), Milestone Payments (if any) and Delay Payments (if any) shall only be made in accordance with the Variation Procedure

and provided that the Supplier shall not attempt to postpone any of the Milestones using the Variation Procedure or otherwise (except in the event of a Customer Cause which affects the Supplier's ability to achieve a Milestone by the relevant Milestone Date). 6.2.3 Where so specified by the Customer in the Implementation Plan or elsewhere in this Call Off Contract, time in relation to compliance with a date, Milestone Date or period shall be of the essence and failure of the Supplier to comply with such date, Milestone Date or period shall be a material Default unless the Parties expressly agree otherwise.

### **6.3 Rectification of Delay in Implementation**

6.3.1 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay under this Call Off Contract:

- (a) it shall:
  - (i) notify the Customer as soon as practically possible and no later than within two (2) Working Days from becoming aware of the Delay or anticipated Delay;
  - (ii) include in its notification an explanation of the actual or anticipated impact of the Delay;
  - (iii) comply with the Customer's instructions in order to address the impact of the Delay or anticipated Delay; and
  - (iv) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay; and
- (b) if the Delay or anticipated Delay relates to a Milestone in respect which a Delay Payment has been specified in the Implementation Plan, Clause 6.4 (Delay Payments) shall apply.

### **6.4 Delay Payments**

6.4.1 If Delay Payments have been included in the Implementation Plan and a Milestone has not been achieved by the relevant Milestone Date, the Supplier shall pay to the Customer such Delay Payments (calculated as set out by the Customer in the Implementation Plan) and the following provisions shall apply:

- (a) the Supplier acknowledges and agrees that any Delay Payment is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to achieve the corresponding Milestone;
- (b) Delay Payments shall be the Customer's exclusive financial remedy for the Supplier's failure to achieve a corresponding Milestone by its Milestone Date except where:
  - (i) the Customer is otherwise entitled to or does terminate this Call Off Contract pursuant to Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause); or
  - (ii) the delay exceeds the number of days (the "**Delay Period Limit**") specified in Call Off Schedule 4 (Implementation Plan) for the purposes of this sub-Clause, commencing on the relevant Milestone Date;
- (c) the Delay Payments will accrue on a daily basis from the relevant Milestone Date and shall continue to accrue until the date when the Milestone is achieved (unless otherwise specified by the Customer in the Implementation Plan);

- (d) no payment or concession to the Supplier by the Customer or other act or omission of the Customer shall in any way affect the rights of the Customer to recover the Delay Payments or be deemed to be a waiver of the right of the Customer to recover any such damages unless such waiver complies with Clause 48 (Waiver and Cumulative Remedies) and refers specifically to a waiver of the Customer's rights to claim Delay Payments; and
- (e) the Supplier waives absolutely any entitlement to challenge the enforceability in whole or in part of this Clause 6.4.1 and Delay Payments shall not be subject to or count towards any limitation on liability set out in Clause 36 (Liability).

## **7. SERVICES**

### **7.1 Provision of the Services**

7.1.1 The Supplier acknowledges and agrees that the Customer relies on the skill and judgment of the Supplier in the provision of the Services and the performance of its obligations under this Call Off Contract.

7.1.2 The Supplier shall ensure that the Services:

- (a) comply in all respects with the description of the Services in Call Off Schedule 2 (Services) or elsewhere in this Call Off Contract; and
- (b) are supplied in accordance with the provisions of this Call Off Contract (including the Call Off Tender) and the Tender.

7.1.3 The Supplier shall perform its obligations under this Call Off Contract in accordance with: (a) all applicable Law;

- (b) Good Industry Practice;
- (c) the Standards;
- (d) the Security Policy;
- (e) the ICT Policy (if so required by the Customer); and
- (f) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 7.1.3(a) to 7.1.3(e).

7.1.4 The Supplier shall:

- (a) at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Call Off Contract;
- (b) subject to Clause 22.1 (Variation Procedure), obtain, and maintain throughout the duration of this Call Off Contract, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services;
- (c) ensure that any Services recommended or otherwise specified by the Supplier for use by the Customer in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or the Services to meet the requirements of the Customer;
- (d) ensure that the Supplier Assets will be free of all encumbrances (except as agreed in writing with the Customer);
- (e) ensure that the Services are fully compatible with any Customer Property or Customer Assets described in Call Off Schedule 4

(Implementation Plan) (or elsewhere in this Call Off Contract) or otherwise used by the Supplier in connection with this Call Off Contract;

- (f) minimise any disruption to the Sites and/or the Customer's operations when providing the Services;
- (g) ensure that any Documentation and training provided by the Supplier to the Customer are comprehensive, accurate and prepared in accordance with Good Industry Practice;
- (h) co-operate with the Other Suppliers and provide reasonable information (including any Documentation), advice and assistance in connection with the Services to any Other Supplier and, on the Call Off Expiry Date for any reason, to enable the timely transition of the supply of the Services (or any of them) to the Customer and/or to any Replacement Supplier;
- (i) assign to the Customer, or if it is unable to do so, shall (to the extent it is legally able to do so) hold on trust for the sole benefit of the Customer, all warranties and indemnities provided by third parties or any Sub-Contractor in respect of any Deliverables and/or the Services. Where any such warranties are held on trust, the Supplier shall enforce such warranties in accordance with any reasonable directions that the Customer may notify from time to time to the Supplier;
- (j) provide the Customer with such assistance as the Customer may reasonably require during the Call Off Contract Period in respect of the supply of the Services;
- (k) deliver the Services in a proportionate and efficient manner;
- (l) ensure that neither it, nor any of its Affiliates, embarrasses the Customer or otherwise brings the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer, regardless of whether or not such act or omission is related to the Supplier's obligations under this Call Off Contract; and
- (m) gather, collate and provide such information and co-operation as the Customer may reasonably request for the purposes of ascertaining the Suppliers compliance with its obligations under this Call Off Contract.

7.1.5 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-Contractors and Supplier Personnel also do, or refrain from doing, such act or thing.

## **8. SERVICES**

### **8.1 General application**

8.1.1 This Clause 8 shall apply if any Services have been included in Annex 1 of Call Off Schedule 2 (Services).

### **8.2 Time of Delivery of the Services**

8.2.1 The Supplier shall provide the Services on the date(s) specified in the Call Off Order Form (or elsewhere in this Call Off Contract) and the Milestone Dates (if any).



### **8.3 Location and Manner of Delivery of the Services**

8.3.1 Except where otherwise provided in this Call Off Contract, the Supplier shall provide the Services to the Customer through the Supplier Personnel at the Sites.

8.3.2 The Customer may inspect and examine the manner in which the Supplier provides the Services at the Sites and, if the Sites are not the Customer Sites, the Customer may carry out such inspection and examination during normal business hours and on reasonable notice.

### **8.4 Undelivered Services**

8.4.1 In the event that any of the Services are not Delivered in accordance with Clauses 7.1 (Provision of the Services), 8.2 (Time of Delivery of the Services) and 8.3 (Location and Manner of Delivery of the Services) ("**Undelivered Services**"), the Customer, without prejudice to any other rights and remedies of the Customer howsoever arising, shall be entitled to withhold payment of the applicable Call Off Contract Charges for the Services that were not so Delivered until such time as the Undelivered Services are Delivered.

8.4.2 The Customer may, at its discretion and without prejudice to any other rights and remedies of the Customer howsoever arising, deem the failure to comply with Clauses 7.1, (Provision of the Services), 8.2 (Time of Delivery of the Services) and 8.3 (Location and Manner of Delivery of the Services) and meet the relevant Milestone Date (if any) to be a material Default.

### **8.5 Obligation to Remedy of Default in the Supply of the Services**

8.5.1 Subject to Clauses 33.9.2 and 33.9.3 (IPR Indemnity) and without prejudice to any other rights and remedies of the Customer howsoever arising (including under Clauses 8.4.2 (Undelivered Services) and 38 (Customer Remedies for Default) the Supplier shall, where practicable:

(a) remedy any breach of its obligations in Clauses 7 and 8 within three (3) Working Days of becoming aware of the relevant Default or being notified of the Default by the Customer or within such other time period as may be agreed with the Customer (taking into account the nature of the breach that has occurred); and

(b) meet all the costs of, and incidental to, the performance of such remedial work.

### **8.6 Continuing Obligation to Provide the Services**

8.6.1 The Supplier shall continue to perform all of its obligations under this Call Off Contract and shall not suspend the provision of the Services, notwithstanding:

(a) any withholding or deduction by the Customer of any sum due to the Supplier pursuant to the exercise of a right of the Customer to such withholding or deduction under this Call Off Contract;

(b) the existence of an unresolved Dispute; and/or

(c) any failure by the Customer to pay any Call Off Contract Charges, unless the Supplier is entitled to terminate this Call Off Contract under Clause 42.1 (Termination on Customer Cause for Failure to Pay) for failure by the Customer to pay undisputed Call Off Contract Charges.

## **9. NOT USED**

## **10. NOT USED**

## **11. STANDARDS AND QUALITY**

- 11.1 The Supplier shall at all times during the Call Off Contract Period comply with the Standards and maintain, where applicable, accreditation with the relevant Standards authorisation body.
- 11.2 Throughout the Call Off Contract Period, the Parties shall notify each other of any new or emergent standards which could affect the Supplier's provision, or the receipt by the Customer, of the Services. The adoption of any such new or emergent Standards, or changes to existing Standards (including any specified in the Call Off Order Form), shall be agreed in accordance with the Variation Procedure.
- 11.3 Where a new or emergent standards is to be developed or introduced by the Customer, the Supplier shall be responsible for ensuring that the potential impact on the Supplier's provision, or the Customer's receipt of the Services is explained to the Customer (within a reasonable timeframe), prior to the implementation of the new or emergent Standards.
- 11.4 Where Standards referenced conflict with each other or with best professional or industry practice adopted after the Call Off Commencement Date, then the later Standard or best practice shall be adopted by the Supplier. Any such alteration to any Standard or Standards shall require Approval (and the written consent of the Customer where the relevant Standard or Standards is/are included in Framework Schedule 2 (Services and Key Performance Indicators) and shall be implemented within an agreed timescale.
- 11.5 Where a Standard, policy or document is referred to by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify the Customer and the Parties shall agree the impact of such change.

## **12. NOT USED**

## **13. SERVICE LEVELS AND SERVICE CREDITS**

- 13.1 This Clause 13 shall apply where the Customer has specified Service Levels and Service Credits in the Call Off Order Form. Where the Customer has specified Service Levels but not Service Credits, only sub-clauses 13.2, 13.3 and 13.7 shall apply.
- 13.2 When this Clause 13.2 applies, the Parties shall also comply with the provisions of Part A (Service Levels and Service Credits) of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring).
- 13.3 The Supplier shall at all times during the Call Off Contract Period provide the Services to meet or exceed the Service Level Performance Measure for each Service Level Performance Criteria.
- 13.4 The Supplier acknowledges that any Service Level Failure may have a material adverse impact on the business and operations of the Customer and that it shall entitle the Customer to the rights set out in Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) including the right to any Service Credits.
- 13.5 The Supplier acknowledges and agrees that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Customer

as a result of the Supplier's failure to meet any Service Level Performance Measure.

13.6 A Service Credit shall be the Customer's exclusive financial remedy for a Service Level Failure except where:

13.6.1 the Supplier has over the previous twelve (12) Month period accrued Service Credits in excess of the Service Credit Cap;

13.6.2 the Service Level Failure:

- (a) exceeds the relevant Service Level Threshold;
- (b) has arisen due to a Prohibited Act or wilful Default by the Supplier or any Supplier Personnel; and (c) results in:
  - (i) the corruption or loss of any Customer Data (in which case the remedies under Clause 34.2.8 (Protection of Customer Data) shall also be available); and/or
  - (ii) the Customer being required to make a compensation payment to one (1) or more third parties; and/or

13.6.3 the Customer is otherwise entitled to or does terminate this Call Off Contract pursuant to Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause).

13.7 Not more than once in each Call Off Contract Year, the Customer may, on giving the Supplier at least three (3) Months notice, change the weighting of Service Level Performance Measure in respect of one or more Service Level Performance Criteria and the Supplier shall not be entitled to object to, or increase the Call Off Contract Charges as a result of such changes, provided that:

13.7.1 the total number of Service Level Performance Criteria for which the weighting is to be changed does not exceed the number set out, for the purposes of this clause, in the Call Off Order Form;

13.7.2 the principal purpose of the change is to reflect changes in the Customer's business requirements and/or priorities or to reflect changing industry standards; and

13.7.3 there is no change to the Service Credit Cap.

#### 14. CRITICAL SERVICE LEVEL FAILURE

14.1 This Clause 14 shall apply if the Customer has specified both Service Credits and Critical Service Level Failure in the Call Off Order Form.

14.2 On the occurrence of a Critical Service Level Failure:

14.2.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and

14.2.2 the Customer shall (subject to the Service Credit Cap set out in Clause 36.2.1(a) (Financial Limits)) be entitled to withhold and retain as compensation for the Critical Service Level Failure a sum equal to any Call Off Contract Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this Clause 14.2 shall be without prejudice to the right of the Customer to terminate this Call Off Contract and/or to claim damages from the Supplier for material Default as a result of such Critical Service Level Failure.

14.3 The Supplier:

- 14.3.1 agrees that the application of Clause 14.2 is commercially justifiable where a Critical Service Level Failure occurs; and
- 14.3.2 acknowledges that it has taken legal advice on the application of Clause 14.2 and has had the opportunity to price for that risk when calculating the Call Off Contract Charges.

## **15. BUSINESS CONTINUITY AND DISASTER RECOVERY**

- 15.1 This Clause 15 shall apply if the Customer has so specified in the Call Off Order Form.
- 15.2 The Parties shall comply with the provisions of Call Off Schedule 8 (Business Continuity and Disaster Recovery).

## **16. DISRUPTION**

- 16.1 The Supplier shall take reasonable care to ensure that in the performance of its obligations under this Call Off Contract it does not disrupt the operations of the Customer, its employees or any other contractor employed by the Customer.
- 16.2 The Supplier shall immediately inform the Customer of any actual or potential industrial action, whether such action be by the Supplier Personnel or others, which affects or might affect the Suppliers ability at any time to perform its obligations under this Call Off Contract.
- 16.3 In the event of industrial action by the Supplier Personnel, the Supplier shall seek Approval to its proposals for the continuance of the supply of the Services in accordance with its obligations under this Call Off Contract.
- 16.4 If the Supplier's proposals referred to in Clause 16.3 are considered insufficient or unacceptable by the Customer acting reasonably then the Customer may terminate this Call Off Contract for material Default.
- 16.5 If the Supplier is temporarily unable to fulfil the requirements of this Call Off Contract owing to disruption of normal business solely due to a Customer Cause, then subject to Clause 17 (Supplier Notification of Customer Cause), an appropriate allowance by way of an extension of time will be Approved by the Customer. In addition, the Customer will reimburse any additional expense reasonably incurred by the Supplier as a direct result of such disruption.

## **17. SUPPLIER NOTIFICATION OF CUSTOMER CAUSE**

- 17.1 Without prejudice to any other obligations of the Supplier in this Call Off Contract to notify the Customer in respect of a specific Customer Cause (including the notice requirements under Clause 42.1.1 (Termination on Customer Cause for Failure to Pay)), the Supplier shall:
- 17.1.1 notify the Customer as soon as reasonably practicable (and in any event within two (2) Working Days of the Supplier becoming aware) that a Customer Cause has occurred or is reasonably likely to occur, giving details of:
- (a) the Customer Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Call Off Contract; and
  - (b) any steps which the Customer can take to eliminate or mitigate the consequences and impact of such Customer Cause; and
  - (c) use all reasonable endeavours to eliminate or mitigate the consequences and impact of a Customer Cause, including any

Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

## **18. CONTINUOUS IMPROVEMENT**

18.1 The Supplier shall have an ongoing obligation throughout the Call Off Contract Period to identify new or potential improvements to the provision of the Services in accordance with this Clause 18 with a view to reducing the Customer's Costs (including the Call Off Contract Charges) and/or improving the quality and efficiency of the Services and their supply to the Customer. As part of this obligation the Supplier shall identify and report to the Customer once every twelve (12) Months:

18.1.1 the emergence of new and evolving relevant technologies which could improve the Sites and/or the provision of the Services, and those technological advances potentially available to the Supplier and the Customer which the Parties may wish to adopt;

18.1.2 new or potential improvements to the provision of the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and Customer support services in relation to the Services;

18.1.3 changes in business processes and ways of working that would enable the Services to be provided at lower costs and/or at greater benefits to the Customer; and/or

18.1.4 changes to the Sites business processes and ways of working that would enable reductions in the total energy consumed annually in the provision of the Services.

18.2 The Supplier shall ensure that the information that it provides to the Customer shall be sufficient for the Customer to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Customer requests.

18.3 If the Customer wishes to incorporate any improvement identified by the Supplier, the Customer shall request a Variation in accordance with the Variation Procedure and the Supplier shall implement such Variation at no additional cost to the Customer.

## **D. CALL OFF CONTRACT GOVERNANCE**

### **19. PERFORMANCE MONITORING**

19.1 The Supplier shall comply with the monitoring requirements set out in Annex 1 of Part B (Performance Monitoring) of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring).

### **20. REPRESENTATIVES**

20.1 Each Party shall have a representative for the duration of this Call Off Contract who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Call Off Contract.

20.2 The initial Supplier Representative shall be the person named as such in the Call Off Order Form. Any change to the Supplier Representative shall be agreed in accordance with Clause 27 (Supplier Personnel).

20.3 If the initial Customer Representative is not specified in the Call Off Order Form, the Customer shall notify the Supplier of the identity of the initial Customer

Representative within five (5) Working Days of the Call Off Commencement Date. The Customer may, by written notice to the Supplier, revoke or amend the authority of the Customer Representative or appoint a new Customer Representative.

## **21. RECORDS, AUDIT ACCESS AND OPEN BOOK DATA**

21.1 The Supplier shall keep and maintain for seven (7) years after the Call Off Expiry Date (or as long a period as may be agreed between the Parties), full and accurate records and accounts of the operation of this Call Off Contract including the Services provided under it, any Sub-Contracts and the amounts paid by the Customer.

21.2 The Supplier shall:

21.2.1 keep the records and accounts referred to in Clause 21.1 in accordance with Good Industry Practice and Law; and

21.2.2 afford any Auditor access to the records and accounts referred to in Clause 21.1 at the Supplier's premises and/or provide records and accounts (including copies of the Supplier's published accounts) or copies of the same, as may be required by any of the Auditors from time to time during the Call Off Contract Period and the period specified in Clause 21.1, in order that the Auditors may carry out an inspection to assess compliance by the Supplier and/or its Sub-Contractors of any of

the Supplier's obligations under this Call Off Contract including in order to:

- (a) verify the accuracy of the Call Off Contract Charges and any other amounts payable by the Customer under this Call Off Contract (and proposed or actual variations to them in accordance with this Call Off Contract);
- (b) verify the Costs of the Supplier (including the costs of all SubContractors and any third party supplier's) in connection with the provision of the Services;
- (c) verify the Open Book Data;
- (d) verify the Supplier's and each Sub-Contractor's compliance with the applicable Law;
- (e) identify or investigate an actual or suspected Prohibited Act, impropriety or accounting mistakes or any breach or threatened breach of security and in these circumstances the Customer shall have no obligation to inform the Supplier of the purpose or objective of its investigations;
- (f) identify or investigate any circumstances which may impact upon the financial stability of the Supplier, the Framework Guarantor and/or the Call Off Guarantor and/or any Sub-Contractors or their ability to perform the Services;
- (g) obtain such information as is necessary to fulfil the Customer's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
- (h) review any books of account and the internal contract management accounts kept by the Supplier in connection with this Call Off Contract;

- (i) carry out the Customer's internal and statutory audits and to prepare, examine and/or certify the Customer's annual and interim reports and accounts;
- (j) enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Customer has used its resources;
- (k) review any Performance Monitoring Reports provided under Part B of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) and/or other records relating to the Supplier's performance of the provision of the Services and to verify that these reflect the Supplier's own internal reports and records;
- (l) verify the accuracy and completeness of any information delivered or required by this Call Off Contract;
- (m) review the Supplier's quality management systems (including any quality manuals and procedures);
- (n) review the Supplier's compliance with the Standards;
- (o) inspect the Customer Assets, including the Customer's IPRs, equipment and facilities, for the purposes of ensuring that the Customer Assets are secure and that any register of assets is up to date; and/or
- (p) review the integrity, confidentiality and security of the Customer Data.

21.3 The Customer shall use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services save insofar as the Supplier accepts and acknowledges that control over the conduct of audits carried out by the Auditors is outside of the control of the Customer.

21.4 Subject to the Supplier's rights in respect of Confidential Information, the Supplier shall on demand provide the Auditors with all reasonable co-operation and assistance in:

- 21.4.1 all reasonable information requested by the Customer within the scope of the audit;
- 21.4.2 reasonable access to sites controlled by the Supplier and to any Supplier Equipment used in the provision of the Services; and
- 21.4.3 access to the Supplier Personnel.

21.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Clause 21, unless the audit reveals a Default by the Supplier in which case the Supplier shall reimburse the Customer for the Customer's reasonable costs incurred in relation to the audit.

## **22. CHANGE**

### **22.1 Variation Procedure**

22.1.1 Subject to the provisions of this Clause 22 and of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), either Party may request a variation to this Call Off Contract provided that such variation does not amount to a material change of this Call Off Contract within the meaning

of the Regulations and the Law. Such a change once implemented is hereinafter called a "**Variation**".

22.1.2 A Party may request a Variation by completing, signing and sending the Variation Form to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.

22.1.3 Where the Customer has so specified on receipt of a Variation Form from the Supplier, the Supplier shall carry out an impact assessment of the Variation on the Services (the "**Impact Assessment**"). The Impact Assessment shall be completed in good faith and shall include:

- (a) details of the impact of the proposed Variation on the Services and the Supplier's ability to meet its other obligations under this Call Off Contract;
- (b) details of the cost of implementing the proposed Variation;
- (c) details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Call Off Contract Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;
- (d) a timetable for the implementation, together with any proposals for the testing of the Variation; and
- (e) such other information as the Customer may reasonably request in (or in response to) the Variation request.

22.1.4 The Parties may agree to adjust the time limits specified in the Variation Form to allow for the preparation of the Impact Assessment.

22.1.5 Subject to 22.1.4, the receiving Party shall respond to the request within the time limits specified in the Variation Form. Such time limits shall be reasonable and ultimately at the discretion of the Customer having regard to the nature of the Services and the proposed Variation.

22.1.6 In the event that:

- (a) the Supplier is unable to agree to or provide the Variation; and/or (b) the Parties are unable to agree a change to the Call Off Contract Charges that may be included in a request of a Variation or response to it as a consequence thereof,

the Customer may:

- (i) agree to continue to perform its obligations under this Call Off Contract without the Variation; or
- (ii) terminate this Call Off Contract with immediate effect, except where the Supplier has already fulfilled part or all of the provision of the Services in accordance with this Call Off Contract or where the Supplier can show evidence of substantial work being carried out to provide the Services under this Call Off Contract, and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.

22.1.7 If the Parties agree the Variation, the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Call Off Contract.



## **22.2 Legislative Change**

22.2.1 The Supplier shall neither be relieved of its obligations under this Call Off Contract nor be entitled to an increase in the Call Off Contract Charges as the result of a:

- (a) General Change in Law;
- (b) Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Call Off Commencement Date.

22.2.2 If a Specific Change in Law occurs or will occur during the Call Off Contract Period (other than as referred to in Clause 22.2.1(b)), the Supplier shall:

- (a) notify the Customer as soon as reasonably practicable of the likely effects of that change including:
  - (i) whether any Variation is required to the provision of the Services, the Call Off Contract Charges or this Call Off Contract; and
  - (ii) whether any relief from compliance with the Supplier's obligations is required, including any obligation to achieve a Milestone and/or to meet the Service Level Performance Measures; and
- (b) provide to the Customer with evidence:
  - (i) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the Costs of its Sub-Contractors;
  - (ii) as to how the Specific Change in Law has affected the Cost of providing the Services; and
  - (iii) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 18 (Continuous Improvement), has been taken into account in amending the Call Off Contract Charges.

22.2.3 Any change in the Call Off Contract Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as referred to in Clause 22.2.1(b)) shall be implemented in accordance with the Variation Procedure.

## **E. PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS**

### **23. CALL OFF CONTRACT CHARGES AND PAYMENT**

#### **23.1 Call Off Contract Charges**

23.1.1 In consideration of the Supplier carrying out its obligations under this Call Off Contract, including the provision of the Services, the Customer shall pay the undisputed Call Off Contract Charges in accordance with the pricing and payment profile and the invoicing procedure in Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing).

23.1.2 Except as otherwise provided, each Party shall bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 21 (Records, Audit Access and Open Book Data), 34.5 (Freedom of Information) and 34.6 (Protection of Personal Data).

23.1.3 If the Customer fails to pay any undisputed Call Off Contract Charges properly invoiced under this Call Off Contract, the Supplier shall have

the right to charge interest on the overdue amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.

- 23.1.4 If at any time during this Call Off Contract Period the Supplier reduces its Framework Prices for any Services which are provided under the Framework Agreement (whether or not such Services are offered in a catalogue, if any, which is provided under the Framework Agreement) in accordance with the terms of the Framework Agreement, the Supplier shall immediately reduce the Call Off Contract Charges for such Services under this Call Off Contract by the same amount.

## **23.2 VAT**

- 23.2.1 The Call Off Contract Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Customer following delivery of a Valid Invoice.
- 23.2.2 The Supplier shall indemnify the Customer on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Customer at any time (whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Call Off Contract. Any amounts due under Clause 23.2 (VAT) shall be paid in cleared funds by the Supplier to the Customer not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Customer.

## **23.3 Retention and Set Off**

- 23.3.1 The Customer may retain or set off any amount owed to it by the Supplier against any amount due to the Supplier under this Call Off Contract or under any other agreement between the Supplier and the Customer.
- 23.3.2 If the Customer wishes to exercise its right pursuant to Clause 23.3.1 it shall give notice to the Supplier within thirty (30) days of receipt of the relevant invoice, setting out the Customer's reasons for retaining or setting off the relevant Call Off Contract Charges.
- 23.3.3 The Supplier shall make any payments due to the Customer without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Supplier has obtained a sealed court order requiring an amount equal to such deduction to be paid by the Customer to the Supplier.

## **23.4 Foreign Currency**

- 23.4.1 Any requirement of Law to account for the Services in any currency other than Sterling, (or to prepare for such accounting) instead of and/or in addition to Sterling, shall be implemented by the Supplier free of charge to the Customer.
- 23.4.2 The Customer shall provide all reasonable assistance to facilitate compliance with Clause 23.4.1 by the Supplier.

## **23.5 Income Tax and National Insurance Contributions**

- 23.5.1 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Call Off Contract, the Supplier shall:
- (a) at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income

tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and

- (b) indemnify the Customer against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made (whether before or after the making of a demand pursuant to the indemnity hereunder) in connection with the provision of the Services by the Supplier or any Supplier Personnel.

23.5.2 In the event that any one (1) of the Supplier Personnel is a Worker as defined in Call Off Schedule 1 (Definitions) who receives consideration relating to the Services, then, in addition to its obligations under Clause 23.5.1, the Supplier shall ensure that its contract with the Worker contains the following requirements:

- (a) that the Customer may, at any time during the Call Off Contract Period, request that the Worker provides information which demonstrates how the Worker complies with the requirements of Clause 23.5.1, or why those requirements do not apply to it. In such case, the Customer may specify the information which the Worker must provide and the period within which that information must be provided;
- (b) that the Worker's contract may be terminated at the Customer's request if:
  - (i) the Worker fails to provide the information requested by the Customer within the time specified by the Customer under Clause 23.5.2(a); and/or
  - (ii) the Worker provides information which the Customer considers is inadequate to demonstrate how the Worker complies with Clause 23.5.1 or confirms that the Worker is not complying with those requirements; and
- (c) that the Customer may supply any information it receives from the Worker to HMRC for the purpose of the collection and management of revenue for which they are responsible.

## **24. PROMOTING TAX COMPLIANCE**

24.1 This Clause 24 shall apply if the Call Off Contract Charges payable under this Call Off Contract exceed or are likely to exceed five (5) million pounds during the Call Off Contract Period.

24.2 If, at any point during the Call Off Contract Period, an Occasion of Tax NonCompliance occurs, the Supplier shall:

24.2.1 notify the Customer in writing of such fact within five (5) Working Days of its occurrence; and

24.2.2 promptly provide to the Customer:

- (a) details of the steps that the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
- (b) such other information in relation to the Occasion of Tax NonCompliance as the Customer may reasonably require.

24.3 In the event that the Supplier fails to comply with this Clause 24 and/or does not provide details of proposed mitigating factors which in the reasonable opinion of the Customer are acceptable, then the Customer reserves the right to terminate this Call Off Contract for material Default.

## **25. BENCHMARKING**

25.1 Notwithstanding the Supplier's obligations under Clause 18 (Continuous Improvement), the Customer shall be entitled to regularly benchmark the Call Off Contract Charges and level of performance by the Supplier of the supply of the Services, against other supplier's providing services substantially the same as the Services during the Call Off Contract Period.

25.2 The Customer, acting reasonably, shall be entitled to use any model to determine the achievement of value for money and to carry out the benchmarking evaluation referred to in Clause 25.1 above.

25.3 The Customer shall be entitled to disclose the results of any benchmarking of the Call Off Contract Charges and provision of the Services to the Authority (subject to the Authority entering into reasonable confidentiality undertakings).

25.4 The Supplier shall use all reasonable endeavours and act in good faith to supply information required by the Customer in order to undertake the benchmarking and such information requirements shall be at the discretion of the Customer.

25.5 Where, as a consequence of any benchmarking carried out by the Customer, the Customer decides improvements to the Services should be implemented such improvements shall be implemented by way of the Variation Procedure at no additional Cost to the Customer.

25.6 The benefit of any work carried out by the Supplier at any time during the Call Off Contract Period to update, improve or provide the Services, facilitate their delivery to any other Contracting Authority and/or any alterations or variations to the Charges or the provision of the Services, which are identified in the Continuous Improvement Plan produced by the Supplier and/or as a consequence of any benchmarking carried out by the Authority pursuant to Framework Schedule 12 (Continuous Improvement and Benchmarking), shall be implemented by the Supplier in accordance with the Variation Procedure and at no additional cost to the Customer.

## **F. SUPPLIER PERSONNEL AND SUPPLY CHAIN MATTERS**

### **26. KEY PERSONNEL**

26.1 This Clause 26 shall apply where the Customer has specified Key Personnel in the Call Off Order Form.

26.2 The Call Off Order Form lists the key roles ("**Key Roles**") and names of the persons who the Supplier shall appoint to fill those Key Roles at the Call Off Commencement Date.

26.3 The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times during the Call Off Contract Period.

26.4 The Customer may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Personnel.

26.5 The Supplier shall not remove or replace any Key Personnel (including when carrying out its obligations under Call Off Schedule 9 (Exit Management) unless:

26.5.1 requested to do so by the Customer;

- 26.5.2 the person concerned resigns, retires or dies or is on maternity or longterm sick leave;
- 26.5.3 the person's employment or contractual arrangement with the Supplier or a Sub-Contractor is terminated for material breach of contract by the personnel; or
- 26.5.4 the Supplier obtains the Customer's prior written consent (such consent not to be unreasonably withheld or delayed).

26.6 The Supplier shall:

- 26.6.1 notify the Customer promptly of the absence of any Key Personnel (other than for short-term sickness or holidays of two (2) weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);
  - 26.6.2 ensure that any Key Role is not vacant for any longer than ten (10) Working Days;
  - 26.6.3 give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Key Personnel's employment contract, this will mean at least three (3) Months notice;
  - 26.6.4 ensure that all arrangements for planned changes in Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the provision of the Services; and
  - 26.6.5 ensure that any replacement for a Key Role:
    - (a) has a level of qualifications and experience appropriate to the relevant Key Role; and
    - (b) is fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced.
  - 26.6.6 shall procure that any Sub-Contractor shall, not remove or replace any Key Personnel during the Call Off Contract Period without Approval.
- 26.7 The Customer may require the Supplier to remove any Key Personnel that the Customer considers in any respect unsatisfactory. The Customer shall not be liable for the cost of replacing any Key Personnel.

## 27. SUPPLIER PERSONNEL

### 27.1 Supplier Personnel 27.1.1

The Supplier shall:

- (a) provide a list of the names of all Supplier Personnel requiring admission to Customer Premises, specifying the capacity in which they require admission and giving such other particulars as the Customer may reasonably require; (b) ensure that all Supplier Personnel:
  - (i) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;
  - (ii) are vetted in accordance with Good Industry Practice and, where applicable, the Security Policy and the Standards;
  - (iii) obey all lawful instructions and reasonable directions of the Customer (including, if so required by the Customer, the ICT Policy) and provide the Services to the reasonable satisfaction of the Customer; and

- (iv) comply with all reasonable requirements of the Customer concerning conduct at the Customer Premises, including the security requirements set out in Call Off Schedule 7 (Security);
- (c) retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be personnel, agents or contractors of the Customer;
- (d) be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Call Off Contract shall be a Default by the Supplier;
- (e) use all reasonable endeavours to minimise the number of changes in Supplier Personnel;
- (f) replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;
- (g) bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and
- (h) procure that the Supplier Personnel shall vacate the Customer Premises immediately upon the Call Off Expiry Date.

27.1.2 If the Customer reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Call Off Contract, it may:

- (a) refuse admission to the relevant person(s) to the Customer Premises; and/or
- (b) direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).

27.1.3 The decision of the Customer as to whether any person is to be refused access to the Customer Premises shall be final and conclusive.

## **27.2 Relevant Convictions**

27.2.1 This sub-Clause 27.2 shall apply if the Customer has specified Relevant Convictions in the Call Off Order Form.

27.2.2 The Supplier shall ensure that no person who discloses that he has a Relevant Conviction, or who is found to have any Relevant Convictions (whether as a result of a police check or through the procedure of the Disclosure and Barring Service (DBS) or otherwise), is employed or engaged in any part of the provision of the Services without Approval.

27.2.3 Notwithstanding Clause 27.2.2, for each member of Supplier Personnel who, in providing the Services, has, will have or is likely to have access to children, vulnerable persons or other members of the public to whom the Customer owes a special duty of care, the Supplier shall (and shall procure that the relevant Sub-Contractor shall):

- (a) carry out a check with the records held by the Department for Education (DfE);
- (b) conduct thorough questioning regarding any Relevant Convictions; and
- (c) ensure a police check is completed and such other checks as may be carried out through the Disclosure and Barring Service

(DBS), and the Supplier shall not (and shall ensure that any Sub-Contractor shall not) engage or continue to employ in the provision of the Services any person who has a Relevant Conviction or an inappropriate record.

## **28. STAFF TRANSFER**

28.1 The Supplier shall both during and after the Call Off Contract Period indemnify the Customer against all Employee Liabilities that may arise as a result of any claims brought against the Customer by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel.

## **29. SUPPLY CHAIN RIGHTS AND PROTECTION**

### **29.1 Appointment of Sub-Contractors**

29.1.1 The Supplier shall exercise due skill and care in the selection of any Sub-Contractors to ensure that the Supplier is able to:

- (a) manage any Sub-Contractors in accordance with Good Industry Practice;
- (b) comply with its obligations under this Call Off Contract in the Delivery of the Services; and
- (c) assign, novate or otherwise transfer to the Customer or any Replacement Supplier any of its rights and/or obligations under each Sub-Contract that relates exclusively to this Call Off Contract.

29.1.2 Prior to Sub-Contracting any of its obligations under this Call Off Contract, the Supplier shall notify the Customer and provide the Customer with:

- (a) the proposed Sub-Contractor's name, registered office and company registration number;
- (b) the scope of any Services to be provided by the proposed SubContractor; and
- (c) where the proposed Sub-Contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Customer that the proposed Sub-Contract has been agreed on "arm's-length" terms.

29.1.3 If requested by the Customer within ten (10) Working Days of receipt of the Suppliers notice issued pursuant to Clause 29.1.2, the Supplier shall also provide:

- (a) a copy of the proposed Sub-Contract; and
- (b) any further information reasonably requested by the Customer.

29.1.4 The Customer may, within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 29.1.2 (or, if later, receipt of any further information requested pursuant to Clause 29.1.3), object to the appointment of the relevant Sub-Contractor if they consider that:

- (a) the appointment of a proposed Sub-Contractor may prejudice the provision of the Services or may be contrary to the interests respectively of the Customer under this Call Off Contract;
- (b) the proposed Sub-Contractor is unreliable and/or has not provided reliable goods and or reasonable services to its other customers; and/or

- (c) the proposed Sub-Contractor employs unfit persons, in which case, the Supplier shall not proceed with the proposed appointment.

29.1.5 If:

- (a) the Customer has not notified the Supplier that it objects to the proposed Sub-Contractor's appointment by the later of ten (10) Working Days of receipt of:
  - (i) the Supplier's notice issued pursuant to Clause 29.1.2; and
  - (ii) any further information requested by the Customer pursuant to Clause 29.1.3; and
- (b) the proposed Sub-Contract is not a Key Sub-Contract which shall require the written consent of the Authority and the Customer in accordance with Clause 29.2 (Appointment of Key SubContractors).

the Supplier may proceed with the proposed appointment.

## **29.2 Appointment of Key Sub-Contractors**

29.2.1 The Authority and the Customer have consented to the engagement of the Key Sub-Contractors listed in Framework Schedule 7 (Key SubContractors).

29.2.2 Where the Supplier wishes to enter into a new Key Sub-Contract or replace a Key Sub-Contractor, it must obtain the prior written consent of the Authority and the Customer (the decision to consent or otherwise not to be unreasonably withheld or delayed). The Authority and/or the Customer may reasonably withhold its consent to the appointment of a Key Sub-Contractor if any of them considers that:

- (a) the appointment of a proposed Key Sub-Contractor may prejudice the provision of the Services or may be contrary to its interests;
- (b) the proposed Key Sub-Contractor is unreliable and/or has not provided reliable goods and/or reasonable services to its other customers; and/or
- (c) the proposed Key Sub-Contractor employs unfit persons.

29.2.3 Except where the Authority and the Customer have given their prior written consent under Clause 29.2.1, the Supplier shall ensure that each Key Sub-Contract shall include:

- (a) provisions which will enable the Supplier to discharge its obligations under this Call Off Contract;
- (b) a right under CRTPA for the Customer to enforce any provisions under the Key Sub-Contract which confer a benefit upon the Customer;
- (c) a provision enabling the Customer to enforce the Key Sub-Contract as if it were the Supplier;
- (d) a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key SubContract to the Customer or any Replacement Supplier;
- (e) obligations no less onerous on the Key Sub-Contractor than those imposed on the Supplier under this Call Off Contract in respect of:



- (i) data protection requirements set out in Clauses 34.1 (Security Requirements), 34.2 (Protection of Customer Data) and 34.6 (Protection of Personal Data);
- (ii) FOIA requirements set out in Clause 34.5 (Freedom of Information);
- (iii) the obligation not to embarrass the Customer or otherwise bring the Customer into disrepute set out in Clause 7.1.4(l) (Services);
- (iv) the keeping of records in respect of the Services being provided under the Key Sub-Contract, including the maintenance of Open Book Data;
- (v) the conduct of audits set out in Clause 21 (Records, Audit Access & Open Book Data);
- (f) provisions enabling the Supplier to terminate the Key SubContract on notice on terms no more onerous on the Supplier than those imposed on the Customer under Clauses 41 (Customer Termination Rights), 43 (Termination by Either Party) and 45 (Consequences of Expiry or Termination) of this Call Off Contract;
- (g) a provision restricting the ability of the Key Sub-Contractor to Sub-Contract all or any part of the provision of the Services provided to the Supplier under the Sub-Contract without first seeking the written consent of the Customer;

### **29.3 Supply Chain Protection**

29.3.1 The Supplier shall ensure that all Sub-Contracts contain a provision:

- (a) requiring the Supplier to pay any undisputed sums which are due from it to the Sub-Contractor within a specified period not exceeding thirty (30) days from the receipt of a Valid Invoice;
- (b) requiring that any invoices submitted by a Sub-Contractor shall be considered and verified by the Supplier in a timely fashion and that undue delay in doing so shall not be sufficient justification for failing to regard an invoice as valid and undisputed;
- (c) requiring the Sub-Contractor to include in any Sub-Contract which it in turn awards suitable provisions to impose, as between the parties to that Sub-Contract, requirements to the same effect as those required by sub-Clauses (a) and (b) directly above; and
- (d) conferring a right to the Customer to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period.

29.3.2 The Supplier shall:

- (a) pay any undisputed sums which are due from it to a SubContractor within thirty (30) days from the receipt of a Valid Invoice;
- (b) include within the Performance Monitoring Reports required under Part B of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) a summary of its compliance with this Clause 29.3.2 (a), such data to be certified each quarter by a director of the Supplier as being accurate and not misleading.

29.3.3 Any invoices submitted by a Sub-Contractor to the Supplier shall be considered and verified by the Supplier in a timely fashion. Undue delay in doing so shall not be sufficient justification for the Supplier failing to regard an invoice as valid and undisputed.

29.3.4 Notwithstanding any provision of Clauses 34.3 (Confidentiality) and 35 (Publicity and Branding) if the Supplier notifies the Customer that the Supplier has failed to pay an undisputed Sub-Contractor's invoice within thirty (30) days of receipt, or the Customer otherwise discovers the same, the Customer shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

## **29.4 Termination of Sub-Contracts**

29.4.1 The Customer may require the Supplier to terminate: (a)

a Sub-Contract where:

- (i) the acts or omissions of the relevant Sub-Contractor have caused or materially contributed to the Customer's right of termination pursuant to any of the termination events in Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause); and/or
- (ii) the relevant Sub-Contractor or its Affiliates embarrassed the Customer or otherwise brought the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer, regardless of whether or not such act or omission is related to the Sub-Contractor's obligations in relation to the Services or otherwise; and/or

(b) a Key Sub-Contract where there is a Change of Control of the relevant Key Sub-Contractor, unless:

- (i) the Customer has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or
- (ii) the Customer has not served its notice of objection within six (6) Months of the later of the date the Change of Control took place or the date on which the Customer was given notice of the Change of Control.

## **29.5 Competitive Terms**

29.5.1 If the Customer is able to obtain from any Sub-Contractor or any other third party more favourable commercial terms with respect to the supply of any materials, equipment, software, goods or services used by the Supplier or the Supplier Personnel in the supply of the Services, then the Customer may:

- (a) require the Supplier to replace its existing commercial terms with its Sub-Contractor with the more favourable commercial terms obtained by the Customer in respect of the relevant item; or
- (b) subject to Clause 29.4 (Termination of Sub-Contracts), enter into a direct agreement with that Sub-Contractor or third party in respect of the relevant item.

29.5.2 If the Customer exercises the option pursuant to Clause 29.5.1, then the Call Off Contract Charges shall be reduced by an amount that is agreed in accordance with the Variation Procedure.

29.5.3 The Customer's right to enter into a direct agreement for the supply of the relevant items is subject to:

- (a) the Customer making the relevant item available to the Supplier where this is necessary for the Supplier to provide the Services; and
- (b) any reduction in the Call Off Contract Charges taking into account any unavoidable costs payable by the Supplier in respect of the substituted item, including in respect of any licence fees or early termination charges.

## **29.6 Retention of Legal Obligations**

29.6.1 Notwithstanding the Supplier's right to Sub-Contract pursuant to Clause 29 (Supply Chain Rights and Protection), the Supplier shall remain responsible for all acts and omissions of its Sub-Contractors and the acts and omissions of those employed or engaged by the Sub-Contractors as if they were its own.

## **G. PROPERTY MATTERS**

### **30. CUSTOMER PREMISES**

#### **30.1 Licence to occupy Customer Premises**

30.1.1 Any Customer Premises shall be made available to the Supplier on a non-exclusive licence basis free of charge and shall be used by the Supplier solely for the purpose of performing its obligations under this Call Off Contract. The Supplier shall have the use of such Customer Premises as licensee and shall vacate the same immediately upon completion, termination, expiry or abandonment of this Call Off Contract and in accordance with Call Off Schedule 9 (Exit Management).

30.1.2 The Supplier shall limit access to the Customer Premises to such Supplier Personnel as is necessary to enable it to perform its obligations under this Call Off Contract and the Supplier shall co-operate (and ensure that the Supplier Personnel co-operate) with such other persons working concurrently on such Customer Premises as the Customer may reasonably request.

30.1.3 Save in relation to such actions identified by the Supplier in accordance with Clause 2 (Due Diligence) and set out in the Call Off Order Form (or elsewhere in this Call Off Contract), should the Supplier require modifications to the Customer Premises, such modifications shall be subject to Approval and shall be carried out by the Customer at the Suppliers expense. The Customer shall undertake any modification work which it approves pursuant to this Clause 30.1.3 without undue delay. Ownership of such modifications shall rest with the Customer.

30.1.4 The Supplier shall observe and comply with such rules and regulations as may be in force at any time for the use of such Customer Premises and conduct of personnel at the Customer Premises as determined by the Customer, and the Supplier shall pay for the full cost of making good any damage caused by the Supplier Personnel other than fair wear and tear. For the avoidance of doubt, damage includes without limitation damage to the fabric of the buildings, plant, fixed equipment or fittings therein.

30.1.5 The Parties agree that there is no intention on the part of the Customer to create a tenancy of any nature whatsoever in favour of the Supplier or the Supplier Personnel and that no such tenancy has or shall come into being and, notwithstanding any rights granted pursuant to this Call Off

Contract, the Customer retains the right at any time to use any Customer Premises in any manner it sees fit.

### 30.2 Security of Customer Premises

30.2.1 The Customer shall be responsible for maintaining the security of the Customer Premises in accordance with the Security Policy. The Supplier shall comply with the Security Policy and any other reasonable security requirements of the Customer while on the Customer Premises.

30.2.2 The Customer shall afford the Supplier upon Approval (the decision to Approve or not will not be unreasonably withheld or delayed) an opportunity to inspect its physical security arrangements.

30.2.3

## 31. CUSTOMER PROPERTY

31.1 Where the Customer issues Customer Property free of charge to the Supplier such Customer Property shall be and remain the property of the Customer and the Supplier irrevocably licences the Customer and its agents to enter upon any premises of the Supplier during normal business hours on reasonable notice to recover any such Customer Property.

31.2 The Supplier shall not in any circumstances have a lien or any other interest on the Customer Property and at all times the Supplier shall possess the Customer Property as fiduciary agent and bailee of the Customer.

31.3 The Supplier shall take all reasonable steps to ensure that the title of the Customer to the Customer Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-Contractors and other appropriate persons and shall, at the Customer's request, store the Customer Property separately and securely and ensure that it is clearly identifiable as belonging to the Customer.

31.4 The Customer Property shall be deemed to be in good condition when received by or on behalf of the Supplier unless the Supplier notifies the Customer otherwise within five (5) Working Days of receipt.

31.5 The Supplier shall maintain the Customer Property in good order and condition (excluding fair wear and tear) and shall use the Customer Property solely in connection with this Call Off Contract and for no other purpose without Approval.

31.6 The Supplier shall ensure the security of all the Customer Property whilst in its possession, either on the Sites or elsewhere during the supply of the Services, in accordance with the Customer's Security Policy and the Customer's reasonable security requirements from time to time.

31.7 The Supplier shall be liable for all loss of, or damage to the Customer Property, (excluding fair wear and tear), unless such loss or damage was solely caused by a Customer Cause. The Supplier shall inform the Customer immediately of becoming aware of any defects appearing in or losses or damage occurring to the Customer Property.

## 32. SUPPLIER EQUIPMENT

32.1 Unless otherwise stated in the Call Off Order Form (or elsewhere in this Call Off Contract), the Supplier shall provide all the Supplier Equipment necessary for the provision of the Services.

32.2 The Supplier shall not deliver any Supplier Equipment nor begin any work on the Customer Premises without obtaining Approval.

- 32.3 The Supplier shall be solely responsible for the cost of carriage of the Supplier Equipment to the Sites and/or any Customer Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on the Call Off Expiry Date the Supplier shall be responsible for the removal of all relevant Supplier Equipment from the Sites and/or any Customer Premises, including the Cost of packing, carriage and making good the Sites and/or the Customer Premises following removal.
- 32.4 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Customer shall be liable for Loss of or damage to any of the Supplier's property located on Customer Premises which is due to the negligent act or omission of the Customer.
- 32.5 Subject to any express provision of the BCDR Plan to the contrary, the Loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its obligation to supply the Services in accordance with this Call Off Contract, including the Service Level Performance Measures.
- 32.6 The Supplier shall maintain all Supplier Equipment within the Sites and/or the Customer Premises in a safe, serviceable and clean condition.
- 32.7 The Supplier shall, at the Customer's written request, at its own expense and as soon as reasonably practicable:
- 32.7.1 remove from the Customer Premises any Supplier Equipment or any component part of Supplier Equipment which in the reasonable opinion of the Customer is either hazardous, noxious or not in accordance with this Call Off Contract; and
- 32.7.2 replace such Supplier Equipment or component part of Supplier Equipment with a suitable substitute item of Supplier Equipment.
- 32.8 For the purposes of this Clause 32.8, 'X' shall be the number of Service Failures, and 'Y' shall be the period in months, as respectively specified for 'X' and 'Y' in the Call Off Order Form. If this Clause 32.8 has been specified to apply in the Call Off Order Form, and there are no values specified for 'X' and/or 'Y', in default, 'X' shall be two (2) and 'Y' shall be twelve (12). Where a failure of Supplier Equipment or any component part of Supplier Equipment causes X or more Service Failures in any Y Month period, the Supplier shall notify the Customer in writing and shall, at the Customer's request (acting reasonably), replace such Supplier Equipment or component part thereof at its own cost with a new item of Supplier Equipment or component part thereof (of the same specification or having the same capability as the Supplier Equipment being replaced).

## **H. INTELLECTUAL PROPERTY AND INFORMATION**

### **33. INTELLECTUAL PROPERTY RIGHTS**

#### **33.1 Allocation of title to IPR**

- 33.1.1 Save as expressly granted elsewhere under this Call Off Contract:
- (a) the Customer shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, including:
- (i) the Supplier Background IPR; (ii) the Third Party IPR; and
- (iii) the Project Specific IPR.

(b) the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Customer or its licensors, including the:

- (i) Customer Background IPR; and
- (ii) Customer Data.

33.1.2 Where either Party acquires, by operation of Law, title to Intellectual Property Rights that is inconsistent with the allocation of title set out in Clause 33.1, it shall assign in writing such Intellectual Property Rights as it has acquired to the other Party on the request of the other Party (whenever made).

33.1.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

### **33.2 Licence granted by the Supplier: Project Specific IPR**

33.2.1 The Supplier hereby grants to the Customer, or shall procure the direct grant to the Customer of, a perpetual, royalty-free, irrevocable, nonexclusive licence to use the Project Specific IPR including but not limited to the right to copy, adapt, publish and distribute such Project Specific IPR.

### **33.3 Licence granted by the Supplier: Supplier Background IPR**

33.3.1 The Supplier hereby grants to the Customer a perpetual, royalty-free and non-exclusive licence to use the Supplier Background IPR for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Bodies) business or function.

33.3.2 At any time during the Call Off Contract Period or following the Call Off Expiry Date, the Supplier may terminate a licence granted in respect of the Supplier Background IPR under Clause 33.3.1 by giving thirty (30) Working Days' notice in writing (or such other period as agreed by the Parties) if there is a Customer Cause which constitutes a material breach of the terms of 33.3.1 which, if the breach is capable of remedy, is not remedied within twenty (20) Working Days after the Supplier gives the Customer written notice specifying the breach and requiring its remedy.

33.3.3 In the event the licence of the Supplier Background IPR is terminated pursuant to Clause 33.3.2, the Customer shall:

- (a) immediately cease all use of the Supplier Background IPR;
- (b) at the discretion of the Supplier, return or destroy documents and other tangible materials that contain any of the Supplier Background IPR, provided that if the Supplier has not made an election within six (6) Months of the termination of the licence, the Customer may destroy the documents and other tangible materials that contain any of the Supplier Background IPR; and
- (c) ensure, so far as reasonably practicable, that any Supplier Background IPR that is held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Customer) from any computer, word processor, voicemail system or any other device containing such Supplier Background IPR.

### **33.4 Customer's right to sub-license**

33.4.1 The Customer shall be freely entitled to sub-license the rights granted to it pursuant to Clause 33.2.1 (Licence granted by the Supplier: Project Specific IPR).

33.4.2 The Customer may sub-license:

- (a) the rights granted under Clause 33.3.1 (Licence granted by the Supplier: Supplier Background IPR) to a third party (including for the avoidance of doubt, any Replacement Supplier) provided that:
  - (i) the sub-license is on terms no broader than those granted to the Customer; and
  - (ii) the sub-license only authorises the third party to use the rights licensed in Clause 33.3.1 (Licence granted by the Supplier: Supplier Background IPR) for purposes relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Bodies) business or function; and
- (b) the rights granted under Clause 33.3.1 (Licence granted by the Supplier: Supplier Background IPR) to any Approved SubLicensee to the extent necessary to use and/or obtain the benefit of the Project Specific IPR provided that the sub-license is on terms no broader than those granted to the Customer.

### **33.5 Customer's right to assign/novate licences**

33.5.1 The Customer shall be freely entitled to assign, novate or otherwise transfer its rights and obligations under the licence granted to it pursuant to Clause 33.2 (Licence granted by the Supplier: Project Specific IPR).

33.5.2 The Customer may assign, novate or otherwise transfer its rights and obligations under the licence granted pursuant to Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) to:

- (a) a Central Government Body; or
- (b) to any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Customer.

33.5.3 Where the Customer is a Central Government Body, any change in the legal status of the Customer which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 33.2 (Licence granted by the Supplier: Project Specific IPR) and/or Clause 33.3 (Licences granted by the Supplier: Supplier Background IPR). If the Customer ceases to be a Central Government Body, the successor body to the Customer shall still be entitled to the benefit of the licences granted in Clause 33.2 (Licence granted by the Supplier: Project Specific IPR) and Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR).

33.5.4 If a licence granted in Clause 33.2 (Licence granted by the Supplier: Project Specific IPR) and/or Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) is novated under Clauses 33.5.1 and/or 33.5.2 or there is a change of the Customer's status pursuant to Clause 33.5.3 (both such bodies being referred to as the **"Transferee"**),

the rights acquired by the Transferee shall not extend beyond those previously enjoyed by the Customer.

### **33.6 Third Party IPR**

33.6.1 The Supplier shall procure that the owners or the authorised licensors of any Third Party IPR grant a direct licence to the Customer on terms at least equivalent to those set out in Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) and Clause 33.5.2 (Customer's right to assign/novate licences). If the Supplier cannot obtain for the Customer a licence materially in accordance with the licence terms set out in Clause 33.3 (Licences granted by the Supplier: Supplier Background IPR) and Clause 33.5.2 (Customer's right to assign/novate licences) in respect of any such Third Party IPR, the Supplier shall:

- (a) notify the Customer in writing giving details of what licence terms can be obtained from the relevant third party and whether there are alternative providers which the Supplier could seek to use; and
- (b) only use such Third Party IPR if the Customer Approves the terms of the licence from the relevant third party.

### **33.7 Licence granted by the Customer**

33.7.1 The Customer hereby grants to the Supplier a royalty-free, nonexclusive, non-transferable licence during the Call Off Contract Period to use the Customer Background IPR and the Customer Data solely to the extent necessary for providing the Services in accordance with this Call Off Contract, including (but not limited to) the right to grant sublicences to Sub-Contractors provided that:

- (a) any relevant Sub-Contractor has entered into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 34.3 (Confidentiality); and
- (b) the Supplier shall not without Approval use the licensed materials for any other purpose or for the benefit of any person other than the Customer.

### **33.8 Termination of licenses**

33.8.1 Subject to Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR), all licences granted pursuant to Clause 33 (Intellectual Property Rights) (other than those granted pursuant to Clause 33.6 (Third Party IPR) and 33.7 (Licence granted by the Customer)) shall survive the Call Off Expiry Date.

33.8.2 The Supplier shall, if requested by the Customer in accordance with Call Off Schedule 9 (Exit Management), grant (or procure the grant) to the Replacement Supplier of a licence to use any Supplier Background IPR and/or Third Party IPR on terms equivalent to those set out in Clause 33.3 (Licence granted by the Supplier: Supplier Background IPR) subject to the Replacement Supplier entering into reasonable confidentiality undertakings with the Supplier.

33.8.3 The licence granted pursuant to Clause 33.7 (Licence granted by the Customer ) and any sub-licence granted by the Supplier in accordance with Clause 33.7.1 (Licence granted by the Customer) shall terminate automatically on the Call Off Expiry Date and the Supplier shall:

- (a) immediately cease all use of the Customer Background IPR and the Customer Data (as the case may be);



- (b) at the discretion of the Customer, return or destroy documents and other tangible materials that contain any of the Customer Background IPR and the Customer Data, provided that if the Customer has not made an election within six (6) months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Customer Background IPR and the Customer Data (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any Customer Background IPR and Customer Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier containing such Customer Background IPR and/or Customer Data.

### **33.9 IPR Indemnity**

33.9.1 The Supplier shall, during and after the Call Off Contract Period, on written demand, indemnify the Customer against all Losses incurred by, awarded against, or agreed to be paid by the Customer (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.

33.9.2 If an IPR Claim is made, or the Supplier anticipates that an IPR Claim might be made, the Supplier may, at its own expense and sole option, either:

- (a) procure for the Customer the right to continue using the relevant item which is subject to the IPR Claim; or
- (b) replace or modify the relevant item with non-infringing substitutes provided that:
  - (i) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;
  - (ii) the replaced or modified item does not have an adverse effect on any other Services;
  - (iii) there is no additional cost to the Customer; and
  - (iv) the terms and conditions of this Call Off Contract shall apply to the replaced or modified Services.

33.9.3 If the Supplier elects to procure a licence in accordance with Clause 33.9.2(a) or to modify or replace an item pursuant to Clause 33.9.2(b), but this has not avoided or resolved the IPR Claim, then:

- (i) the Customer may terminate this Call Off Contract by written notice with immediate effect; and
- (ii) without prejudice to the indemnity set out in Clause 33.9.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute services including the additional costs of procuring, implementing and maintaining the substitute items.

## **34. SECURITY AND PROTECTION OF INFORMATION**

### **34.1 Security Requirements**

34.1.1 The Supplier shall comply with the Security Policy and the requirements of Call Off Schedule 7 (Security) including the Security Management Plan

(if any) and shall ensure that the Security Management Plan produced by the Supplier fully complies with the Security Policy.

34.1.2 The Customer shall notify the Supplier of any changes or proposed changes to the Security Policy.

34.1.3 If the Supplier believes that a change or proposed change to the Security Policy will have a material and unavoidable cost implication to the provision of the Services it may propose a Variation to the Customer. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Call Off Contract Charges shall then be subject to the Variation Procedure.

34.1.4 Until and/or unless a change to the Call Off Contract Charges is agreed by the Customer pursuant to the Variation Procedure the Supplier shall continue to provide the Services in accordance with its existing obligations.

### **34.2 Protection of Customer Data**

34.2.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Customer Data.

34.2.2 The Supplier shall not store, copy, disclose, or use the Customer Data except as necessary for the performance by the Supplier of its obligations under this Call Off Contract or as otherwise Approved by the Customer.

34.2.3 To the extent that the Customer Data is held and/or Processed by the Supplier, the Supplier shall supply that Customer Data to the Customer as requested by the Customer and in the format (if any) specified by the Customer in the Call Off Order Form and, in any event, as specified by the Customer from time to time in writing.

34.2.4 The Supplier shall take responsibility for preserving the integrity of Customer Data and preventing the corruption or loss of Customer Data. 34.2.5 The Supplier shall perform secure back-ups of all Customer Data and shall ensure that up-to-date back-ups are stored off-site at an Approved location in accordance with any BCDR Plan or otherwise. The Supplier shall ensure that such back-ups are available to the Customer (or to such other person as the Customer may direct) at all times upon request and are delivered to the Customer at no less than six (6) Monthly intervals (or such other intervals as may be agreed in writing between the Parties).

34.2.6 The Supplier shall ensure that any system on which the Supplier holds any Customer Data, including back-up data, is a secure system that complies with the Security Policy and the Security Management Plan (if any).

34.2.7 If at any time the Supplier suspects or has reason to believe that the Customer Data is corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Customer immediately and inform the Customer of the remedial action the Supplier proposes to take.

34.2.8 If the Customer Data is corrupted, lost or sufficiently degraded as a result of a Default so as to be unusable, the Supplier may:

- (a) require the Supplier (at the Supplier's expense) to restore or procure the restoration of Customer Data to the extent and in accordance with the requirements specified in Call Off Schedule 8 (Business Continuity and Disaster Recovery) or as otherwise

required by the Customer, and the Supplier shall do so as soon as practicable but not later than five (5) Working Days from the date of receipt of the Customer's notice; and/or

- (b) itself restore or procure the restoration of Customer Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in Call Off Schedule 8 (Business Continuity and Disaster Recovery) or as otherwise required by the Customer.

### **34.3 Confidentiality**

34.3.1 For the purposes of Clause 34.3, the term **"Disclosing Party"** shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and **"Recipient"** shall mean the Party which receives or obtains directly or indirectly Confidential Information.

34.3.2 Except to the extent set out in Clause 34.3 or where disclosure is expressly permitted elsewhere in this Call Off Contract, the Recipient shall:

- (a) treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials); and
- (b) not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Call Off Contract or without obtaining the owner's prior written consent;
- (c) not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Call Off Contract; and
- (d) immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.

34.3.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:

- (a) the Recipient is required to disclose the Confidential Information by Law, provided that Clause 34.5 (Freedom of Information) shall apply to disclosures required under the FOIA or the EIRs;
- (b) the need for such disclosure arises out of or in connection with:
  - (i) any legal challenge or potential legal challenge against the Customer arising out of or in connection with this Call Off Contract;
  - (ii) the examination and certification of the Customer's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Customer is making use of any Services provided under this Call Off Contract; or
  - (iii) the conduct of a Central Government Body review in respect of this Call Off Contract; or

- (c) the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.

34.3.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.

34.3.5 Subject to Clause 34.3.2, the Supplier may only disclose the Confidential Information of the Customer on a confidential basis to:

- (a) Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Call Off Contract; and
- (b) its professional advisers for the purposes of obtaining advice in relation to this Call Off Contract.

34.3.6 Where the Supplier discloses Confidential Information of the Customer pursuant to Clause 34.3.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Call Off Contract by the persons to whom disclosure has been made.

34.3.7 The Customer may disclose the Confidential Information of the Supplier:

- (a) to any Central Government Body on the basis that the information may only be further disclosed to Central Government Bodies;
- (b) to the British Parliament and any committees of the British Parliament or if required by any British Parliamentary reporting requirement;
- (c) to the extent that the Customer (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- (d) on a confidential basis to a professional adviser, consultant, Supplier or other person engaged by any of the entities described in Clause 34.3.7(a) (including any benchmarking organisation) for any purpose relating to or connected with this Call Off Contract;
- (e) on a confidential basis for the purpose of the exercise of its rights under this Call Off Contract; or
- (f) to a proposed transferee, assignee or novatee of, or successor in title to the Customer,

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 Customer under Clause 34.3.

34.3.8 Nothing in Clause 34.3 shall prevent a Recipient from using any techniques, ideas or Know-How gained during the performance of this Call Off Contract in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

34.3.9 In the event that the Supplier fails to comply with Clauses 34.3.2 to 34.3.5, the Customer reserves the right to terminate this Call Off Contract for material Default.

#### **34.4 Transparency**

34.4.1 The Parties acknowledge and agree that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Call Off Contract and any Transparency Reports under it is not Confidential Information and shall be made available in accordance with the procurement policy note 13/15 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/458554/Procurement\\_Policy\\_Note\\_13\\_15.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/458554/Procurement_Policy_Note_13_15.pdf) and the Transparency Principles referred to therein. The Customer shall determine whether any of the content of this Call Off Contract is exempt from disclosure in accordance with the provisions of the FOIA. The Customer may consult with the Supplier to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

34.4.2 Notwithstanding any other provision of this Call Off Contract, the Supplier hereby gives his consent for the Customer to publish this Call Off Contract in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted), including any changes to this Call Off Contract agreed from time to time.

34.4.3 The Supplier shall assist and cooperate with the Customer to enable the Customer to publish this Call Off Contract.

#### **34.5 Freedom of Information**

34.5.1 The Supplier acknowledges that the Customer is subject to the requirements of the FOIA and the EIRs. The Supplier shall:

- (a) provide all necessary assistance and cooperation as reasonably requested by the Customer to enable the Customer to comply with its Information disclosure obligations under the FOIA and EIRs;
- (b) transfer to the Customer all Requests for Information relating to this Call Off Contract that it receives as soon as practicable and in any event within two (2) Working Days of receipt;
- (c) provide the Customer with a copy of all Information belonging to the Customer requested in the Request for Information which is in its possession or control in the form that the Customer requires within five (5) Working Days (or such other period as the Customer may reasonably specify) of the Customer's request for such Information; and
- (d) not respond directly to a Request for Information unless authorised in writing to do so by the Customer.

34.5.2 The Supplier acknowledges that the Customer may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Customer shall take reasonable steps to notify the Supplier of a Request for Information (in accordance with the Secretary of State's Section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Call Off Contract) the Customer shall be responsible for determining in its absolute discretion whether any

Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

### **34.6 Protection of Personal Data**

34.6.1 Where any Personal Data are Processed in connection with the exercise of the Parties' rights and obligations under this Call Off Contract, the Parties acknowledge that the Customer is the Data Controller and that the Supplier is the Data Processor.

34.6.2 The Supplier shall:

- (a) Process the Personal Data only in accordance with instructions from the Customer to perform its obligations under this Call Off Contract;
- (b) ensure that at all times it has in place appropriate technical and organisational measures to guard against unauthorised or unlawful Processing of the Personal Data and/or accidental loss, destruction, or damage to the Personal Data, including the measures as are set out in Clauses 34.1 (Security Requirements) and 34.2 (Protection of Customer Data);
- (c) not disclose or transfer the Personal Data to any third party or Supplier Personnel unless necessary for the provision of the Services and, for any disclosure or transfer of Personal Data to any third party, obtain the prior written consent of the Customer (save where such disclosure or transfer is specifically authorised under this Call Off Contract)
- (d) take reasonable steps to ensure the reliability and integrity of any Supplier Personnel who have access to the Personal Data and ensure that the Supplier Personnel:
  - (i) are aware of and comply with the Supplier's duties under Clause 34.6.2 and Clauses 34.1 (Security Requirements), 34.2 (Protection of Customer Data) and 34.3 (Confidentiality);
  - (ii) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Customer or as otherwise permitted by this Call Off Contract; and
  - (iii) have undergone adequate training in the use, care, protection and handling of personal data (as defined in the DPA);
- (e) notify the Customer within five (5) Working Days if it receives:
  - (i) from a Data Subject (or third party on their behalf) a Data Subject Access Request (or purported Data Subject Access Request) a request to rectify, block or erase any Personal Data or any other request, complaint or communication relating to the Customer's obligations under the DPA;
  - (ii) any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data; or

- (iii) a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law;
- (f) provide the Customer with full cooperation and assistance (within the timescales reasonably required by the Customer) in relation to any complaint, communication or request made (as referred to at Clause 34.6.2(e)), including by promptly providing:
  - (i) the Customer with full details and copies of the complaint, communication or request;
  - (ii) where applicable, such assistance as is reasonably requested by the Customer to enable the Customer to comply with the Data Subject Access Request within the relevant timescales set out in the DPA; and
  - (iii) the Customer, on request by the Customer, with any Personal Data it holds in relation to a Data Subject; and
- (g) if requested by the Customer, provide a written description of the measures that has taken and technical and organisational security measures in place, for the purpose of compliance with its obligations pursuant to Clause 34.6.2 and provide to the Customer copies of all documentation relevant to such compliance including, protocols, procedures, guidance, training and manuals.

34.6.3 The Supplier shall not Process or otherwise transfer any Personal Data in or to any country outside the European Economic Area or any country which is not determined to be adequate by the European Commission pursuant to Article 25(6) of Directive 95/46/EC (together “**Restricted Countries**”). If, after the Call Off Commencement Date, the Supplier or any Sub-Contractor wishes to Process and/or transfer any Personal Data in or to any outside the European Economic Area, the following provisions shall apply:

- (a) the Supplier shall propose a Variation to the Customer which, if it is agreed by the Customer, shall be dealt with in accordance with the Variation Procedure and Clauses 34.6.3(b) to 34.6.3(c);
- (b) the Supplier shall set out in its proposal to the Customer for a Variation details of the following:
  - (i) the Personal Data which will be transferred to and/or Processed in or to any Restricted Countries;
  - (ii) the Restricted Countries to which the Personal Data will be transferred and/or Processed; and
  - (iii) any Sub-Contractors or other third parties who will be Processing and/or receiving Personal Data in Restricted Countries;
  - (iv) how the Supplier will ensure an adequate level of protection and adequate safeguards in respect of the Personal Data that will be Processed in and/or transferred to Restricted Countries so as to ensure the Customer’s compliance with the DPA;
- (c) in providing and evaluating the Variation, the Parties shall ensure that they have regard to and comply with then-current Customer, Central Government Bodies and Information Commissioner Office policies, procedures, guidance and codes of practice on,

and any approvals processes in connection with, the Processing in and/or transfers of Personal Data to any Restricted Countries; and

- (d) the Supplier shall comply with such other instructions and shall carry out such other actions as the Customer may notify in writing, including:
  - (i) incorporating standard and/or model clauses (which are approved by the European Commission as offering adequate safeguards under the DPA) into this Call Off Contract or a separate data processing agreement between the Parties; and
  - (ii) procuring that any Sub-Contractor or other third party who will be Processing and/or receiving or accessing the Personal Data in any Restricted Countries either enters into:
    - (A) a direct data processing agreement with the Customer on such terms as may be required by the Customer; or
    - (B) a data processing agreement with the Supplier on terms which are equivalent to those agreed between the Customer and the Sub-Contractor relating to the relevant Personal Data transfer, and
  - (iii) in each case which the Supplier acknowledges may include the incorporation of model contract provisions (which are approved by the European Commission as offering adequate safeguards under the DPA) and technical and organisation measures which the Customer deems necessary for the purpose of protecting Personal Data.

34.6.4 The Supplier shall use its reasonable endeavours to assist the Customer to comply with any obligations under the DPA and shall not perform its obligations under this Call Off Contract in such a way as to cause the Customer to breach any of the Customer's obligations under the DPA to the extent the Supplier is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations.

## **35. PUBLICITY AND BRANDING**

35.1 The Supplier shall not:

35.1.1 make any press announcements or publicise this Call Off Contract in any way; or

35.1.2 use the Customer's name or brand in any promotion or marketing or announcement of orders,

35.1.3 without Approval (the decision of the Customer to Approve or not shall not be unreasonably withheld or delayed).

35.2 Each Party acknowledges to the other that nothing in this Call Off Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Services and Supplier Equipment) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.



## **I. LIABILITY AND INSURANCE**

### **36. LIABILITY**

#### **36.1 Unlimited Liability**

36.1.1 Neither Party excludes or limits its liability for:

- (a) death or personal injury caused by its negligence, or that of its employees, agents or Sub-Contractors (as applicable);
- (b) bribery or Fraud by it or its employees;
- (c) 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
- (d) any liability to the extent it cannot be excluded or limited by Law.

36.1.2 The Supplier does not exclude or limit its liability in respect of the indemnity in Clauses 33.9 (IPR Indemnity) and in each case whether before or after the making of a demand pursuant to the indemnity therein.

#### **36.2 Financial Limits**

36.2.1 Subject to Clause 36.1 (Unlimited Liability), the Supplier's total aggregate liability:

- (a) in respect of all:
  - (i) Service Credits; and
  - (ii) Compensation for Critical Service Level Failure; incurred in any rolling period of twelve (12) Months shall be subject in aggregate to the Service Credit Cap;
- (b) in respect of all other Losses incurred by the Customer under or in connection with this Call Off Contract as a result of Defaults by the Supplier shall in no event exceed:
  - (i) in relation to any Defaults occurring from the Call Off Commencement Date to the end of the first Call Off Contract Year, the higher of ten million (10,000,000) pounds or a sum equal to one hundred and fifty (150) per cent of the Estimated Year 1 Call Off Contract Charges;
  - (ii) in relation to any Defaults occurring in each subsequent Call Off Contract Year that commences during the remainder of the Call Off Contract Period, the higher of ten million (10,000,000) pounds in each such Call Off Contract Year or a sum equal to one hundred and fifty (150) per cent of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the previous Call Off Contract Year; and
  - (iii) in relation to any Defaults occurring in each Call Off Contract Year that commences after the end of the Call Off Contract Period, the higher of ten million (10,000,000) pounds in each such Call Off Contract Year or a sum equal to one hundred and fifty (150) per cent of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the last Call Off Contract Year commencing during the Call Off Contract Period;

unless the Customer has specified different financial limits in the Call Off Order Form.

36.2.2 Subject to Clauses 36.1 (Unlimited Liability) and 36.2 (Financial Limits) and without prejudice to its obligation to pay the undisputed Call Off Contract Charges as and when they fall due for payment, the Customer's total aggregate liability in respect of all Losses as a result of Customer Causes shall be limited to:

- (a) in relation to any Customer Causes occurring from the Call Off Commencement Date to the end of the first Call Off Contract Year, a sum equal to the Estimated Year 1 Call Off Contract Charges;
- (b) in relation to any Customer Causes occurring in each subsequent Call Off Contract Year that commences during the remainder of the Call Off Contract Period, a sum equal to the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the previous Call Off Contract Year; and
- (c) in relation to any Customer Causes occurring in each Call Off Contract Year that commences after the end of the Call Off Contract Period, a sum equal to the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the last Call Off Contract Year commencing during the Call Off Contract Period.

### 36.3 Non-recoverable Losses

36.3.1 Subject to Clause 36.1 (Unlimited Liability) neither Party shall be liable to the other Party for any:

- (a) indirect, special or consequential Loss;
- (b) Loss of profits, turnover, savings, business opportunities or damage to goodwill (in each case whether direct or indirect).

### 36.4 Recoverable Losses

36.4.1 Subject to Clause 36.2 (Financial Limits), and notwithstanding Clause 36.3 (Non-recoverable Losses), the Supplier acknowledges that the Customer may, amongst other things, recover from the Supplier the following Losses incurred by the Customer to the extent that they arise as a result of a Default by the Supplier:

- (a) any additional operational and/or administrative costs and expenses incurred by the Customer, including costs relating to time spent by or on behalf of the Customer in dealing with the consequences of the Default;
- (b) any wasted expenditure or charges;
- (c) the additional cost of procuring Replacement Services for the remainder of the Call Off Contract Period and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Call Off Contract;
- (d) any compensation or interest paid to a third party by the Customer; and
- (e) any fine, penalty or costs incurred by the Customer pursuant to Law.

### 36.5 Miscellaneous

- 36.5.1 Each Party shall use all reasonable endeavours to mitigate any Loss or damage suffered arising out of or in connection with this Call Off Contract.
- 36.5.2 Any Deductions shall not be taken into consideration when calculating the Suppliers liability under Clause 36.2 (Financial Limits).
- 36.5.3 Subject to any rights of the Customer under this Call Off Contract (including in respect of an IPR Claim), any claims by a third party where an indemnity is sought by that third party from a Party to this Call Off Contract shall be dealt with in accordance with the provisions of Framework Schedule 20 (Conduct of Claims).

### **37. INSURANCE**

- 37.1 This Clause 0 will only apply where specified in the Call Off Order Form or elsewhere in this Call Off Contract.
- 37.2 Notwithstanding any benefit to the Customer of the policy or policies of insurance referred to in Clause 31 (Insurance) of the Framework Agreement, the Supplier shall effect and maintain such further policy or policies of insurance or extensions to such existing policy or policies of insurance procured under the Framework Agreement in respect of all risks which may be incurred by the Supplier arising out of its performance of its obligations under this Call Off Contract.
- 37.3 Without limitation to the generality of Clause 37.2 the Supplier shall ensure that it maintains the policy or policies of insurance as stipulated in the Call Off Order Form.
- 37.4 The Supplier shall effect and maintain the policy or policies of insurance referred to in Clause 0 for six (6) years after the Call Off Expiry Date.
- 37.5 The Supplier shall give the Customer, on request, copies of all insurance policies referred to in Clause 0 or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.
- 37.6 If, for whatever reason, the Supplier fails to give effect to and maintain the insurance policies required under Clause 0 the Customer may make alternative arrangements to protect its interests and may recover the premium and other costs of such arrangements as a debt due from the Supplier.
- 37.7 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liability under this Call Off Contract. It shall be the responsibility of the Supplier to determine the amount of insurance cover that will be adequate to enable the Supplier to satisfy any liability in relation to the performance of its obligations under this Call Off Contract.
- 37.8 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Customer (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

## **J. REMEDIES AND RELIEF**

### **38. CUSTOMER REMEDIES FOR DEFAULT**

#### **38.1 Remedies**

38.1.1 Without prejudice to any other right or remedy of the Customer howsoever arising (including under Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring)) and subject to the exclusive financial remedy provisions in Clauses 13.6 (Service Levels and Service Credits) and 6.4.1(b) (Delay Payments), if the Supplier commits any Default of this Call Off Contract then the Customer may (whether or not any part of the Services have been Delivered) do any of the following:

- (a) at the Customer's option, give the Supplier the opportunity (at the Supplier's expense) to remedy the Default together with any damage resulting from such Default (where such Default is capable of remedy) or to supply Replacement Services and carry

out any other necessary work to ensure that the terms of this Call Off Contract are fulfilled, in accordance with the Customer's instructions;

- (b) carry out, at the Supplier's expense, any work necessary to make the provision of the Services comply with this Call Off Contract;
- (c) if the Default is a material Default that is capable of remedy (and for these purposes a material Default may be a single material Default or a number of Defaults or repeated Defaults - whether of the same or different obligations and regardless of whether such Defaults are remedied - which taken together constitute a material Default):
  - (i) instruct the Supplier to comply with the Rectification Plan Process;
  - (ii) suspend this Call Off Contract (whereupon the relevant provisions of Clause 44 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) the Services;
  - (iii) without terminating or suspending the whole of this Call Off Contract, terminate or suspend this Call Off Contract in respect of part of the provision of the Services only (whereupon the relevant provisions of Clause 44 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) such part of the Services;

38.1.2 Where the Customer exercises any of its step-in rights under Clauses 38.1.1(c)(ii) or 38.1.1(c)(iii), the Customer shall have the right to charge the Supplier for and the Supplier shall on demand pay any Costs reasonably incurred by the Customer (including any reasonable administration costs) in respect of the supply of any part of the Services by the Customer or a third party and provided that the Customer uses its reasonable endeavours to mitigate any additional expenditure in obtaining Replacement Services.

## 38.2 Rectification Plan Process

38.2.1 Where the Customer has instructed the Supplier to comply with the Rectification Plan Process pursuant to Clause 38.1.1(c)(i):

- (a) the Supplier shall submit a draft Rectification Plan to the Customer for it to review as soon as possible and in any event within ten (10) Working Days (or such other period as may be agreed between the Parties) from the date of Customer's instructions. The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Default giving rise to the Customer's request for a draft Rectification Plan.
- (b) the draft Rectification Plan shall set out:
  - (i) full details of the Default that has occurred, including a cause analysis;
  - (ii) the actual or anticipated effect of the Default; and
  - (iii) the steps which the Supplier proposes to take to rectify the Default (if applicable) and to prevent such Default from

recurring, including timescales for such steps and for the rectification of the Default (where applicable).

- 38.2.2 The Supplier shall promptly provide to the Customer any further documentation that the Customer requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with paragraph 5 of Call Off Schedule 11 (Dispute Resolution Procedure).
- 38.2.3 The Customer may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:
- (a) is insufficiently detailed to be capable of proper evaluation;
  - (b) will take too long to complete;
  - (c) will not prevent reoccurrence of the Default; and/or
  - (d) will rectify the Default but in a manner which is unacceptable to the Customer.
- 38.2.4 The Customer shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Customer rejects the draft Rectification Plan, the Customer shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Customer for review within five (5) Working Days (or such other period as agreed between the Parties) of the Customer's notice rejecting the first draft.
- 38.2.5 If the Customer consents to the Rectification Plan, the Supplier shall immediately start work on the actions set out in the Rectification Plan.

### 39. SUPPLIER RELIEF DUE TO CUSTOMER CAUSE

39.1 If the Supplier has failed to:

- 39.1.1 achieve a Milestone by its Milestone Date;
- 39.1.2 provide the Services in accordance with the Service Levels;
- 39.1.3 comply with its obligations under this Call Off Contract,  
(each a "**Supplier Non-Performance**"), and can demonstrate that the Supplier Non-Performance would not have occurred but for a Customer Cause, then (subject to the Supplier fulfilling its obligations in Clause 17 (Supplier Notification of Customer Cause):
  - (a) the Supplier shall not be treated as being in breach of this Call Off Contract to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Customer Cause;
  - (b) the Customer shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance to terminate this Call Off Contract pursuant to Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause);
  - (c) where the Supplier Non-Performance constitutes the failure to achieve a Milestone by its Milestone Date:
    - (i) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Customer Cause;

- (ii) if the Customer, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Customer Cause;
- (iii) if failure to achieve a Milestone attracts a Delay Payment, the Supplier shall have no liability to pay any such Delay Payment associated with the Milestone to the extent that the Supplier can demonstrate that such failure was caused by the Customer Cause; and/or
- (d) where the Supplier Non-Performance constitutes a Service Level Failure:
  - (i) the Supplier shall not be liable to accrue Service Credits;
  - (ii) the Customer shall not be entitled to any Compensation for Critical Service Level Failure pursuant to Clause 14 (Critical Service Level Failure); and
  - (iii) the Supplier shall be entitled to invoice for the Call Off Contract Charges for the provision of the relevant Services affected by the Customer Cause,

in each case, to the extent that the Supplier can demonstrate that the Service Level Failure was caused by the Customer Cause.

39.2 In order to claim any of the rights and/or relief referred to in Clause 39.1, the Supplier shall:

- 39.2.1 comply with its obligations under Clause 17 (Supplier Notification of Customer Cause); and
- 39.2.2 within ten (10) Working Days of becoming aware that a Customer Cause has caused, or is likely to cause, a Supplier Non-Performance, give the Customer notice (a "**Relief Notice**") setting out details of:
  - (a) the Supplier Non-Performance;
  - (b) the Customer Cause and its effect on the Suppliers ability to meet its obligations under this Call Off Contract; and (c) the relief claimed by the Supplier.

39.3 Following the receipt of a Relief Notice, the Customer shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Customer Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Customer Cause and its entitlement to relief, consulting with the Supplier where necessary.

39.4 Without prejudice to Clauses 8.6 (Continuing obligation to provide the Services), if a Dispute arises as to:

- 39.4.1 whether a Supplier Non-Performance would not have occurred but for a Customer Cause; and/or
- 39.4.2 the nature and/or extent of the relief claimed by the Supplier, either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.

39.5 Any Variation that is required to the Implementation Plan or to the Call Off Contract Charges pursuant to Clause 39 shall be implemented in accordance with the Variation Procedure.

## 40. FORCE MAJEURE

- 40.1 Subject to the remainder of Clause 40 (and, in relation to the Supplier, subject to its compliance with any obligations in Clause 15 (Business Continuity and Disaster Recovery)), a Party may claim relief under Clause 40 from liability for failure to meet its obligations under this Call Off Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Call Off Contract which results from a failure or delay by an agent, Sub-Contractor or Supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-Contractor or Supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.
- 40.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.
- 40.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under Clause 40 to the extent that consequences of the relevant Force Majeure Event:
- 40.3.1 are capable of being mitigated by any of the provision of any Services, including any BCDR Services, but the Supplier has failed to do so; and/or
  - 40.3.2 should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Call Off Contract.
- 40.4 Subject to Clause 40.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.
- 40.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.
- 40.6 Where, as a result of a Force Majeure Event:
- 40.6.1 an Affected Party fails to perform its obligations in accordance with this Call Off Contract, then during the continuance of the Force Majeure Event:
    - (a) the other Party shall not be entitled to exercise any rights to terminate this Call Off Contract in whole or in part as a result of such failure unless the provision of the Services is materially impacted by a Force Majeure Event which endures for a continuous period of more than ninety (90) Working Days; and
    - (b) the Supplier shall not be liable for any Default and the Customer shall not be liable for any Customer Cause arising as a result of such failure;
  - 40.6.2 the Supplier fails to perform its obligations in accordance with this Call Off Contract:
    - (a) the Customer shall not be entitled:
      - (i) during the continuance of the Force Majeure Event to exercise its step-in rights under Clause 38.1.1(b) and 38.1.1(c) (Customer Remedies for Default) as a result of such failure;



- (ii) to receive Delay Payments pursuant to Clause 6.4 (Delay Payments) to the extent that the achievement of any Milestone is affected by the Force Majeure Event; and
    - (iii) to receive Service Credits or withhold and retain any of the Call Off Contract Charges as Compensation for Critical Service Level Failure pursuant to Clause 14 (Critical Service Level Failure) to the extent that a Service Level Failure or Critical Service Level Failure has been caused by the Force Majeure Event; and
  - (b) the Supplier shall be entitled to receive payment of the Call Off Contract Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be provided in accordance with the terms of this Call Off Contract during the occurrence of the Force Majeure Event.
- 40.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Call Off Contract.
- 40.8 Relief from liability for the Affected Party under Clause 40 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Call Off Contract and shall not be dependent on the serving of notice under Clause 40.7.

## **K. TERMINATION AND EXIT MANAGEMENT**

### **41. CUSTOMER TERMINATION RIGHTS**

#### **41.1 Termination in Relation to Call Off Guarantee**

41.1.1 Where this Call Off Contract is conditional upon the Supplier procuring a Call Off Guarantee pursuant to Clause 4 (Call Off Guarantee), the Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where:

- (a) the Call Off Guarantor withdraws the Call Off Guarantee for any reason whatsoever;
- (b) the Call Off Guarantor is in breach or anticipatory breach of the Call Off Guarantee;
- (c) an Insolvency Event occurs in respect of the Call Off Guarantor; or
- (d) the Call Off Guarantee becomes invalid or unenforceable for any reason whatsoever,

and in each case the Call Off Guarantee (as applicable) is not replaced by an alternative guarantee agreement acceptable to the Customer; or

- (e) the Supplier fails to provide the documentation required by Clause 4.1 by the date so specified by the Customer.

#### **41.2 Termination on Material Default**

41.2.1 The Customer may terminate this Call Off Contract for material Default by issuing a Termination Notice to the Supplier where:

- (a) the Supplier commits a Critical Service Level Failure;
- (b) the representation and warranty given by the Supplier pursuant to Clause 3.2.5 (Representations and Warranties) is materially

untrue or misleading, and the Supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of the Customer are acceptable;

- (c) as a result of any Defaults, the Customer incurs Losses in any Contract Year which exceed eighty (80) per cent (unless stated differently in the Call Off Order Form) of the value of the Supplier's aggregate annual liability limit for that Contract Year as set out in Clauses 36.2.1(a) and 36.2.1(b) (Liability);
- (d) the Customer expressly reserves the right to terminate this Call Off Contract for material Default, including pursuant to any of the following Clauses: 6.2.3 (Control of Implementation Plan), 8.4.2 (Undelivered Services), 14.1 (Critical Service Level Failure), 16.4 (Disruption), 21.5 (Records, Audit Access and Open Book Data), 24 (Promoting Tax Compliance), 34.3.9 (Confidentiality), 50.6.2 (Prevention of Fraud and Bribery)
- (e) the Supplier commits any material Default of this Call Off Contract which is not, in the reasonable opinion of the Customer, capable of remedy; and/or
- (f) the Supplier commits a Default, including a material Default, which in the opinion of the Customer is remediable but has not remedied such Default to the satisfaction of the Customer in accordance with the Rectification Plan Process.

41.2.2 For the purpose of Clause 41.2.1, a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default.

#### 41.3 Termination in Relation to Financial Standing

41.3.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where in the reasonable opinion of the Customer there is a material detrimental change in the financial standing and/or the credit rating of the Supplier which:

- (a) adversely impacts on the Supplier's ability to supply the Services under this Call Off Contract; or
- (b) could reasonably be expected to have an adverse impact on the Supplier's ability to supply the Services under this Call Off Contract.

#### 41.4 Termination on Insolvency

41.4.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where an Insolvency Event affecting the Supplier occurs.

#### 41.5 Termination on Change of Control

41.5.1 The Supplier shall notify the Customer immediately in writing and as soon as the Supplier is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control and provided such notification does not contravene any Law.

41.5.2 The Supplier shall ensure that any notification made pursuant to Clause 41.5.1 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

41.5.3 The Customer may terminate this Call Off Contract by issuing a Termination Notice under Clause 41.5 to the Supplier within six (6) Months of:

- (a) being notified in writing that a Change of Control is anticipated or in contemplation or has occurred; or
- (b) where no notification has been made, the date that the Customer becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

but shall not be permitted to terminate where an Approval was granted prior to the Change of Control.

#### 41.6 Termination for breach of Regulations

41.6.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier on the occurrence of any of the statutory provisos contained in Regulation 73 (1) (a) to (c).

#### 41.7 Termination Without Cause

41.7.1 The Customer shall have the right to terminate this Call Off Contract at any time by issuing a Termination Notice to the Supplier giving at least thirty (30) Working Days written notice (unless stated differently in the Call Off Order Form).

#### 41.8 Termination in Relation to Framework Agreement

41.8.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier if the Framework Agreement is terminated for any reason whatsoever.

#### 41.9 Termination In Relation to Benchmarking

41.9.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier if the Supplier refuses or fails to comply with its obligations as set out in paragraphs 1 and 2 of Framework Schedule 12 (Continuous Improvement and Benchmarking).

#### 41.10 Termination in Relation to Variation

41.10.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier for failure of the Parties to agree or the Supplier to implement a Variation in accordance with the Variation Procedure.

## 42. SUPPLIER TERMINATION RIGHTS

#### 42.1 Termination on Customer Cause for Failure to Pay

42.1.1 The Supplier may, by issuing a Termination Notice to the Customer, terminate this Call Off Contract if the Customer fails to pay an undisputed sum due to the Supplier under this Call Off Contract which in aggregate exceeds an amount equal to one (1) month's average Call Off Contract Charges (unless a different amount has been specified in the Call Off Order Form), for the purposes of this Clause 42.1.1 (the "**Undisputed Sums Limit**"), and the said undisputed sum due remains outstanding for forty (40) Working Days (the "**Undisputed Sums Time Period**") after the receipt by the Customer of a written notice of nonpayment from the Supplier specifying: (a) the Customer's failure to pay; and

- (b) the correct overdue and undisputed sum; and
- (c) the reasons why the undisputed sum is due; and
- (d) the requirement on the Customer to remedy the failure to pay; and

this Call Off Contract shall then terminate on the date specified in the Termination Notice (which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice), save that such right of termination shall not apply where the failure to pay is due to the Customer exercising its rights under this Call Off Contract including Clause 23.3 (Retention and Set off).

- 42.1.2 The Supplier shall not suspend the supply of the Services for failure of the Customer to pay undisputed sums of money (whether in whole or in part).

#### **43. TERMINATION BY EITHER PARTY**

##### **43.1 Termination for Continuing Force Majeure Event**

- 43.1.1 Either Party may, by issuing a Termination Notice to the other Party, terminate this Call Off Contract in accordance with Clause 40.6.1(a) (Force Majeure).

#### **44. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION**

- 44.1 Where the Customer has the right to terminate this Call Off Contract, the Customer shall be entitled to terminate or suspend all or part of this Call Off Contract provided always that, if the Customer elects to terminate or suspend this Call Off Contract in part, the parts of this Call Off Contract not terminated or suspended can, in the Customer's reasonable opinion, operate effectively to deliver the intended purpose of the surviving parts of this Call Off Contract.

- 44.2 Any suspension of this Call Off Contract under Clause 44.1 shall be for such period as the Customer may specify and without prejudice to any right of termination which has already accrued, or subsequently accrues, to the Customer.

- 44.3 The Parties shall seek to agree the effect of any Variation necessitated by a partial termination, suspension or partial suspension in accordance with the Variation Procedure, including the effect that the partial termination, suspension or partial suspension may have on the provision of any other Services and the Call Off Contract Charges, provided that the Supplier shall not be entitled to:

- 44.3.1 an increase in the Call Off Contract Charges in respect of the provision of the Services that have not been terminated if the partial termination arises due to the exercise of any of the Customer's termination rights under Clause 41 (Customer Termination Rights) except Clause 41.7 (Termination Without Cause); and

- 44.3.2 reject the Variation.

#### **45. CONSEQUENCES OF EXPIRY OR TERMINATION**

- 45.1 Consequences of termination under Clauses 41.1 (Termination in Relation to Guarantee), 41.2 (Termination on Material Default), 41.3 (Termination in Relation to Financial Standing), 41.8 (Termination in Relation to Framework Agreement), 41.9 (Termination in Relation to Benchmarking) and 41.10 (Termination in Relation to Variation)

- 45.1.1 Where the Customer:

- (a) terminates (in whole or in part) this Call Off Contract under any of the Clauses referred to in Clause 45.1; and
- (b) then makes other arrangements for the supply of the Services, the Customer may recover from the Supplier the Cost reasonably incurred of making those other arrangements and any additional

expenditure incurred by the Customer throughout the remainder of the Call Off Contract Period provided that Customer shall take all reasonable steps to mitigate such additional expenditure. No further payments shall be payable by the Customer to the Supplier until the Customer has established the final Cost of making those other arrangements.

45.2 Consequences of termination under Clauses 41.7 (Termination without Cause) and 42.1 (Termination on Customer Cause for Failure to Pay)

45.2.1 Where:

- (a) the Customer terminates (in whole or in part) this Call Off Contract under Clause 41.7 (Termination without Cause); or
- (b) the Supplier terminates this Call Off Contract pursuant to Clause 42.1 (Termination on Customer Cause for Failure to Pay), the Customer shall indemnify the Supplier against any reasonable and proven Losses which would otherwise represent an unavoidable Loss by the Supplier by reason of the termination of this Call Off Contract, provided that the Supplier takes all reasonable steps to mitigate such Losses. The Supplier shall submit a fully itemised and costed list of such Losses, with supporting evidence including such further evidence as the Customer may require, reasonably and actually incurred by the Supplier as a result of termination under Clause 41.7 (Termination without Cause).

45.2.2 The Customer shall not be liable under Clause 45.2.1 to pay any sum which:

- (a) was claimable under insurance held by the Supplier, and the Supplier has failed to make a claim on its insurance, or has failed to make a claim in accordance with the procedural requirements of the insurance policy; or
- (b) when added to any sums paid or due to the Supplier under this Call Off Contract, exceeds the total sum that would have been payable to the Supplier if this Call Off Contract had not been terminated.

45.3 Consequences of termination under Clause 43.1 (Termination for Continuing Force Majeure Event)

45.3.1 The costs of termination incurred by the Parties shall lie where they fall if either Party terminates or partially terminates this Call Off Contract for a continuing Force Majeure Event pursuant to Clause 43.1 (Termination for Continuing Force Majeure Event).

45.4 Consequences of Termination for Any Reason

45.4.1 Save as otherwise expressly provided in this Call Off Contract:

- (a) termination or expiry of this Call Off Contract shall be without prejudice to any rights, remedies or obligations accrued under this Call Off Contract prior to termination or expiration and nothing in this Call Off Contract shall prejudice the right of either Party to recover any amount outstanding at the time of such termination or expiry; and
- (b) termination of this Call Off Contract shall not affect the continuing rights, remedies or obligations of the Customer or the Supplier under Clauses 21 (Records, Audit Access & Open Book Data), 33 (Intellectual Property Rights), 34.3 (Confidentiality), 34.5 (Freedom of Information) 34.6 (Protection of Personal Data), 36

(Liability), 45 (Consequences of Expiry or Termination), 51 (Severance), 53 (Entire Agreement), 54 (Third Party Rights) 56 (Dispute Resolution) and 57 (Governing Law and Jurisdiction), and the provisions of Call Off Schedule 1 (Definitions), Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), Call Off Schedule 9 (Exit Management), Call Off Schedule 11 (Dispute Resolution Procedure) and, without limitation to the foregoing, any other provision of this Call Off Contract which expressly or by implication is to be performed or observed notwithstanding termination or expiry shall survive the Call Off Expiry Date.

#### 45.5 Exit management

45.5.1 The Parties shall comply with the exit management provisions set out in Call Off Schedule 9 (Exit Management).

### **L. MISCELLANEOUS AND GOVERNING LAW**

#### **46. COMPLIANCE**

##### 46.1 Health and Safety

46.1.1 The Supplier shall perform its obligations under this Call Off Contract (including those in relation to the Services) in accordance with:

- (a) all applicable Law regarding health and safety; and
- (b) the Customer's health and safety policy (as provided to the Supplier from time to time) whilst at the Customer Premises.

46.1.2 Each Party shall promptly notify the other of as soon as possible of any health and safety incidents or material health and safety hazards at the Customer Premises of which it becomes aware and which relate to or arise in connection with the performance of this Call Off Contract

46.1.3 While on the Customer Premises, the Supplier shall comply with any health and safety measures implemented by the Customer in respect of Supplier Personnel and other persons working there and any instructions from the Customer on any necessary associated safety measures.

##### 46.2 Equality and Diversity 46.2.1

The Supplier shall:

- (a) perform its obligations under this Call Off Contract (including those in relation to provision of the Services) in accordance with:
  - (i) all applicable equality Law (whether in relation to race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise); and
  - (ii) any other requirements and instructions which the Customer reasonably imposes in connection with any equality obligations imposed on the Customer at any time under applicable equality Law;
- (b) take all necessary steps, and inform the Customer of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

##### 46.3 Official Secrets Act and Finance Act

46.3.1 The Supplier shall comply with the provisions of:

- (a) the Official Secrets Acts 1911 to 1989; and
- (b) section 182 of the Finance Act 1989.

#### 46.4 Environmental Requirements

- 46.4.1 The Supplier shall, when working on the Sites, perform its obligations under this Call Off Contract in accordance with the Environmental Policy of the Customer.
- 46.4.2 The Customer shall provide a copy of its written Environmental Policy (if any) to the Supplier upon the Supplier's written request.

### 47. ASSIGNMENT AND NOVATION

- 47.1 The Supplier shall not assign, novate, Sub-Contract or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Call Off Contract or any part of it without Approval.
- 47.2 The Customer may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under this Call Off Contract or any part thereof to:
  - 47.2.1 any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Customer; or
  - 47.2.2 any private sector body which substantially performs the functions of the Customer,and the Supplier shall, at the Customer's request, enter into a novation agreement in such form as the Customer shall reasonably specify in order to enable the Customer to exercise its rights pursuant to this Clause 47.2.
- 47.3 A change in the legal status of the Customer shall not, subject to Clause 47.4 affect the validity of this Call Off Contract and this Call Off Contract shall be binding on any successor body to the Customer.
- 47.4 If the Customer assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Call Off Contract to a private sector body in accordance with Clause 47.2.2 (the "**Transferee**" in the rest of this Clause 47.4) the right of termination of the Customer in Clause 41.4 (Termination on Insolvency) shall be available to the Supplier in the event of insolvency of the Transferee (as if the references to Supplier in Clause 41.4 (Termination on Insolvency) and to Supplier or Framework Guarantor or Call Off Guarantor in the definition of Insolvency Event were references to the Transferee).

### 48. WAIVER AND CUMULATIVE REMEDIES

- 48.1 The rights and remedies under this Call Off Contract may be waived only by notice in accordance with Clause 55 (Notices) and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Call Off Contract or by Law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that right or remedy.
- 48.2 Unless otherwise provided in this Call Off Contract, rights and remedies under this Call Off Contract are cumulative and do not exclude any rights or remedies provided by Law, in equity or otherwise.

## **49. RELATIONSHIP OF THE PARTIES**

- 49.1 Except as expressly provided otherwise in this Call Off Contract, nothing in this Call Off Contract, nor any actions taken by the Parties pursuant to this Call Off Contract, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

## **50. PREVENTION OF FRAUD AND BRIBERY**

- 50.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, have at any time prior to the Call Off Commencement Date:

50.1.1 committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

50.1.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

- 50.2 The Supplier shall not during the Call Off Contract Period:

50.2.1 commit a Prohibited Act; and/or

50.2.2 do or suffer anything to be done which would cause the Customer or any of the Customer's employees, consultants, contractors, sub-Contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

- 50.3 The Supplier shall during the Call Off Contract Period:

50.3.1 establish, maintain and enforce, and require that its Sub-Contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;

50.3.2 keep appropriate records of its compliance with its obligations under Clause 50.3.1 and make such records available to the Customer on request;

50.3.3 if so required by the Customer, within twenty (20) Working Days of the Call Off Commencement Date, and annually thereafter, certify to the Customer in writing that the Supplier and all persons associated with it or its Sub-Contractors or other persons who are supplying the Services in connection with this Call Off Contract are compliant with the Relevant Requirements. The Supplier shall provide such supporting evidence of compliance as the Customer may reasonably request; and

50.3.4 have, maintain and where appropriate enforce an anti-bribery policy (which shall be disclosed to the Customer on request) to prevent it and any Supplier Personnel or any person acting on the Supplier's behalf from committing a Prohibited Act.

- 50.4 The Supplier shall immediately notify the Customer in writing if it becomes aware of any breach of Clause 50.1, or has reason to believe that it has or any of the Supplier Personnel have:

50.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

50.4.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise



ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

50.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Call Off Contract or otherwise suspects that any person or Party directly or indirectly connected with this Call Off Contract has committed or attempted to commit a Prohibited Act.

50.5 If the Supplier makes a notification to the Customer pursuant to Clause 50.4, the Supplier shall respond promptly to the Customer's enquiries, co-operate with any investigation, and allow the Customer to audit any books, records and/or any other relevant documentation in accordance with Clause 21 (Records, Audit Access and Open Book Data).

50.6 If the Supplier breaches Clause 50.3, the Customer may by notice:

50.6.1 require the Supplier to remove from performance of this Call Off Contract any Supplier Personnel whose acts or omissions have caused the Supplier's breach; or

50.6.2 immediately terminate this Call Off Contract for material Default.

50.7 Any notice served by the Customer under Clause 50.4 shall specify the nature of the Prohibited Act, the identity of the Party who the Customer believes has committed the Prohibited Act and the action that the Customer has elected to take (including, where relevant, the date on which this Call Off Contract shall terminate).

## **51. SEVERANCE**

51.1 If any provision of this Call Off Contract (or part of any provision) is held to be void or otherwise unenforceable by any court of competent jurisdiction, such provision (or part) shall to the extent necessary to ensure that the remaining provisions of this Call Off Contract are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Call Off Contract shall not be affected.

51.2 In the event that any deemed deletion under Clause 51.1 is so fundamental as to prevent the accomplishment of the purpose of this Call Off Contract or materially alters the balance of risks and rewards in this Call Off Contract, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Call Off Contract so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Call Off Contract and, to the extent that is reasonably practicable, achieves the Parties' original commercial intention.

51.3 If the Parties are unable to resolve the Dispute arising under Clause 51 within twenty (20) Working Days of the date of the notice given pursuant to Clause 51.2, this Call Off Contract shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Call Off Contract is terminated pursuant to Clause 51.

## **52. FURTHER ASSURANCES**

52.1 Each Party undertakes at the request of the other, and at the Cost of the requesting Party to do all acts and execute all documents which may be necessary to give effect to the meaning of this Call Off Contract.

## **53. ENTIRE AGREEMENT**

53.1 This Call Off Contract and the documents referred to in it constitute the entire agreement between the Parties in respect of the matter and supersede and

extinguish all prior negotiations, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.

53.2 Neither Party has been given, nor entered into this Call Off Contract in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Call Off Contract.

53.3 Nothing in Clause 53 shall exclude any liability in respect of misrepresentations made fraudulently.

#### 54. THIRD PARTY RIGHTS

54.1 The provisions of paragraphs 2.1 and 2.6 of Part A, paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, paragraphs 2.1 and 2.3 of Part C and paragraphs and 1.4, 2.3 and the provisions of paragraph 9.9 of Call Off Schedule 9 (Exit Management) (together **"Third Party Provisions"**) confer benefits on persons named in such provisions other than the Parties (each such person a **"Third Party Beneficiary"**) and are intended to be enforceable by Third Parties Beneficiaries by virtue of the CTRPA.

54.2 Subject to Clause 54.1, a person who is not a Party to this Call Off Contract has no right under the CTRPA to enforce any term of this Call Off Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

54.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Customer, which may, if given, be given on and subject to such terms as the Customer may determine.

54.4 Any amendments or modifications to this Call Off Contract may be made, and any rights created under Clause 54.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

#### 55. NOTICES

55.1 Except as otherwise expressly provided within this Call Off Contract, any notices sent under this Call Off Contract must be in writing. For the purpose of Clause 55, an e-mail is accepted as being "in writing".

55.2 Subject to Clause 55.3, the following table sets out the method by which notices may be served under this Call Off Contract and the respective deemed time and proof of service:

Manner of delivery	Deemed time of delivery	Proof of Service
Email (Subject to Clauses 55.3 and 55.4)	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day	Properly addressed and delivered as evidenced by signature of a delivery receipt

Royal Mail Signed For™ 1 <sup>st</sup> Class or other prepaid, next Working Day service providing proof of delivery	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm)	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt
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55.3 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or Royal Mail Signed For™ 1<sup>st</sup> Class or other prepaid in the manner set out in the table in Clause 55.2:

55.3.1 any Termination Notice (Clause 41 (Customer Termination Rights)),

55.3.2 any notice in respect of:

- (a) partial termination, suspension or partial suspension (Clause 44 (Partial Termination, Suspension and Partial Suspension)),
- (b) waiver (Clause 48 (Waiver and Cumulative Remedies))
- (c) Default or Customer Cause; and

55.3.3 any Dispute Notice.

55.4 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 55.3 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed For™ 1<sup>st</sup> Class delivery (as set out in the table in Clause 55.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

55.5 Clause 55 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under the Dispute Resolution Procedure).

55.6 For the purposes of Clause 55, the address and email address of each Party shall be as specified in the Call Off Order Form.

## 56. DISPUTE RESOLUTION

56.1 The Parties shall resolve Disputes arising out of or in connection with this Call Off Contract in accordance with the Dispute Resolution Procedure.

56.2 The Supplier shall continue to provide the Services in accordance with the terms of this Call Off Contract until a Dispute has been resolved.

## 57. GOVERNING LAW AND JURISDICTION

57.1 This Call Off Contract and any issues, Disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

57.2 Subject to Clause 56 (Dispute Resolution) and Call Off Schedule 11 (Dispute Resolution Procedure) (including the Customer's right to refer the Dispute to arbitration), the Parties agree that the courts of England and Wales (unless stated

differently in the Call Off Order Form) shall have exclusive jurisdiction to settle any Dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Call Off Contract or its subject matter or formation.

## CALL OFF SCHEDULE 1: DEFINITIONS

1. In accordance with Clause 1 (Definitions and Interpretation) of this Call Off Contract including its recitals the following expressions shall have the following meanings:

<b>"Acquired Rights Directive"</b>	means the European Council Directive 77/187/EEC on the approximation of laws of European member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, as amended or re-enacted from time to time;
<b>"Additional Clauses"</b>	means the additional Clauses in Call Off Schedule 14 (Alternative and/or Additional Clauses) and any other additional Clauses set out in the Call Off Order Form or elsewhere in this Call Off Contract;
<b>"Affected Party"</b>	means the party seeking to claim relief in respect of a Force Majeure;
<b>"Affiliates"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Alternative Clauses"</b>	means the alternative Clauses in Call Off Schedule 14 (Alternative and/or Additional Clauses) and any other alternative Clauses set out in the Call Off Order Form or elsewhere in this Call Off Contract;
<b>"Approval"</b>	means the prior written consent of the Customer and <b>"Approve"</b> and <b>"Approved"</b> shall be construed accordingly;
<b>"Approved Sub-Licensee"</b>	means any of the following: central Government Body; third party providing services to a Central Government Body; and/or body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Customer;
<b>"Auditor"</b>	means: Customer's internal and external auditors; Customer's statutory or regulatory auditors; Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office; Treasury or the Cabinet Office; party formally appointed by the Customer to carry out audit or similar review functions; and cessors or assigns of any of the above; and <b>"Auditors"</b> shall be construed accordingly
<b>"Authority"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"BACS"</b>	means the Bankers' Automated Clearing Services, which is a scheme for the electronic processing of financial transactions within the United Kingdom;

<b>"BCDR Plan"</b>	means the plan prepared pursuant to paragraph 2 of Call Off Schedule 8 (Business Continuity and Disaster Recovery), as may be amended from time to time;
<b>"Call Off Commencement Date"</b>	means the date of commencement of this Call Off Contract set out in the Call Off Order Form;
<b>"Call Off Contract"</b>	means this contract between the Customer and the Supplier (entered into pursuant to the provisions of the Framework Agreement), which consists of the terms set out in the Call Off Order Form and the Call Off Terms;
<b>"Call Off Contract Charges"</b>	means the prices (inclusive of any Milestone Payments and exclusive of any applicable VAT), payable to the Supplier by the Customer under this Call Off Contract, as set out in Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), for the full and proper performance by the Supplier of its obligations under this Call Off Contract less any Deductions;
<b>"Call Off Contract Period"</b>	means the term of this Call Off Contract from the Call Off Commencement Date until the Call Off Expiry Date;
<b>"Call Off Contract Year"</b>	means a consecutive period of twelve (12) Months commencing on the Call Off Commencement Date or each anniversary thereof;
<b>"Call Off Expiry Date"</b>	means: <ul style="list-style-type: none"> <li>(a) the end date of the Call Off Initial Period or any Call Off Extension Period; or</li> <li>(b) if this Call Off Contract is terminated before the date specified in (a) above, the earlier date of termination of this Call Off Contract;</li> </ul>
<b>"Call Off Extension Period"</b>	means such period or periods up to a maximum of the number of years in total as may be specified by the Customer, pursuant to Clause 5.2 and in the Call Off Order Form;
<b>"Call Off Guarantee"</b>	means a deed of guarantee that may be required under this Call Off Contract in favour of the Customer in the form set out in Framework Schedule 13 (Guarantee) granted pursuant to Clause 7 (Call Off Guarantee);
<b>"Call Off Guarantor"</b>	means the person, in the event that a Call Off Guarantee is required under this Call Off Contract, acceptable to the Customer to give a Call Off Guarantee;
<b>"Call Off Initial Period"</b>	means the initial term of this Call Off Contract from the Call Off Commencement Date to the end date of the initial term stated in the Call Off Order Form;
<b>"Call Off Order Form"</b>	means the order form applicable to and set out in Part 1 of this Call Off Contract;
<b>"Call Off Procedure"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Call Off Schedule"</b>	means a schedule to this Call Off Contract;

<b>"Call Off Terms"</b>	means the terms applicable to and set out in Part 2 of this Call Off Contract;
<b>"Central Government Body"</b>	has the meaning given to it in Framework Schedule 1 (Definitions), and <b>"Central Government Bodies"</b> shall be construed accordingly;
<b>"Change in Law"</b>	means any change in Law which impacts on the supply of the Services and performance of the Call Off Contract which comes into force after the Call Off Commencement Date;
<b>"Change of Control"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Charges"</b>	means the charges raised under or in connection with this Call Off Contract from time to time, which shall be calculated in a manner that is consistent with the Charging Structure;
<b>"Charging Structure"</b>	means the structure to be used in the establishment of the charging model which is applicable to the Call Off Contract, which is set out in Framework Schedule 3 (Framework Prices and Charging Structure);
<b>"Commercially Sensitive Information"</b>	means the Confidential Information listed in the Call Off Order Form (if any) comprising of commercially sensitive information relating to the Supplier, its IPR or its business or which the Supplier has indicated to the Customer that, if disclosed by the Customer, would cause the Supplier significant commercial disadvantage or material financial loss;
<b>"Comparable Supply"</b>	means the supply of Services to another customer of the Supplier that are the same or similar to the Services; <b>"Compensation for Critical Service Level Failure"</b> has the meaning given to it in Clause 14.2.2 (Critical Service Level Failure);
<b>"Confidential Information"</b>	means the Customer's Confidential Information and/or the Suppliers Confidential Information, as the context specifies;
<b>"Continuous Improvement Plan"</b>	means a plan for improving the provision of the Services and/or reducing the Charges produced by the Supplier pursuant to Framework Schedule 12 (Continuous Improvement and Benchmarking);
<b>"Contracting Authority"</b>	means the Authority;
<b>"Control"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Conviction"</b>	means other than for minor road traffic offences, any previous or pending prosecutions, convictions, cautions and binding over orders (including any spent convictions as contemplated by section 1(1) of the Rehabilitation of Offenders Act 1974 by virtue of the exemptions specified in Part II of Schedule 1 of the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (SI 1975/1023) or any replacement or amendment to that Order, or being placed on a list kept pursuant to section 1 of the Protection of Children Act 1999 or being placed on a list kept pursuant to the Safeguarding Vulnerable Groups Act 2006;

**"Costs"** the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Services:

cost to the Supplier or the Key Sub-Contractor (as the context requires), calculated per Man Day, of engaging the Supplier Personnel, including: e salary paid to the Supplier Personnel;

loyer's national insurance contributions;

sion contributions;

allowances;

other contractual employment benefits; training;

k place accommodation;

k place IT equipment and tools reasonably necessary to provide the Services (but not including items included within limb (b) below); and

onable recruitment costs, as agreed with the Customer;

s incurred in respect of those Supplier Assets which are detailed on the Registers and which would be treated as capital costs according to generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Supplier Assets by the Supplier to the Customer or (to the extent that risk and title in any Supplier Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Supplier Assets;

rational costs which are not included within (a) or (b) above, to the extent that such costs are necessary and properly incurred by the Supplier in the provision of the Services;

mbursable Expenses to the extent these have been specified as allowable in the Call Off Order Form and are incurred in delivering any Services where the Call Off Contract Charges for those Services are to be calculated on a Fixed Price or Firm Price pricing mechanism (as set out in Framework Schedule 3 (Framework Prices and Charging Structure)); but excluding:

rhead; ncing or

similar costs;

tenance and support costs to the extent that these relate to maintenance and/or support Services provided beyond the Call Off Contract Period whether in relation to Supplier Assets or otherwise; tion;

s and penalties;

unts payable under Clause 0 (Benchmarking); and

-cash items (including depreciation, amortisation, impairments and movements in provisions);

**"Critical Service Level Failure"**

means any instance of critical service level failure specified in the Call Off Order Form;



<b>"Crown"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Crown Body"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"CRTPA"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Customer"</b>	means the customer(s) identified in the Call Off Order Form, and <b>"Customers"</b> shall be construed accordingly ;
<b>"Customer Assets"</b>	means the Customer's infrastructure, data, software, materials, assets, equipment or other property owned by and/or licensed or leased to the Customer and which is or may be used in connection with the provision of the Services;
<b>"Customer Background IPR"</b>	means: s owned by the Customer before the Call Off Commencement Date, including IPRs contained in any of the Customer's Know-How, documentation, software, processes and procedures; s created by the Customer independently of this Call Off Contract; and/or wn Copyright which is not available to the Supplier otherwise than under this Call Off Contract;
<b>"Customer Cause"</b>	means any breach of the obligations of the Customer or any other default, act, omission, negligence or statement of the Customer, of its employees, servants, agents in connection with or in relation to the subject-matter of this Call Off Contract and in respect of which the Customer is liable to the Supplier;
<b>"Customer Data"</b>	means: data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, including any Customer's Confidential Information, and which: supplied to the Supplier by or on behalf of the Customer; or Supplier is required to generate, process, store or transmit pursuant to this Call Off Contract; or Personal Data for which the Customer is the Data Controller;
<b>"Customer Premises"</b>	means premises owned, controlled or occupied by the Customer which are made available for use by the Supplier or its Sub-Contractors for the provision of the Services (or any of them);
<b>"Customer Property"</b>	means the property, other than real property and IPR, including any equipment issued or made available to the Supplier by the Customer in connection with this Call Off Contract;
<b>"Customer Representative"</b>	means the representative appointed by the Customer from time to time in relation to this Call Off Contract;

<b>"Customer Responsibilities"</b>	means the responsibilities of the Customer set out in Call Off Schedule 4 (Implementation Plan) and any other responsibilities of the Customer in the Call Off Order Form or agreed in writing between the Parties from time to time in connection with this Call Off Contract;
<b>"Customer's Confidential Information"</b>	means: ersonal Data and any information, however it is conveyed, that relates to the business, affairs, developments, property rights, trade secrets, Know-How and IPR of the Customer (including all Customer Background IPR and Project Specific IPR); other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered confidential which comes (or has come) to the Customer's attention or into the Customer's possession in connection with this Call Off Contract; and rmation derived from any of the above;
<b>"Data Controller"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Data Processor"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);;
<b>"Data Protection Legislation" or "DPA"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);;
<b>"Data Subject"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);;
<b>"Data Subject Access Request"</b>	means a request made by a Data Subject in accordance with rights granted pursuant to the DPA to access his or her Personal Data;
<b>"Deductions"</b>	means all Service Credits, Delay Payments or any other deduction which the Customer is paid or is payable under this Call Off Contract;
<b>"Default"</b>	means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Call Off Contract in breach of its terms) or any other default (including material Default), act, omission, negligence or statement of the Supplier, of its Sub-Contractors or any Supplier Personnel howsoever arising in connection with or in relation to the subject-matter of this Call Off Contract and in respect of which the Supplier is liable to the Customer;
<b>"Delay"</b>	means:  lay in the achievement of a Milestone by its Milestone Date; or  lay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;
<b>"Delay Payments"</b>	means the amounts payable by the Supplier to the Customer in respect of a delay in respect of a Milestone as specified in the Implementation Plan;

<b>"Delay Period Limit"</b>	shall be the number of days specified in Call Off Schedule 4 (Implementation Plan) for the purposes of Clause 6.4.1(b)(ii);
<b>"Deliverable"</b>	means an item or feature in the supply of the Services delivered or to be delivered by the Supplier at or before a Milestone Date listed in the Implementation Plan (if any) or at any other stage during the performance of this Call Off Contract, and <b>"Deliverables"</b> shall be construed accordingly;
<b>"Delivery"</b>	means delivery in accordance with the terms of this Call Off Contract as confirmed by the issue by the Customer in respect of the relevant Milestone thereof (if any) or otherwise in accordance with this Call Off Contract and accepted by the Customer and <b>"Deliver"</b> and <b>"Delivered"</b> shall be construed accordingly;
<b>"Disaster"</b>	means the occurrence of one or more events which, either separately or cumulatively, mean that the Services, or a material part thereof will be unavailable (or could reasonably be anticipated to be unavailable) for the period specified in the Call Off Order Form (for the purposes of this definition the <b>"Disaster Period"</b> );
<b>"Disaster Recovery Services"</b>	means the Services embodied in the processes and procedures for restoring the provision of Services following the occurrence of a Disaster, as detailed further in Call Off Schedule 8 (Business Continuity and Disaster Recovery);
<b>"Disclosing Party"</b>	has the meaning given to it in Clause 34.3.1 (Confidentiality);
<b>"Dispute"</b>	means any dispute, difference or question of interpretation arising out of or in connection with this Call Off Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Variation Procedure or any matter  where this Call Off Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure, and <b>"Disputes"</b> shall be construed accordingly;
<b>"Dispute Notice"</b>	means a written notice served by one Party on the other stating that the Party serving the notice believes that there is a Dispute;
<b>"Dispute Resolution Procedure"</b>	means the dispute resolution procedure set out in Call Off Schedule 11 (Dispute Resolution Procedure);

**"Documentation"**

means all documentation as:

quired to be supplied by the Supplier to the Customer under this Call Off Contract;

ld reasonably be required by a competent third party capable of Good Industry Practice contracted by the Customer to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide the Services;

quired by the Supplier in order to provide the Services; and/or been or shall be generated for the purpose of providing the Services;

**"DOTAS"**

has the meaning given to it in Framework Schedule 1 (Definitions);

**"Due Diligence Information"**

means any information supplied to the Supplier by or on behalf of the Customer prior to the Call Off Commencement Date;

**"Employee Liabilities"**

means all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation including in relation to the following:

ndancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;

air, wrongful or constructive dismissal compensation;

pensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;

pensation for less favourable treatment of part-time workers or fixed term employees;

tanding debts and unlawful deduction of wages including any PAYE and National Insurance Contributions in relation to payments made by the Customer or the Replacement Supplier to a Transferring Supplier Employee which would have been payable by the Supplier or the Sub-Contractor if such payment should have been made prior to the Service

Transfer Date; ms whether in tort, contract or statute or otherwise;

investigation by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;

**"Employment"**

means the Transfer of Undertakings (Protection of

Acquired Rights Directive;

<b>"Environmental Policy"</b>	means to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment, including any written environmental policy of the Customer; has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Environmental Information Regulations or EIRs"</b>	
<b>"Estimated Year 1 Call Off Contract Charges"</b>	means the sum in pounds estimated by the Customer to be payable by it to the Supplier as the total aggregate Call Off Contract Charges from the Call Off Commencement Date until the end of the first Call Off Contract Year stipulated in the Call Off Order Form;
<b>"Exit Plan"</b>	means the exit plan described in paragraph 5 of Call Off Schedule 9 (Exit Management);
<b>"Expedited Dispute Timetable"</b>	means the timetable set out in paragraph 5 of Call Off Schedule 11 (Dispute Resolution Procedure);
<b>"FOIA"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Force Majeure"</b>	means any event, occurrence, circumstance, matter or cause affecting the performance by either the Customer or the Supplier of its obligations arising from:  events, omissions, happenings or non-happenings beyond the reasonable control of the Affected Party which prevent or materially delay the Affected Party from performing its obligations under this Call Off Contract;  , civil commotion, war or armed conflict, acts of terrorism, nuclear, biological or chemical warfare;  of the Crown, local government or Regulatory Bodies; flood or any disaster; and  industrial dispute affecting a third party for which a substitute third party is not reasonably available but excluding:  industrial dispute relating to the Supplier, the Supplier Personnel (including any subsets of them) or any other
<b>"Regulations"</b>	Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the

failure in the Supplier or the Sub-Contractor's supply chain;  
and

event, occurrence, circumstance, matter or cause which is attributable to the wilful act, neglect or failure to take reasonable precautions against it by the Party concerned; and failure of delay caused by a lack of funds;

**"Force Majeure Notice"** means a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;

**"Former Supplier"** means a supplier supplying the Services to the Customer before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);

**"Framework Commencement Date"** means the date of commencement of the Framework Agreement as stated in the Call Off Schedule 1 (Definitions);

**"Framework Period"** means the period from the Framework Commencement Date until the expiry or earlier termination of the Framework Agreement;

**"Framework Price(s)"** means the price(s) applicable to the provision of the Services set out in Framework Schedule 3 (Framework Prices and Charging Structure);

**"Framework Schedule"** means a schedule to the Framework Agreement;

**"Fraud"** has the meaning given to it in Framework Schedule 1 (Definitions);

**"General Anti-Abuse Rule"** has the meaning given to it in Framework Schedule 1 (Definitions);

**"General Change in Law"** means a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;

**"Good Industry Practice"** has the meaning given to it in Framework Schedule 1 (Definitions);

**"Government"** has the meaning given to it in Framework Schedule 1 (Definitions);

**"Government Procurement Card"** means the Government's preferred method of purchasing and payment for low value goods or services <https://www.gov.uk/government/publications/governmentprocurement-card--2> ;

**"Halifax Abuse"** has the meaning given to it in Framework Schedule 1 (Definitions);

### **Principle"**

**"Framework** means the framework agreement between the Authority **Agreement"** and the Supplier referred to in the Call Off Order Form;

<b>"HMRC"</b>	means Her Majesty's Revenue and Customs;
<b>"Holding Company"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"ICT Policy"</b>	means the Customer's policy in respect of information and communications technology, referred to in the Call Off Order Form, which is in force as at the Call Off Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time in accordance with the Variation Procedure;
<b>"Impact Assessment"</b>	has the meaning given to it in Clause 22.1.3 (Variation Procedure);
<b>"Implementation"</b>	means the plan set out in the Call Off Schedule 4 <b>Plan</b> (Implementation Plan);
<b>"Information"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Insolvency Event"</b>	<p>means, in respect of the Supplier or Framework Guarantor or Call Off Guarantor (as applicable):</p> <ul style="list-style-type: none"> <li>oposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or of any other composition scheme or arrangement with, or assignment for the benefit of, its creditors; or</li> <li>hareholders' meeting is convened for the purpose of considering a resolution that it be wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation); or</li> <li>tition is presented for its winding up (which is not dismissed within fourteen (14) Working Days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986; or</li> <li>ceiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets; or</li> <li>application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given; or</li> <li>or becomes insolvent within the meaning of section 123 of the Insolvency Act 1986; or</li> <li>g a "small company" within the meaning of section 382(3) of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or</li> <li>re the Supplier or Framework Guarantor or Call Off Guarantor is an individual or partnership, any event analogous to those listed in limbs (a) to (g) (inclusive) occurs in relation to that individual or partnership; or</li> <li>event analogous to those listed in limbs (a) to (h) (inclusive) occurs under the law of any other jurisdiction;</li> </ul>



<b>"Intellectual Property Rights" or "IPR"</b>	means yright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade or business names, designs, KnowHow, trade secrets and other rights in Confidential Information; ications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and ther rights having equivalent or similar effect in any country or jurisdiction;
<b>"IPR Claim"</b>	means any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any IPR, used to provide the Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Customer in the fulfilment of its obligations under this Call Off Contract;
<b>"Key Performance Indicators" or "KPIs"</b>	means the performance measurements and targets in respect of the Suppliers performance of the Framework Agreement set out in Part B of Framework Schedule 2 (Services and Key Performance Indicators);
<b>"Key Personnel"</b>	means the individuals (if any) identified as such in the Call Off Order Form;
<b>"Key Role"</b>	has the meaning given to it in Clause 26.1 (Key Personnel), and <b>"Key Roles"</b> shall be construed accordingly;
<b>"Key Sub-Contract"</b>	means each Sub-Contract with a Key Sub-Contractor;
<b>"Key Sub-Contractor"</b>	means any Sub-Contractor: d in Framework Schedule 7 (Key Sub-Contractors); h, in the opinion of the Authority and the Customer, performs (or would perform if appointed) a critical role in the provision of all or any part of the Services; and/or a Sub-Contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Call Off Contract Charges forecast to be payable under this Call Off Contract;
<b>"Know-How"</b>	means all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the Services but excluding know-how already in the other Party's possession before the Call Off Commencement Date;
<b>"Law"</b>	means any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of Section 2 of the

	European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements with which the Supplier is bound to comply, and " <b>Laws</b> " shall be construed accordingly;
" <b>Losses</b> "	means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and " <b>Loss</b> " shall be interpreted accordingly;
" <b>Man Day</b> "	means 7.5 Man Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day;
" <b>Man Hours</b> "	means the hours spent by the Supplier Personnel properly working on the provision of the Services including time spent travelling (other than to and from the Suppliers offices, or to and from the Sites) but excluding lunch breaks;
" <b>Milestone</b> "	means an event or task described in the Implementation Plan which, if applicable, must be completed by the relevant Milestone Date, and " <b>Milestones</b> " shall be construed accordingly;
" <b>Milestone Date</b> "	means the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be achieved;
" <b>Milestone Payment</b> "	means a payment identified in the Implementation Plan to be made in respect of achievement of the relevant Milestone;
" <b>Month</b> "	means a calendar month and " <b>Monthly</b> " and " <b>Months</b> " shall be interpreted accordingly;
" <b>Occasion of Tax Non-Compliance</b> "	means: tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which is found on or after 1 April 2013 to be incorrect as a result of: relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation in any jurisdiction that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle; failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under DOTAS or any equivalent or similar regime in any jurisdiction; and/or tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Call Off

	Commencement Date or to a civil penalty for fraud or evasion;
<b>"Open Book Data "</b>	<p>means complete and accurate financial and non-financial information which is sufficient to enable the Customer to verify the Call Off Contract Charges already paid or payable and Call Off Contract Charges forecast to be paid during the remainder of this Call Off Contract, including details and all assumptions relating to:</p> <p>Suppliers Costs broken down against each Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all services;</p> <p>rating expenditure relating to the provision of the Services including an analysis showing:</p> <p>unit costs and quantity of goods and any other consumables and bought-in services;</p> <p>power resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade;</p> <p>of Costs underpinning those rates for each manpower grade, being the agreed rate less the Suppliers Profit Margin; and</p> <p>mbursable Expenses, if allowed under the Call Off Order Form; rheads;</p> <p>nterest, expenses and any other third party financing costs incurred in relation to the provision of the Services;</p> <p>Supplier Profit achieved over the Call Off Contract Period and on an annual basis;</p> <p>irmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier; explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency; and actual Costs profile for each Service Period.</p>
<b>"Order"</b>	means the order for the provision of the Services placed by the Customer with the Supplier in accordance with the Framework Agreement and under the terms of this Call Off Contract;
<b>"Other Supplier"</b>	<p>means any supplier to the Customer (other than the Supplier) which is notified to the Supplier from time to time and/or of which the Supplier should have been aware, and</p> <p><b>"Other Suppliers"</b> shall be construed accordingly;</p>

<b>"Overhead"</b>	means those amounts which are intended to recover a proportion of the Suppliers or the Key Sub-Contractor's (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Personnel and accordingly included within limb (a) of the definition of "Costs";
<b>"Parent Company"</b>	means any company which is the ultimate Holding Company of the Supplier and which is either responsible directly or indirectly for the business activities of the Supplier or which is engaged by the same or similar business to the Supplier. The term "Holding or Parent Company" shall have the meaning ascribed by the Companies Act 2006 or any statutory re-enactment or amendment thereto;
<b>"Party"</b>	means the Customer or the Supplier and <b>"Parties"</b> shall mean both of them;
<b>"Performance Monitoring System"</b>	has the meaning given to it in paragraph 1.1.2 in Part B of Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Performance Monitoring Reports"</b>	has the meaning given to it in paragraph 3.1 of Part B of Schedule 6 (Service Level, Service Credit and Performance Monitoring);
<b>"Personal Data"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Processing"</b>	has the meaning given to it in the Data Protection Legislation but, for the purposes of this Call Off Contract, it shall include both manual and automatic processing and <b>"Process"</b> and <b>"Processed"</b> shall be interpreted accordingly;

<b>"Prohibited Act"</b>	<p>means any of the following:</p> <p>rectly or indirectly offer, promise or give any person working for or engaged by the Customer and/or the Authority or any other public body a financial or other advantage to:</p> <p>ce that person to perform improperly a relevant function or activity; or</p> <p>ard that person for improper performance of a relevant function or activity;</p> <p>rectly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement;</p> <p>mitting any offence:</p> <p>er the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or</p> <p>er legislation or common law concerning fraudulent acts; or</p> <p>auding, attempting to defraud or conspiring to defraud the Customer; or activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK; <b>"Project Specific IPR"</b> means:</p> <p>lectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Call Off Contract and updates and amendments of these items including (but not limited to) database schema; and/or</p> <p>in or arising as a result of the performance of the Suppliers obligations under this Call Off Contract and all updates and amendments to the same;</p> <p>but shall not include the Supplier Background IPR;</p>
<b>"Recipient"</b>	has the meaning given to it in Clause 34.3.1
<b>"Rectification Plan"</b>	means the rectification plan pursuant to the Rectification Plan Process;
<b>"Rectification Plan Process"</b>	means the process set out in Clause 38.2 (Rectification Plan Process);
<b>"Registers"</b>	has the meaning given to in Call Off Schedule 9 (Exit Management);
<b>"Regulations"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Reimbursable Expenses"</b>	has the meaning given to it in Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing);
<b>"Related Supplier"</b>	<p>means any person who provides services to the Customer which are related to the Services from time to time, and</p> <p><b>"Related Suppliers"</b> shall be construed accordingly ;</p>

<b>"Relevant Conviction"</b>	means a Conviction that is relevant to the nature of the Services to be provided or as specified in the Call Off Order Form, and <b>"Relevant Convictions"</b> shall be construed accordingly;
<b>"Relevant Requirements"</b>	means all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
<b>"Relevant Tax Authority"</b>	means HMRC, or, if applicable, the tax authority in the jurisdiction in which the Supplier is established;
<b>"Relevant Transfer"</b>	means a transfer of employment to which the Employment Regulations applies;
<b>"Relevant Transfer Date"</b>	means, in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place; (Confidentiality);

<b>"Relief Notice"</b>	has the meaning given to it in Clause 39.2.2 (Supplier Relief Due to Customer Cause);
<b>"Replacement Services"</b>	means any services which are substantially similar to any of the Services and which the Customer receives in substitution for any of the Services following the Call Off Expiry Date, whether those services are provided by the Customer internally and/or by any third party;
<b>"Replacement Sub-Contractor"</b>	means a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);
<b>"Replacement Supplier"</b>	means any third party provider of Replacement Services appointed by or at the direction of the Customer from time to time or where the Customer is providing Replacement Services for its own account, shall also include the Customer;
<b>"Request for Information"</b>	means a request for information or an apparent request relating to this Call Off Contract or the provision of the Services or an apparent request for such information under the FOIA or the EIRs;
<b>"Restricted Countries"</b>	has the meaning given to it in Clause 34.6.3 (Protection of Personal Data);
<b>"Security Management Plan"</b>	means the Suppliers security management plan prepared pursuant to paragraph <b>Error! Reference source not found.</b> of Call Off Schedule 7 (Security) a draft of which has been provided by the Supplier to the Customer in accordance with paragraph <b>Error! Reference source not found.</b> of Call Off Schedule 7 (Security) and as updated from time to time;
<b>"Security Policy"</b>	means the Customer's security policy, referred to in the Call Off Order Form, in force as at the Call Off Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time and notified to the Supplier;
<b>"Security Policy Framework"</b>	the current HMG Security Policy Framework that can be found at <a href="https://www.gov.uk/government/publications/securitypolicy-framework">https://www.gov.uk/government/publications/securitypolicy-framework</a> ;
<b>"Service Credit Cap"</b>	has the meaning given to it in the Call Off Order Form;
<b>"Service Credits"</b>	means any service credits specified in Annex 1 to Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) being payable by the Supplier to the Customer in respect of any failure by the Supplier to meet one or more Service Levels, and <b>"Service Credit"</b> shall be construed accordingly ;
<b>"Service Failure"</b>	means an unplanned failure and interruption to the provision of the Services, reduction in the quality of the provision of the Services or event which could affect the provision of the Services in the future;

<b>"Service Level Failure"</b>	means a failure to meet the Service Level Performance Measure in respect of a Service Level Performance Criterion;
<b>"Service Level Performance Criteria"</b>	has the meaning given to it in paragraph 4.2 of Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Service Level Performance Measure"</b>	shall be as set out against the relevant Service Level Performance Criterion in Annex 1 of Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) and <b>"Service Level Performance Measures"</b> shall be construed accordingly, ;
<b>"Service Level Threshold"</b>	shall be as set out against the relevant Service Level Performance Criterion in Annex 1 of Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Service Levels"</b>	means any service levels applicable to the provision of the Services under this Call Off Contract specified in Annex 1 to Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Service Period"</b>	has the meaning given to in paragraph 5.1 of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Service Transfer"</b>	means any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-Contractor to a Replacement Supplier or a Replacement Sub-Contractor;
<b>"Service Transfer Date"</b>	means the date of a Service Transfer;
<b>"Services"</b>	means the services to be provided by the Supplier to the Customer as referred to in Annex A of Call Off Schedule 2 (Services);
<b>"Sites"</b>	means any premises (including the Customer Premises, the Suppliers premises or third party premises) from, to or at which:  Services are (or are to be) provided; or  Supplier manages, organises or otherwise directs the provision or the use of the Services.
<b>"Specific Change in Law"</b>	means a Change in Law that relates specifically to the business of the Customer and which would not affect a Comparable Supply;
<b>"Standards"</b>	means any:  dards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or



	business sector as the Supplier would reasonably and ordinarily be expected to comply with;
	dards detailed in the specification in Framework Schedule 2 (Services and Key Performance Indicators); dards detailed by the Customer in the Call Off Order Form or agreed between the Parties from time to time;
	vant Government codes of practice and guidance applicable from time to time.
<b>"Statement of Requirements"</b>	means a statement issued by the Customer detailing its requirements in respect of Services issued in accordance with the Call Off Procedure;
<b>"Sub-Contract"</b>	means any contract or agreement (or proposed contract or agreement), other than this Call Off Contract or the Framework Agreement, pursuant to which a third party: ides the Services (or any part of them);  ides facilities or services necessary for the provision of the Services (or any part of them); and/or esponsible for the management, direction or control of the provision of Services (or any part of them);  and <b>"Sub-Contracts"</b> shall be construed accordingly
<b>"Sub-Contractor"</b>	means any person other than the Supplier, who is a party to a Sub-Contract and the servants or agents of that person, and <b>"Sub-Contractors"</b> shall be construed accordingly;
<b>"Supplier"</b>	means the person, firm or company with whom the Customer enters into this Call Off Contract as identified in the Call Off Order Form, and <b>"Suppliers"</b> shall be construed accordingly ;
<b>"Supplier Assets"</b>	means all assets and rights used by the Supplier to provide the Services in accordance with this Call Off Contract but excluding the Customer Assets;
<b>"Supplier Background IPR"</b>	means lectual Property Rights owned by the Supplier before the Call  Off Commencement Date, for example those subsisting in the Suppliers standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Suppliers Know-How or generic business methodologies; and/or  lectual Property Rights created by the Supplier independently of this Call Off Contract,
<b>"Supplier Equipment"</b>	means the Suppliers hardware, computer and telecoms devices, equipment, plant, materials and such other items supplied and used by the Supplier (but not hired, leased or loaned from the Customer) in the performance of its obligations under this Call Off Contract;

<b>"Supplier Non-Performance"</b>	has the meaning given to it in Clause 39.1 (Supplier Relief Due to Customer Cause);
<b>"Supplier Personnel"</b>	means all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-Contractor engaged in the performance of the Suppliers obligations under this Call Off Contract;
<b>"Supplier Profit"</b>	means, in relation to a period or a Milestone (as the context requires), the difference between the total Call Off Charges (in nominal cash flow terms but excluding any Deductions) and total Costs (in nominal cash flow terms) for the relevant period or in relation to the relevant Milestone;
<b>"Supplier Profit Margin"</b>	means, in relation to a period or a Milestone (as the context requires), the Supplier Profit for the relevant period or in relation to the relevant Milestone divided by the total Call Off Contract Charges over the same period or in relation to the relevant Milestone and expressed as a percentage;
<b>"Supplier Representative"</b>	means the representative appointed by the Supplier named in the Call Off Order Form;
<b>"Suppliers Confidential Information"</b>	means information, however it is conveyed, that relates to the business, affairs, developments, IPR of the Supplier (including the Supplier Background IPR) trade secrets, Know-How, and/or personnel of the Supplier; other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential and which comes (or has come) to the Suppliers attention or into the Suppliers possession in connection with this Call Off Contract; rmination derived from any of the above.
<b>"Template Call Off Order Form"</b>	means the template Call Off Order Form in Annex 1 of Framework Schedule 4 (Template Call Off Order Form and Template Call Off Terms);
<b>"Template Call Off Terms"</b>	means the template terms and conditions in Annex 2 of Framework Schedule 4 (Template Order Form and Template Call Off Terms);
<b>"Tender"</b>	means the tender submitted by the Supplier to the Authority and annexed to or referred to in Framework Schedule 21;
<b>"Termination Notice"</b>	means a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Call Off Contract on a specified date and setting out the grounds for termination;
<b>"Third Party IPR"</b>	means Intellectual Property Rights owned by a third party which is or will be used by the Supplier for the purpose of providing the Services;

<b>“Transferring Customer Employees”</b>	those employees of the Customer to whom the Employment Regulations will apply on the Relevant Transfer Date;
<b>“Transferring Former Supplier Employees”</b>	in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date;
<b>"Transferring Supplier Employees"</b>	means those employees of the Supplier and/or the Suppliers Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date.
<b>“Transparency Principles”</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>"Transparency Reports"</b>	means the information relating to the Services and performance of this Call Off Contract which the Supplier is required to provide to the Authority in accordance with the reporting requirements in Schedule 13;
<b>"Undelivered Services"</b>	has the meaning given to it in Clause 8.4.1 (Services);
<b>"Undisputed Sums Time Period"</b>	has the meaning given to it Clause 42.1.1 (Termination of Customer Cause for Failure to Pay);
<b>"Valid Invoice"</b>	means an invoice issued by the Supplier to the Customer that complies with the invoicing procedure in paragraph 7 (Invoicing Procedure) of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing);
<b>"Variation"</b>	has the meaning given to it in Clause 22.1 (Variation Procedure);
<b>"Variation Form"</b>	means the form set out in Call Off Schedule 12 (Variation Form);
<b>"Variation Procedure"</b>	means the procedure set out in Clause 22.1 (Variation Procedure);
<b>"VAT"</b>	has the meaning given to it in Framework Schedule 1 (Definitions);
<b>“Worker”</b>	means any one of the Supplier Personnel which the Customer, in its reasonable opinion, considers is an individual to which Procurement Policy Note 08/15 (Tax Arrangements of Public Appointees) <a href="https://www.gov.uk/government/publications/procurementpolicy-note-0815-tax-arrangements-of-appointees">https://www.gov.uk/government/publications/procurementpolicy-note-0815-tax-arrangements-of-appointees</a> applies in respect of the Services.
<b>"Working Day"</b>	means any day other than a Saturday or Sunday or public holiday in England and Wales unless specified otherwise by Parties in this Call Off Contract.

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## 1. PURPOSE

- 1.1. Specialist External Assistance is required to support the Army with an ambitious programme to continue to deliver significant efficiencies, reduce costs and increase productivity. Following the conclusion of the 2015 Spending Round and the Strategic Defence and Security Review (SDSR) the Army is facing a substantial efficiency challenge of c£10Bn across its ten year forward programme. The Army requires specialist support to develop and deliver sustainable efficiency initiatives to create a stable financial position and deliver the Army's strategy.

## 2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 The Ministry of Defence (MOD) protects the security, independence and interests of our country at home and abroad. We work with our allies and partners whenever possible. Our aim is to ensure that the armed forces have the training, equipment and support necessary for their work, and that we keep within budget.

The Department of State (the MOD) and the armed forces carry out six 'core functions' that:

2.1.1 **direct** policy, military operations and our contribution to national security at the strategic level, as well as direct rules and standards applying to the whole organisation;

2.1.2 **operate** our armed forces at home and overseas;

2.1.3 **generate and develop** our armed forces so that they are ready for operations;

2.1.4 **acquire** the equipment, systems and other items our armed forces need;

2.1.5 **enable** and allow Defence to work properly by providing supporting services, and;

2.1.6 **account** for and report on defence activity and spending to Parliament and the public.

### 3. BACKGROUND TO REQUIREMENT

3.1 Against the departmental context the Army is undertaking transformational change to be more efficient, productive and optimised to meet the challenges of the 21<sup>st</sup> century. In designing the future operating state we intend to take advantage of technological developments and current best practice from comparable organisations; we aim to cut unnecessary process and bureaucracy and improve effectiveness at all levels.

3.2 The Army has already made significant progress in delivering parts of its transformational change agenda but there is real potential to accelerate this work through two newly created programmes i.e. the Army Efficiency Programme and the Army Empowerment Programme.

3.3 The Army's Efficiency Programme was established in July 2016 and forms part of the wider Defence Efficiency Programme (DEP), which is sponsored by the Permanent Secretary. The Programme addresses all areas of the Army's budget including manpower; equipment; support and activity, it also includes training support. The Programme reports monthly to the Executive Committee of the Army Board (ECAB) and is responsible for the coordination, coherence and assurance of the work required to meet the post SDSR15 efficiency challenge. This includes identification of new initiatives; progression and development of pipeline initiatives and support to delivery and promotion of continuous improvement. The Programme is also responsible for tracking improvements in effectiveness i.e. non-financial efficiencies. The Senior Responsible Owner is the Army's Director of Resources, who is supported by a Programme Director (Brigadier/OF6) and an Efficiency Programme Office (EPO) currently staffed by a team of three.

3.4 The Army's efficiency challenge is £10Bn over the 10 years from FY 18/19. The Army assesses that around 60% is already in delivery and it has a range of measures at mixed levels of maturity to seek to close the gap. By April 2018 the Army wishes to have accelerated delivery of the measures in the current pipeline to meet immediate financial targets and to have developed high confidence in a range of new initiatives to close the gap across the 10 years.

3.5 Linked to the wider aspects of delivering efficiency the Army has established an Empowerment Programme which will contribute to the efficient and effective delivery of the Army's strategy. A small number of empowerment pilots were conducted during 2016 and the intent of the Programme is to build on the success and lessons from these pilots; to develop an approach to empower the chain of command down to unit level and improve operational productivity (including financial and management delegations where appropriate); to encourage innovation and identification of efficiencies through incentivisation; to imbue a cost informed culture and to determine the appropriate level for decision making which better aligns authority, responsibility and accountability.

3.6 The Programme's objectives include developing and implementing plans for increased delegation for manpower and equipment support (to complement existing responsibility budget holders have for activity budgets); providing the tools and support to enable financially informed and commercially aware decisions; enabling the delivery of systems which produce trusted and assured data; implementing a revised finance function which provides robust decision making support to the business and completion of a number of pilots throughout the Army's organisation which will provide a benchmark of good practice and methodology for consistently pursuing efficiency and maintaining cost conscious behaviour.

3.7 The Senior Responsible Owner for the Empowerment Programme is the Army's Director of Resources and the Programme Director is Head of Finance supported by a Programme Office led by a Band B grade civil servant. The Programme will report to ECAB.

#### **4. SCOPE OF REQUIREMENT**

4.1 Specialist external assistance is required to support the Army in accelerating the efficiency and empowerment objectives with the primary aim of delivering efficiency and realising financial benefits in the short and medium term. The Army's focus on aligning efficiency and empowerment is critical to achieving and maintaining financial stability and creating an environment where our balance of investment decisions are underpinned by robust evidence and cost conscious behaviour.

4.2 Support is required to convert opportunities into savings and improved productivity. In delivering this we require the Provider to bring innovation and best practice from other sectors and to consider how we exploit incentive models to support the empowerment objectives.

4.3 To ensure that the key objectives of efficiency, empowerment and continuous improvement become integral to the future behaviours and culture of the organisation the Army requires more of its personnel to develop the necessary business and analytical skills to meet new challenges, including the ability to make the right investment choices; to effectively manage strategic and commercial risks and to deliver complex programmes and projects to time and budget. As part of our approach to continually building capability we require the Provider to support the Army client resources with capability building and skills transfer.

#### **5. STATEMENT OF REQUIREMENT**

The Provider will work with the Army on the delivery of the following outputs and other similar ones which may arise during the delivery of the contract:

##### **5.1 Efficiency – Detailed Requirement**

The support the Army requires to address the efficiency challenge relates primarily to the non-equipment components of the Army's budget (known as the TLB plan). The equipment component is being addressed through separate workstreams in the Defence Equipment and Support (DE&S) organisation. Infrastructure initiatives are also excluded from this current requirement, as these are being addressed separately. The specific requirements are therefore:

### **5.1.1 Driving delivery across the current efficiency pipeline**

- Support will be required for those initiatives in the manpower and nonmanpower categories. The current pipeline has a range of initiatives at mixed levels of maturity. The requirement is to accelerate delivery of those initiatives to assist with early years financial targets whilst at the same time seeking to deliver £50M p.a. of sustainable savings in the short term. Examples of pipeline initiatives are:
  - Non equipment contract review
  - Non ammunition inventory
  - Transport and movement
  - IT and Comms
  - Equipment support
  - External training
  - Professional services
- The Authority requires the following deliverables with timescales for delivery agreed with the Programme Director at the start of each work package:
  - Realistic implementation plans for selected pipeline initiatives to include financial and non-financial benefits profiled across 10 years, risk and mitigation assessments, a resource plan and a master data assumption list.
  - Interim progress is to be reported to the Efficiency Steering Committee in accordance with agreed timelines.
  - Final deliverables are to be supported by a detailed methodology, handover plan and underpinning cost models.

### **5.1.2 Increasing the size of the efficiency pipeline**

- The Provider will support the Authority in identifying a further £1bn of new initiatives;
- Deliverables will include a mandate/charter for each initiative detailing the costed baseline, projected savings, expected timeline, achievability, actions required, stakeholder analysis and a resource plan;
- New initiatives will be agreed by the Efficiency Steering Committee with 50% to be ready for implementation, 25% at an advanced stage of development and 25% with a costed baseline and an assessment of potential efficiency savings.

### **5.1.3 Support to the Efficiency Programme Office**

- Support the Programme Director and the EPO through mentoring, challenging and attendance at monthly steering committees;
- Support with preparation of high level Management Information for presentation to ECAB;
- Build capability of the EPO team to include data analytical skills, sharing best practice methodologies and problem solving

techniques. This is to include a minimum of two hours per week formal training and coaching in addition to on the job training;

- Integrated team approach – the provider will work with mixed teams of civilian and military personnel drawn from across the Army and various development programmes including the Army's Advanced Development Programme. Team leadership will be determined by the Programme Director for each specific initiative.

## 5.2 Empowerment – Detailed Requirement

There are currently nine projects within scope of the Empowerment Programme, the majority of which do not require external support. The areas for which the Authority is seeking specialist support are:

### 5.2.1 Support to the Programme Director and Programme Manager

Provide an initial surge capability and support to the programme and project definition phases to include:

- Critical examination and challenge of the phased/planned work-strands to ensure alignment with the Army and CGS' strategy (Strategy Delivery Sync Matrix SO11<sup>1</sup> and SO16<sup>2</sup>. All proposed actions must contribute to

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empowerment, deliver benefits and be sustainable to ensure successful culture and behavioural change;

- Development of proposals which ensure that tangible and measureable benefits are maximised and achieved;
- Supporting development of programme and project schedules including timelines, activities and critical path analysis;
- Build capability of the Empowerment Programme team to include data analytical skills, sharing best practice methodologies and problem solving techniques. This is to include a minimum of two hours per week formal training and coaching in addition to on the job training;
- Integrated team approach – the provider will work with mixed teams of civilian and military personnel drawn from across the Army and various development programmes including the Army's Advanced Development Programme. Team leadership will be determined by the Programme Director for each specific initiative.

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<sup>1</sup> SO11 – Army and Financial Operating Models implemented (Command Effectiveness theme)

<sup>2</sup> SO16 – Efficiency established on a programmatic footing (Adaptation & Efficiency theme)



### 5.2.2 Finance Function Optimisation

Provide support to the programme manager in developing and designing an effective finance function that supports the Army's Finance Operating model and meets the mandated requirements placed on it by Head Office and other regulatory organisations. The scope of this work will include all current processes and the future requirements of financial planning; accounting; reporting; regulatory and propriety and provision of management accounting and the resources (people and systems) which deliver these outputs. Led by the Programme Manager the deliverables of this work are to include:

- An analysis of the current finance function processes, systems and personnel resources. This will exclude a diagnostic of the Army's financial baseline which the Authority has already completed and will provide at the start of the contract. The Authority will also conduct business process mapping in advance of the contract start date to minimise the Provider's investment in the value mapping phase;
- Identification of options which optimise the outputs of the future finance function and to include proposals which reflect industry best practice and other relevant benchmarks. The options are to identify improvements to delivery of services and more effective working practices and are to lead to significant efficiency across the finance function;
- Identification of options to rationalise the master data sets and systems which currently underpin the finance function and to ensure the future design interfaces efficiently with dependant systems;
- An implementable plan at initial operating capability (IOC) by April 2018;
- Sequencing of activities to reach full operating capability (FOC) at a date to be determined during the definition stage. The FOC plan is to include investment costs for delivering change (technology, skills enhancement etc) and identification of financial and non-financial benefits;
- The timescale for delivery of interim and final deliverables will be agreed by the Programme Director.

### 5.2.3 Empowerment Pilots

The Army conducted a number of pilots in FY 16/17 which examined how empowerment can be achieved through partial delegation, provision of management information, creation of incentive mechanisms and a culture of innovation. It now intends to expand the empowerment concept with specialist support to drive out inefficiency in day-to-day business activity; to create efficient working practices and maximise innovation and cost conscious behaviour. The Provider is required to support the Programme Manager in:

- Designing and operating a series of pilots to incentivise cost conscious behaviour at unit level; including revised business processes which maximise efficiency and development of incentive mechanisms;
- Assessing the requirement for further empowerment pilots at 1\* Brigade level to prove the concept and benefits for further delegation;

- Determining the feasibility of pilots, the timescale for which will be agreed by the Programme Director.

## 6. GUIDING PRINCIPLES

6.1 In delivering the above requirements the Provider is to take account of private sector best practice and where relevant provide external benchmarks.

6.2 The Provider is to make best use of the opportunities from enabling technology and where relevant to identify options for digitisation of relevant services, noting the constraints of existing Defence financial and manpower administration systems, such as the Joint Personnel Administration (JPA) Management Information System, the Humans Resource Management Systems (HRMS) and the Planning & Budgeting System (PB&F).

6.3 All deliverables are to be supported by a comprehensive handover plan; a step by step guide of the methodology employed; a risk and benefits plan which confirms the achievability and timescales for delivery of initiatives; a master data assumptions list; a resource plan to support implementation and supporting cost models where relevant. 6.4 To support skills transfer the Provider and Authority will adopt an integrated team approach. Methodologies and tools/techniques are to be shared throughout the contract phase and where appropriate the Provider is to allocate two hours every week to conduct formal training/coaching with Authority team members.

6.5 The Authority will also provide the following information to the successful Provider post contract award:

6.5.1 TORs and mandates for the Efficiency and Empowerment Programmes

6.5.2 Mandates and supporting material for existing initiatives

6.5.3 Details of the Army's financial baseline and current position on efficiency progress against target.

6.5.4 Templates and formats, where appropriate, to assist with the outputs required.

## 7. KEY MILESTONES

7.1 The Provider should note the following project milestones that the Authority will measure the quality of delivery against:

Milestone	Description	Timeframe *
1	An implementation plan that sets out the high level objectives, outcomes and outputs to be delivered in the contract phase. This may be adjusted throughout the contract with the agreement of the Authority.	Within 4 weeks of Contract Start Date
2	A written document that identifies the priority workstreams and the detailed plan of activity for each during the contract phase	Within 6 weeks of Contract Start Date
3	A written document at the end of each month confirming the deliverables, achievements and identifying any risks and blockages to progress.	End of each month during the contract phase or as determined by Programme leads

4	A written document which details the final plan for implementation. This is to include detailed methodologies, assumptions and any relevant cost models.	End of contract
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*\* Indicative Timeframe*

## **8. AUTHORITY'S RESPONSIBILITIES**

8.1 The Authority will provide the following Government Furnished Assets to the Provider:

8.1.1 Access to DII/MODNet;

8.1.2 Access to relevant data sources (e.g. SLIM, HRMS, JPA PB&F); and

8.1.3 Access to relevant Army documentation and associated and dependent programmes and projects.

## **9. REPORTING**

9.1 The Provider shall brief the Programme Directors and Programme leads on a weekly basis, and submit deliverables in accordance with 7.1.

9.2 The Provider will work as an integrated team with Programme team members and report any issues to the Programme Leads as soon as is practical.

## **10. VOLUMES**

10.1 Throughout the contract phase the Authority and Provider will agree priority activities for detailed analysis and diagnostic work.

## **11. CONTINUOUS IMPROVEMENT**

11.1 The Provider will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.

11.2 The Provider should present new ways of working to the Authority during monthly Contract review meetings.

11.3 Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

## **12. SUSTAINABILITY**

12.1 To enable the development of "organic" Army TLB capabilities and skills transfer to ensure the Army can sustain progress into the longer term, particularly in building capacity of those commercial and corporate strategic skills not routinely offered through extant MOD training mechanisms.

## **13. QUALITY**

13.1 The quality of the delivery will be measured by the achievement of the activities as specified by the Authority throughout the Contract phase. The Authority will provide feedback at key stages (weekly and monthly) on the supplier's quality of delivery including demonstration of progress, identification.

## **14. PRICE**

14.1 Suppliers are to price an individual and daily team rate to deliver specified activities which will be agreed with the Authority after Contract Award.

14.2 The maximum budget for this contract is £6-£8M excluding VAT. The capped price represents the maximum amount the Authority will incur for all activities under the contract. The Authority will only be liable to the value of the capped price and no excess costs may be carried forward.

14.3 The customer requires additional discounts, over and above those already identified under Framework Agreement RM3806 that may apply for each specified activity. All rates should be within the rate card.

14.3 Prices should be submitted in pounds sterling inclusive of any expenses but should exclude VAT.

14.4 Prices are to be submitted via the on line system AWARD (Appendix E) excluding VAT.

## **15. STAFF AND CUSTOMER SERVICE**

15.1 The Authority requires the Provider to provide a sufficient level of resource throughout the duration of the contract in order to deliver a consistent quality service to all parties.

15.2 Provider's staff assigned to the contract shall have the relevant qualifications and experience to deliver the Contract.

15.3 The Provider shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

## **16. SERVICE LEVELS AND PERFORMANCE**

16.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	In month Deliverables	A written document at the end of each month confirming the deliverables, achievements and identifying any risks and blockages to progress.	100%
2	End of contract deliverables	A final report summarising the initiatives and benefits identified and delivered. Plus an implementation plan for future actions required, together with a resource plan.	100%

## **17. SECURITY REQUIREMENTS**

17.1 In order to ensure that no unauthorised person gains access to any Confidential Information or any data obtained in performance of this Contract, the Supplier undertakes to maintain adequate security arrangements that meet the requirements of Good Industry Practice and are in line with the management of information under the Data Protection Act 1998.

17.2 The customer shall advise the supplier of the security classification for the taskings it undertakes. All documents produced by the supplier under this contract shall be marked in accordance with the Government Security Classification Policy

(<https://www.gov.uk/government/publications/government-security-classifications>) to comply with the policy in this Contract, and be marked Crown Copyright.

17.3 The Supplier shall comply with the customer's Security Policy and Security Aspects Letter. The Supplier shall comply with the customer's Security Policy and security condition under contract, and where data is shared, the Security Aspects Letter (SAL) at ANNEX 1 PART 3 of the Contract Document.

17.4 The customer requires some supplier personnel to be security cleared (SC cleared) at contract award. All supplier staff must be security cleared Baseline Personnel Security Standard (BPSS) as soon as practical after contract award – appointment shall be conditional on securing these clearances as required. The contractor shall bear the cost of SC clearance required for their appointed personnel where required.

17.5 Failure to comply with the security conditions of this contract could result in termination of the Contract under Clause 8.2.1.1.

## **18. INTELLECTUAL PROPERTY RIGHTS (IPR)**

18.1 DEFCON 703 (<http://www.aof.mod.uk/>)

## **19. PAYMENT**

19.1 Payment can only be made following satisfactory delivery of pre-agreed certified deliverables outlined within the specification (Appendix B).

19.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

## **20. ADDITIONAL INFORMATION**

20.1 Payment will be made via the Authority's CP&F system in accordance with the terms and conditions of the Contract.

20.2 **Dependencies.** This work will need to reference a number of other initiatives to ensure measures are not double counted and are coherent, these include:

20.2.1 Future Defence Civilian Programme (FDCP).

20.2.2 Defence Services Value for Money (DSVfM) Study.

20.2.3 The Army's Structural Change Work (A2020R)

20.2.4 The Army's Maximising Talent Programme, which covers initiatives such as the Army's input into the Armed Forces People Programme (including the Future Accommodation Model (FAM), the New Joiner Offer (NJO), the Enterprise Approach (EA) and the Flexible Engagement System (FES)), the Full Manning Plan, the Army Advanced Development Programme (AADP), the External Professional Placement Programme (EP3) and the Higher Education Pathway (HE Pathway).

20.2.5 Basing strategy that supports the Army's 2025 vision.

20.2.6 Whole Force Approach concept and principles for application.

20.2.7 Personnel Support Transformation Programme (PSTP)

20.2.8 Individual Training Transformation Programme (ITTP)

20.2.9 Collective Training Programme (CTP)

20.3 **Areas Out of Scope.** To be confirmed post contract award.

## **21. LOCATION**

21.1 The location of the Services will be carried out at the relevant Programme locations:

22.1.1 Programme Offices - Army HQ, Andover

21.2 Regular meetings and progress reviews will generally be in Andover. Some off-site work may be required elsewhere across the UK which will abide by MoD Travel and Subsistence Policy.

## **ADDENDUM: ADDITIONAL TASKING**

The Authority may issue an additional task to the Supplier using the form at Annex 1 to Call Off Schedule 2. The contractor will then complete Annex 2 to Call Off Schedule 2 and submit to the Authority its proposal to complete the task. The timeframe for submitting the proposal shall be agreed between the parties but will not be more than 5 working days. If the Authority accepts the Supplier's offer, an approved Annex 3 to Call Off Schedule 2 will be issued to allow the task and subsequent work to proceed. Fair and reasonable prices shall be agreed in respect of tasking, properly authorised against the tasking orders. Such prices shall not exceed the capped daily rates at Appendix E proposed for this Call Off Contract.

### Summary of Tasking Procedure

- i. The Authority will raise an Additional Task Order Request (Annex 1 of Call Off Schedule 2) and send it to the Supplier.
- ii. The Supplier will respond by completing the Additional Task Quotation (Annex 2 of Call Off Schedule 2) showing a full breakdown of costs using the agreed rates as per their submitted Appendix E – Capped Cost, and submit this to the Authority for approval.
- iii. If the quotation is acceptable or the requirement is cancelled, the Authority will issue the Supplier a signed Task Order Authorisation/Cancellation Form (Annex 3 of Call Off Schedule 2).

All authorised tasks shall be completed by the agreed date specified on the Additional Tasking Forms. The process will be by email.

## **Annex 1 to Call Off Schedule 2**

RM38061ARMYHQECP1

**ADDITIONAL TASK ORDER REQUEST (to be completed by the Authority)**

1. Contract Number: RM38061ARMYHQECP1
2. Task Number:
3. Description of Task (See attached)

**Please provide your proposal for the completion of this Additional Tasking subject to the Terms and Conditions of Contract and in line with the accepted Rates at Call Off Schedule 3, Annex 1: Call Off Contract Charges / Appendix E of the ITT response.**

<b>For and on behalf of the Customer:</b>	
Name and Title	
Signature	
Date	

**Annex 2 of Call Off Schedule 2**

RM38061ARMYHQECP1

**ADDITIONAL TASK QUOTATION (to be completed by the Contractor )**

1. Task Number:
2. Proposal:
3. Price (ext VAT):

Task	Total days for Consultants							Total Capped Price for Task
	Trainee Consultant	Junior Consultant	Consultant	Senior Consultant	Principal Consultant	Managing Consultant	Partner/Director	(£ exc VAT)

4. Timescale:

The task shall be completed within ..... weeks following the authorisation date.

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**For and on behalf of the Supplier:**

Name and Title	
Signature	
Date	

**Annex 3 of Call Off Schedule 2**  
RM38061ARMYHQECP1

**ADDITIONAL TASK ORDER AUTHORISATION/CANCELLATION**  
(to be completed by the Authority)

**AUTHORISATION TO PROCEED**

I hereby confirm my acceptance/cancellation of your quotation dated .....for the completion of Task Number:..... and request you to proceed.

3.2

3.3 **FIRM PRICE :** £ .....

Completion Date: .....

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**For and on behalf of the Customer:**



Name		
Signed		
Position	Customer	Commercial Manager
Date		

**Copy to:**

ACA Commercial File

## CALL OFF SCHEDULE 3: CALL OFF CONTRACT CHARGES, PAYMENT AND INVOICING

### 1. DEFINITIONS

1.1 The following terms used in this Call Off Schedule 3 shall have the following meaning:

**"Indexation"** means the adjustment of an amount or sum in accordance with paragraph 11 of this Call Off Schedule 3;

**"Indexation Adjustment Date"** has the meaning given to it in paragraph 11.1.1(a) of this Call Off Schedule 3;

<b>"Reimbursable Expenses"</b>	<p>means the reasonable out of pocket travel and subsistence (for example, hotel and food) expenses, properly and necessarily incurred in the performance of the Services, calculated at the rates and in accordance with the Customer's expenses policy current from time to time, but not including:</p> <p>el expenses incurred as a result of Supplier Personnel travelling to and from their usual place of work, or to and from the premises at which the Services are principally to be performed, unless the Customer otherwise agrees in advance in writing; and</p> <p>sistence expenses incurred by Supplier Personnel whilst performing the Services at their usual place of work, or to and from the premises at which the Services are principally to be performed;</p>
<b>"Review Adjustment Date"</b>	has the meaning given to it in paragraph 10.1.2 of this Call Off Schedule 3;
<b>"CPI"</b>	<p>means the <b>Consumer Prices Index</b> as published by the Office of National Statistics ( <a href="http://www.statistics.gov.uk/instantfigures.asp">http://www.statistics.gov.uk/instantfigures.asp</a>); and</p>
<b>"Supporting Documentation"</b>	means sufficient information in writing to enable the Customer to reasonably to assess whether the Call Off Contract Charges, Reimbursable Expenses and other sums due from the Customer under this Call Off Contract detailed in the information are properly payable.

## 2. GENERAL PROVISIONS

- 2.1 This Call Off Schedule 3 details:
  - 2.1.1 the Call Off Contract Charges for the Services under this Call Off Contract; and
  - 2.1.2 the payment terms/profile for the Call Off Contract Charges;
  - 2.1.3 the invoicing procedure; and
  - 2.1.4 the procedure applicable to any adjustments of the Call Off Contract Charges.

## 3. CALL OFF CONTRACT CHARGES

- 3.1 The Call Off Contract Charges which are applicable to this Call Off Contract are set out in Annex 1 of this Call Off Schedule 3.
- 3.2 The Supplier acknowledges and agrees that:
  - 3.2.1 in accordance with paragraph 2 (General Provisions) of Framework Schedule 3 (Framework Prices and Charging Structure), the Call Off Contract Charges can in no event exceed the Framework Prices set out in Annex 3 to Framework Schedule 3 (Framework Prices and Charging Structure); and

3.2.2 subject to paragraph 8 of this Call Off Schedule 3 (Adjustment of Call Off Contract Charges), the Call Off Contract Charges cannot be increased during the Call Off Contract Period.

#### **4. COSTS AND EXPENSES**

4.1 Except as expressly set out in paragraph 5 of this Call Off Schedule 3 (Reimbursable Expenses), the Call Off Contract Charges include all costs and expenses relating to the Services and/or the Suppliers performance of its obligations under this Call Off Contract and no further amounts shall be payable by the Customer to the Supplier in respect of such performance, including in respect of matters such as:

4.1.1 any incidental expenses that the Supplier incurs, including travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs required by the Supplier Personnel, network or data interchange costs or other telecommunications charges; or

4.1.2 any amount for any services provided or costs incurred by the Supplier prior to the Call Off Commencement Date.

#### **5. REIMBURSEABLE EXPENSES**

5.1 If the Customer has so specified in the Call Off Order Form, the Supplier shall be entitled to be reimbursed by the Customer for Reimbursable Expenses (in addition to being paid the relevant Call Off Contract Charges under this Call Off Contract), provided that such Reimbursable Expenses are supported by supporting documentation. The Customer shall provide a copy of their current expenses policy to the Supplier upon request.

#### **6. PAYMENT TERMS/PAYMENT PROFILE**

6.1 The payment terms/profile which are applicable to this Call Off Contract are set out in Annex 2 of this Call Off Schedule 3.

#### **7. INVOICING PROCEDURE**

7.1 The Customer shall pay all sums properly due and payable to the Supplier in cleared funds within thirty (30) days of receipt of a Valid Invoice, submitted to the address specified by the Customer in paragraph 7.6 of this Call Off Schedule 3 and in accordance with the provisions of this Call Off Contract.

7.2 The Supplier shall ensure that each invoice (whether submitted electronically through a purchase-to-pay (P2P) automated system (or similar) or in a paper form, as the Customer may specify (but, in respect of paper form, subject to paragraph 7.3 below)):

7.2.1 contains:

- (a) all appropriate references, including the unique order reference number set out in the Call Off Order Form; and
- (b) a detailed breakdown of the Delivered Services, including the Milestone(s) (if any) and Deliverable(s) within this Call Off

Contract to which the Delivered Services relate, against the applicable due and payable Call Off Contract Charges; and

7.2.2 shows separately:

- (a) any Service Credits due to the Customer; and
- (b) the VAT added to the due and payable Call Off Contract Charges in accordance with Clause 23.2.1 of this Call Off Contract (VAT) and the tax point date relating to the rate of VAT shown; and

7.2.3 is exclusive of any Management Charge (and the Supplier shall not attempt to increase the Call Off Contract Charges or otherwise recover from the Customer as a surcharge the Management Charge levied on it by the Authority); and

7.2.4 it is supported by any other documentation reasonably required by the Customer to substantiate that the invoice is a Valid Invoice.

- 7.3 If the Customer is a Central Government Body, the Customer's right to request paper form invoicing shall be subject to procurement policy note 11/15 (available at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/437471/PPN\\_e-invoicing.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437471/PPN_e-invoicing.pdf) , which sets out the policy in respect of unstructured electronic invoices submitted by the Supplier to the Customer (as may be amended from time to time).
- 7.4 The Supplier shall accept the Government Procurement Card as a means of payment for the Services where such card is agreed with the Customer to be a suitable means of payment. The Supplier shall be solely liable to pay any merchant fee levied for using the Government Procurement Card and shall not be entitled to recover this charge from the Customer.
- 7.5 All payments due by one Party to the other shall be made within thirty (30) days of receipt of a Valid Invoice unless otherwise specified in this Call Off Contract, in cleared funds, to such bank or building society account as the recipient Party may from time to time direct.
- 7.6 The Supplier shall submit invoices directly to the Customer's billing address set out in the Call Off Order Form.

## **8. ADJUSTMENT OF CALL OFF CONTRACT CHARGES**

8.1 The Call Off Contract Charges shall only be varied:

- 8.1.1 due to a Specific Change in Law in relation to which the Parties agree that a change is required to all or part of the Call Off Contract Charges in accordance with Clause 22.2 of this Call Off Contract (Legislative Change);
- 8.1.2 in accordance with Clause 23.1.4 of this Call Off Contract (Call Off Contract Charges and Payment) where all or part of the Call Off Contract Charges are reduced as a result of a reduction in the Framework Prices;
- 8.1.3 where all or part of the Call Off Contract Charges are reduced as a result of a review of the Call Off Contract Charges in accordance with Clause 18 of this Call Off Contract (Continuous Improvement);
- 8.1.4 where all or part of the Call Off Contract Charges are reduced as a result of a review of Call Off Contract Charges in accordance with Clause 0 of this Call Off Contract (Benchmarking);

- 8.1.5 where all or part of the Call Off Contract Charges are reviewed and reduced in accordance with paragraph 9 of this Call Off Schedule 3;
  - 8.1.6 where a review and increase of Call Off Contract Charges is requested by the Supplier and Approved, in accordance with the provisions of paragraph 10 of this Call Off Schedule 3; or
  - 8.1.7 where Call Off Contract Charges or any component amounts or sums thereof are expressed in this Call Off Schedule 3 as “subject to increase by way of Indexation”, in accordance with the provisions in paragraph 11 of this Call Off Schedule 3.
- 8.2 Subject to paragraphs 8.1.1 to 8.1.5 of this Call Off Schedule 3, the Call Off Contract Charges will remain fixed for the number of Contract Years specified in the Call Off Order Form.

## **9. SUPPLIER PERIODIC ASSESSMENT OF CALL OFF CONTRACT CHARGES**

- 9.1 Every six (6) Months during the Call Off Contract Period, the Supplier shall assess the level of the Call Off Contract Charges to consider whether it is able to reduce them.
- 9.2 Such assessments by the Supplier under paragraph 9 of this Call Off Schedule 3 shall be carried out on the dates specified in the Call Off Order Form in each Contract Year (or in the event that such dates do not, in any Contract Year, fall on a Working Day, on the next Working Day following such dates). To the extent that the Supplier is able to decrease all or part of the Call Off Contract Charges it shall promptly notify the Customer in writing and such reduction shall be implemented in accordance with paragraph 12.1.5 of this Call Off Schedule 3 below.

## **10. SUPPLIER REQUEST FOR INCREASE OF THE CALL OFF CONTRACT CHARGES**

- 10.1 If the Customer has so specified in the Call Off Order Form, the Supplier may request an increase in all or part of the Call Off Contract Charges in accordance with the remaining provisions of this paragraph 10 subject always to:
  - 10.1.1 paragraph 3.2 of this Call Off Schedule 3;
  - 10.1.2 the Suppliers request being submitted in writing at least three (3) Months before the effective date for the proposed increase in the relevant Call Off Contract Charges ("**Review Adjustment Date**") which shall be subject to paragraph 10.2 of this Call Off Schedule 3; and
  - 10.1.3 the Approval of the Customer which shall be granted in the Customer's sole discretion.
- 10.2 The earliest Review Adjustment Date will be the first (1st) Working Day following the anniversary of the Call Off Commencement Date after the expiry of the period specified in paragraph 8.2 of this Schedule 3 during which the Contract Charges shall remain fixed (and no review under this paragraph 10 is permitted). Thereafter any subsequent increase to any of the Call Off Contract Charges in accordance with this paragraph 10 of this Call Off Schedule 3 shall not occur before the anniversary of the previous Review Adjustment Date during the Call Off Contract Period.
- 10.3 To make a request for an increase of some or all of the Call Off Contract Charges in accordance with this paragraph 10, the Supplier shall provide the Customer with:
  - 10.3.1 a list of the Call Off Contract Charges it wishes to review;

10.3.2 for each of the Call Off Contract Charges under review, written evidence of the justification for the requested increase including:

- (a) a breakdown of the profit and cost components that comprise the relevant Call Off Contract Charge;
- (b) details of the movement in the different identified cost components of the relevant Call Off Contract Charge;
- (c) reasons for the movement in the different identified cost components of the relevant Call Off Contract Charge;
- (d) evidence that the Supplier has attempted to mitigate against the increase in the relevant cost components; and
- (e) evidence that the Suppliers profit component of the relevant Call Off Contract Charge is no greater than that applying to Call Off Contract Charges using the same pricing mechanism as at the Call Off Commencement Date.

## 11. INDEXATION

11.1 Where the Call Off Contract Charges or any component amounts or sums thereof are expressed in this Call Off Schedule 3 as “subject to increase by way of Indexation” the following provisions shall apply:

11.1.1 the relevant adjustment shall:

- (a) be applied on the effective date of the increase in the relevant Call Off Contract Charges by way of Indexation (**“Indexation Adjustment Date”**) which shall be subject to paragraph 11.1.2 of this Call Off Schedule 3;
- (b) be determined by multiplying the relevant amount or sum by the percentage increase or changes in the Consumer Price Index (CPI) published for the twelve (12) Months ended on the 31<sup>st</sup> of January immediately preceding the relevant Indexation Adjustment Date;
- (c) where the published CPI figure at the relevant Indexation Adjustment Date is stated to be a provisional figure or is subsequently amended, that figure shall apply as ultimately confirmed or amended unless the Customer and the Supplier shall agree otherwise;
- (d) if the CPI is no longer published, the Customer and the Supplier shall agree a fair and reasonable adjustment to that index or, if appropriate, shall agree a revised formula that in either event will have substantially the same effect as that specified in this Call Off Schedule 3.

11.1.2 The earliest Indexation Adjustment Date will be the (1st) Working Day following the expiry of the period specified in paragraph 8.2 of this Call Off Schedule 3 during which the Contract Charges shall remain fixed (and no review under this paragraph 11 is permitted). Thereafter any subsequent increase by way of Indexation shall not occur before the anniversary of the previous Indexation Adjustment Date during the Call Off Contract Period;

- 11.1.3 Except as set out in this paragraph 11 of this Call Off Schedule 3, neither the Call Off Contract Charges nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or SubContractors of the performance of their obligations under this Call Off Contract.

## **12. IMPLEMENTATION OF ADJUSTED CALL OFF CONTRACT CHARGES**

- 12.1 Variations in accordance with the provisions of this Call Off Schedule 3 to all or part the Call Off Contract Charges (as the case may be) shall be made by the Customer to take effect:

- 12.1.1 in accordance with Clause 22.2 of this Call Off Contract (Legislative Change) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.1 of this Call Off Schedule 3;
- 12.1.2 in accordance with Clause 23.1.4 of this Call Off Contract (Call Off Contract Charges and Payment) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.2 of this Call Off Schedule 3;
- 12.1.3 in accordance with Clause 18 of this Call Off Contract (Continuous Improvement) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.3 of this Call Off Schedule 3;
- 12.1.4 in accordance with Clause 0 of this Call Off Contract (Benchmarking) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.4 of this Call Off Schedule 3;
- 12.1.5 on the dates specified in the Call Off Order Form where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.5 of this Call Off Schedule 3;
- 12.1.6 on the Review Adjustment Date where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.6 of this Call Off Schedule 3;
- 12.1.7 on the Indexation Adjustment Date where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.7 of this Call Off Schedule 3;

and the Parties shall amend the Call Off Contract Charges shown in Annex 1 to this Call Off Schedule 3 to reflect such variations.

**ANNEX 1: CALL OFF CONTRACT CHARGES**

**Provision of Consultancy for the Army Continuous Adaptation**

**Pricing Table**

Redacted





**ANNEX 2: PAYMENT TERMS/PROFILE**

1. As per Framework Agreement and Call Off Schedule 16 DEFCONS.

## CALL OFF SCHEDULE 4: IMPLEMENTATION PLAN

### [SUPPLIER TO DETAIL]

#### 1. INTRODUCTION

1.1 This Call Off Schedule 4 specifies the Implementation Plan in accordance with which the Supplier shall provide the Services.

#### 2. IMPLEMENTATION PLAN

2.1 The Implementation Plan is set out below.

2.2 The Milestones to be achieved are Identified below:

Milestone	Deliverables	Duration	Milestone Date	Customer Responsibilities	Milestone Payments	Delay Payments
[ ]	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
<i>For the purposes of Clause 6.4.1(b)(ii) the number of days shall be [insert number of days] days ('the Delay Period Limit').</i>						

## CALL OFF SCHEDULE 5: NOT USED

## **CALL OFF SCHEDULE 6: SERVICE LEVELS, SERVICE CREDITS AND PERFORMANCE MONITORING**

### **1. SCOPE**

- 1.1 This Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) sets out the Service Levels which the Supplier is required to achieve when providing the Services, the mechanism by which Service Level Failures and Critical Service Level Failures will be managed and the method by which the Suppliers performance in the provision by it of the Services will be monitored.
- 1.2 This Call Off Schedule 6 comprises:
  - 1.2.1 Part A: Service Levels and Service Credits;
  - 1.2.2 Annex 1 to Part A - Service Levels and Service Credits Table; and
  - 1.2.3 Annex 1 to Part B: Performance Monitoring.

## **PART A: SERVICE LEVELS AND SERVICE CREDITS 2. GENERAL PROVISIONS**

- 2.1 The Supplier shall provide a proactive Call Off Contract manager to ensure that all Service Levels in this Call Off Contract and Key Performance Indicators in the Framework Agreement are achieved to the highest standard throughout, respectively, the Call Off Contract Period and the Framework Period.
- 2.2 The Supplier shall provide a managed service through the provision of a dedicated Call Off Contract manager where required on matters relating to:
- 2.2.1 Supply performance;
  - 2.2.2 Quality of [Services];
  - 2.2.3 Customer support;
  - 2.2.4 Complaints handling; and 2.2.5
- Accurate and timely invoices.
- 2.3 The Supplier accepts and acknowledges that failure to meet the Service Level Performance Measures set out in the table in Annex 1 to this Part A of this Call Off Schedule 6 will result in Service Credits being issued to Customers.

### **3. PRINCIPAL POINTS**

- 3.1 The objectives of the Service Levels and Service Credits are to:
- 3.1.1 ensure that the Services are of a consistently high quality and meet the requirements of the Customer;
  - 3.1.2 provide a mechanism whereby the Customer can attain meaningful recognition of inconvenience and/or loss resulting from the Suppliers failure to deliver the level of service for which it has contracted to deliver; and
  - 3.1.3 incentivise the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

### **4. SERVICE LEVELS**

- 4.1 Annex 1 to this Part A of this Call Off Schedule 6 sets out the Service Levels the performance of which the Parties have agreed to measure.
- 4.2 The Supplier shall monitor its performance of this Call Off Contract by reference to the relevant performance criteria for achieving the Service Levels shown in Annex 1 to this Part A of this Call Off Schedule 6 (the “**Service Level Performance Criteria**”) and shall send the Customer a Performance Monitoring Report detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Call Off Schedule 6.
- 4.3 The Supplier shall, at all times, provide the Services in such a manner that the Service Levels Performance Measures are achieved.
- 4.4 If the level of performance of the Supplier of any element of the provision by it of the Services during the Call Off Contract Period:
- 4.4.1 is likely to or fails to meet any Service Level Performance Measure or
  - 4.4.2 is likely to cause or causes a Critical Service Failure to occur,
  - 4.4.3 the Supplier shall immediately notify the Customer in writing and the Customer, in its absolute discretion and without prejudice to any other of its rights howsoever arising including under Clause 13 of this Call Off Contract (Service Levels and Service Credits), may:

- (a) require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Customer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring; and
- (b) if the action taken under paragraph (a) above has not already prevented or remedied the Service Level Failure or Critical Service Level Failure, the Customer shall be entitled to instruct the Supplier to comply with the Rectification Plan Process; or
- (c) if a Service Level Failure has occurred, deduct from the Call Off Contract Charges the applicable Service Level Credits payable by the Supplier to the Customer in accordance with the calculation formula set out in Annex 1 of this Part A of this Call Off Schedule 6; or
- (d) if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure in accordance with Clause 14 of this Call Off Contract (Critical Service Level Failure) (including subject, for the avoidance of doubt, the proviso in Clause 14.2.2 of this Call Off Contract in relation to Material Breach).

4.5 Approval and implementation by the Customer of any Rectification Plan shall not relieve the Supplier of any continuing responsibility to achieve the Service Levels, or remedy any failure to do so, and no estoppels or waiver shall arise from any such Approval and/or implementation by the Customer.

## 5. SERVICE CREDITS

5.1 Annex 1 to this Part A of this Call Off Schedule 6 sets out the formula used to calculate a Service Credit payable to the Customer as a result of a Service Level Failure in a given service period which, for the purpose of this Call Off Schedule 6, shall be a recurrent period of **[one Month]** during the Call Off Contract Period (the “**Service Period**”).

5.2 Annex 1 to this Part A of this Call Off Schedule 6 includes details of each Service Credit available to each Service Level Performance Criterion if the applicable Service Level Performance Measure is not met by the Supplier.

5.3 The Customer shall use the Performance Monitoring Reports supplied by the Supplier under Part B (Performance Monitoring) of this Call Off Schedule 6 to verify the calculation and accuracy of the Service Credits, if any, applicable to each relevant Service Period.

5.4 Service Credits are a reduction of the amounts payable in respect of the Services and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in Annex 1 of Part A of this Call Off Schedule 6.

## 6. NATURE OF SERVICE CREDITS

6.1 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Call Off Contract Charges. Both Parties agree that the Service Credits are a reasonable method of price adjustment to reflect poor performance.

## **ANNEX 1 TO PART A: SERVICE LEVELS AND SERVICE CREDITS TABLE**

### **1. SCOPE**

- 1.1 This Annex 1 sets out the method by which the Supplier's performance of the Services will be monitored.
- 1.2 Performance will be managed in two, inter-linked ways:
  - 1.2.1 at Framework level by the Authority, by:
    - 1.2.1.1 the monitoring of performance against KPIs
    - 1.2.1.2 by review of Contracting Body Satisfaction Surveys.
  - 1.2.2 at Contract level by the Customer receiving the Services:
    - 1.2.2.1 on an on-going basis as required by the Customer and at the completion of each delivery of the Services;
    - 1.2.2.2 In support of 1.2.2.1, the Supplier shall complete, if so required by the Customer, and in conjunction with the Customer, a Post Assignment Review, (PAR), using the template included in Annex 1 (Part 2) or such other format as the Customer may require. For long term Call-Off Contracts, the Customer may require periodic completion of PARs to measure ongoing performance. Any such periodic completion will not be more frequent than monthly.

The completed PAR shall be agreed and signed-off by the Customer to verify satisfactory completion of the Services or identify any performance issues.

This PAR process is recognised as best practice by Central Government.
- 1.3 Remedies in the event of inadequate performance of the Contract Services are set out in clause 2B of this Contract.

### **2. PRINCIPLES**

The objectives of this Annex 1 are to:

- 2.1 ensure that the Services are delivered to a consistent quality standard that meet the requirements of the Customer;
- 2.2 incentivise the Supplier to meet the Service Levels and to remedy any failure to meet the Service Levels expeditiously.

### **3. SERVICE LEVELS**

- 3.1 The Supplier shall measure the performance of each and every Service provided pursuant to this Contract using the Post Assignment Review template in Annex 1 (Part 2) or such other format as the Customer may require. The Supplier shall report this to the Customer, within ten (10) days from the completion of the Services (or other agreed milestone). The Customer and Supplier shall review the outcomes of the PAR and agree any arising actions.
- 3.2 The Supplier shall achieve:

3.2.1 a performance score of at least 2 (Satisfactory) for every measurable criteria within Part 4 of the PAR;

3.2.2 Failure to achieve this measure will deem the entire Service as inadequate.

#### 4. **SERVICE PERFORMANCE REVIEW**

4.1 As required by the Customer, the Supplier and Customer shall review the performance against required Service Levels specified in the Letter of Appointment (including Appendices) and, where applicable, the outcomes of the PAR at a reasonable time to be agreed. These reviews shall, unless otherwise agreed:

4.1.1 take place at such location and time (within normal business hours) as the Customer shall reasonably require unless otherwise agreed in advance

4.1.2 be attended by the Supplier's Representative and the Customer's Representative

4.1.3 be fully minuted by the Supplier (unless otherwise agreed). The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Customer's Representative and any other recipients agreed at the relevant meeting within five (5) Working Days from the meeting and will be agreed and signed by both the Supplier's Representative and the Customer's Representative within ten (10) Working Days from the date of the meeting.



## Annex 1 – PART 2

### POST ASSIGNMENT REVIEW TEMPLATE

#### Part 1 – Assignment Details

Name of Supplier	
Name of Customer	
Name of Project/Assignment	
Supplier Reference (if any)	
Customer Reference (if any)	
Date of completion of Service (or other milestone if applicable)	
Date PAR signed off	
Signed off for Supplier by	
Signed off for Customer by	

## Part 2 – Post Assignment Review Scoring

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Each part of the Post Assignment Review (PAR) will be scored and the scores agreed between the Supplier and Customer. The scoring scheme below shall be used. Where no scores can be agreed, the overall Service shall be rated at the lowest score attributed by either the Customer or the Supplier.

Score	Meaning	Explanation
0	Unsatisfactory	No scoring criteria met
1	Poor	Few scoring criteria met
2	Satisfactory	Most scoring criteria met - satisfactory with some weaknesses
3	Good	All scoring criteria met - satisfactory with some strengths
4	Very Good	All scoring criteria met & some examples of best practice outcomes
5	Excellent	All scoring criteria exceeded - all demonstrate best practice outcomes

## Part 3 – Overall PAR Summary

Part 3 – Overall PAR Summary		Minimum acceptable score
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Total Supplier Score Achieved (from Part 4)		
Maximum Supplier Score Available	95	38
Total Customer Score Achieved (from Part 5)		
Maximum Customer Score Available	95	
Total Combined Score() Achieved		
Total Combined Score Available	190	

#### Part 4 - The Supplier's Performance

Category	Performance Measure	Scoring Criteria	Score (0-5)
1. Requirement	1.1 Supplier did have the necessary <b>understanding and expertise</b> to meet Customer expectations.	The consultant(s) has/have a good knowledge of the Customer and subject - Customer expectations of Supplier expertise are met	

	1.2 Supplier's <b>proposal</b> is comprehensive and focuses on delivering value.	Proposal includes a benefits realisation plan - Proposal does not extend scope and addresses the Customer's key requirements - Proposal provides a solution that is sustainable and relevant to the particular Customer	
	1.3 Supplier participates effectively in the <b>procurement</b> process.	Supplier meets procurement timelines - Supplier ensures that procurement is engaged at the right time in the process - The right channels are used - Supplier does not work without a PO / procurement sign off - No need for retrospective contracting	

	1.4 Supplier identifies opportunity for <b>innovation</b> and added value.	Supplier demonstrates innovation in approach to delivering the outcomes - Supplier is proactive in identifying opportunities to join up cross-Customer organisational/cross public sector activity - Supplier takes the opportunity to constructively challenge the Customer's assumptions & expectations	
2. Commercial	2.1 Payment is linked to benefit delivery	Different payment structures suggested in proposal	
	2.2 Supplier is open and proactive in <b>optimising costs</b>	Efforts made to minimise expenses - Prices are in line with market expectations - Supplier is open in explaining price breakdown and working with the Customer to identify opportunities to reduce cost - Invoices provided in	

		line with Customer requirements	
	2.3 Supplier is proactive in identifying and <b>managing risks</b>	Supplier is proactive in identifying and allocating risk ownership - Supplier supports Customer in assigning and managing risks - Supplier is proactive in assessing impact of risks through the project and raising issues as appropriate	

3. <b>Engagement &amp; Relationship</b>	3.1 Supplier <b>engagement</b> with the Customer is appropriate and focused on Service delivery	Supplier uses the right channels within the Customer organisation- Customer is able to distinguish between business development activity/roles and delivery activity/role - Supplier does not exploit its position within the Customer organisation	
	3.2 Supplier establishes effective working <b>relationships</b> with the Customer	Supplier integrates well with Customer's staff - Supplier is flexible in its approach to the Customer- Demonstrates a knowledge of Customer culture -	

		<p>Manages engagement issues well and does not let them impact on delivery - Supplier builds good relationships with internal staff in both Customer's business and commercial teams - Supplier does not take advantage of position within the Customer organisation</p>	
<p><b>4. Project Management</b></p>	<p>4.1 Supplier <b>resources</b> are deployed in the right way to deliver value.</p>	<p>Consultant staff are constant throughout the duration of the Services - The Supplier explains how project team has been put together to deliver the Services - Resource requirement remains in line with that included in the proposal - Focus on Service delivery is maintained - Supplier demonstrates value of wider organisational resource over and above individual</p>	



		Customers	
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	4.2 <b>Roles and responsibilities</b> of consultant team are clear	Supplier provides clarity as to the roles and responsibilities of each consultant engaged	
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	4.3 Supplier <b>governance and project management</b> is effective in ensuring the assignment is successful	Lead consultant was clearly identified - Issues were raised as soon as possible and solutions offered - Delivery plan was developed and agreed with the Customer at the outset - Progress against milestones was reported regularly and in line with Customer requirements - Customer satisfaction with delivery was monitored by the Supplier	
	4.4 Original <b>scoping</b> was robust	The scope and resource requirement remained in line with initial proposal - Initial proposal was accurate and did not need to be amended	
	4.5 <b>Benefit delivery</b> is effectively	Benefit realisation plan adhered to	
	planned and managed		
5. Value for	5.1 Delivery <b>on time</b> (% variance +/-)	As business case & Supplier proposal	

<b>Money</b>	5.2 Delivery <b>on budget</b> (% variance +/-)	As business case & Supplier proposal	
	5.3 <b>VFM</b> (% achieved)	To what extent were the benefits, as outlined in the business case and specification. delivered	
<b>6. Skills Transfer</b>	6.1 Skills transfer	Supplier identified opportunities for skills and knowledge transfer - Supplier delivered transfer within original time and budget	
<b>7. Exit Strategy</b>	7.1 Project closure	Supplier reflected exit strategy requirements in their proposal - The project was closed off with no outstanding dependencies	
<b>8. Lessons learned</b>	8.1 What could the Supplier have done better?	[text response]	Not scored

#### Part 5 - The Customer's Performance

Category	Performance Measure	Scoring Guidance	Score (0-5)
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1. Requirement	1.1 Consultancy assignment is supported by a robust Business case	Customer shares relevant elements of the business case with the Supplier - The link between the assignment and wider business objectives is clear - Expected benefits are clearly defined and means of measurement is identified - Business case is used as a reference point throughout the assignment	
	1.2 Specification is outcome based and enables Suppliers to respond with a VFM proposal	Specification is outcome based and includes means of measuring delivery and success - Customer has a good understanding of their	

		requirement and has communicated	
		it clearly - Customer expectations of consultancy support are clear	

	1.3 Procurement approach supports the delivery of a VFM solution	The appropriate procurement route has been used (framework etc.) - Procurement timescales enabled Suppliers to respond in full - Procurement documentation is succinct - The right questions are asked and all information requested is used - Where available standard templates are used - Evaluation criteria are clear	
	1.4 Customer is open to, and supporting of, Supplier	Customer is open to innovative suggestions and	

	innovation in delivering value	approaches and responds positively to constructive challenge- Customer allows flexibility in Supplier's proposal and considers alternative solutions - Early engagement of Supplier community by Customer	
<b>2. Commercial</b>	2.1 Payment is linked to benefit delivery	Customer is open to incentivisation approaches and able to provide data to support this	

	2.2 Customer demonstrates good commercial understanding	Customer demonstrates an understanding of commercial issues and contract terms are appropriate (liability, IPR) - Customer manages support from internal functions to ensure efficient	
		resolution of commercial issues - Customer understands business needs - invoices paid on time	



	2.3 Customer understands and manages risks effectively	Customer understands risk profile and is able to allocate risk to the party best able to manage it - Risks are managed on an ongoing basis and mitigating action taken as soon as possible	
<b>3. Engagement &amp; relationship</b>	3.1 Customer ensures that its engagement with the Supplier is effective	Customer ensures that the Supplier has access to Customer staff as and when needed - Customer communicates need for engagement with the Supplier to the wider Customer organisation	

	3.2 Customer establishes effective working relationships with the Supplier	Customer provides information in a timely manner - Questions are answered as fully as possible - Customer staff work with the Supplier in a constructive manner - Customer does not take advantage of Supplier in its role as Customer	
<b>4. Project management</b>	4.1 Customer ensures that the internal resources are available at the right place and time to support benefit delivery .	Customer ensured that the right quality and quantity of internal resource was available at the right time - Customer managed wider business engagement and participation as needed	

	4.2 Roles and responsibilities of Customer team are clear	Customer provides clarity as to the roles and responsibilities of internal staff	
	4.3 Customer governance and project management is effective in ensuring the assignment is successful	Customer identified a clear owner for the assignment - The decision making process within the Customer organisation was clear and decisions were made and communicated in a timely manner - Issues and concerns with Supplier performance were raised in a timely fashion and resolved in an open and constructive way - Communication and reporting requirements were clarified at the outset and	

		compliance was monitored	
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	4.4 Changes to the assignment are limited and well managed by the Customer where necessary.	Customer specification was suitable and did not require change during the project - Where changes were needed an assessment of the benefit and impact on the overall project was done - All changes could be linked to improved delivery of project and wider business objectives	
	4.5 Customer monitors benefit delivery against agreed plan	Customer identified delivery milestones in specification and measured compliance	
<b>5. Value for Money</b>	5.1 Delivery of Customer obligations on time	As business case and Customer roles & responsibilities	

	5.2 Good Customer budget management	As business case and specification	
	5.3 VFM	To what extent were the final benefits required the same as those identified at the outset?	
<b>6. Skills transfer</b>	6.1 Skills transfer	Customer considered opportunities for skills transfer in specification - Skills transfer requirements and the means of delivery were clearly communicated - Customer made the right staff available to receive transfer - Skills transfer was written into Customer's objectives	

<b>7. Exit strategy</b>	7.1 Project closure	Customer included exit strategy in their specification - Customer adhered to exit strategy and project met closure requirements	
<b>8. Lessons learned</b>	8.1 What could the Customer have done better?	[text response]	Not Scored

## ANNEX 1 TO PART B: PERFORMANCE MONITORING

### 1. PRINCIPAL POINTS

- 1.1 Part B to this Call Off Schedule 6 provides the methodology for monitoring the provision of the Services:
  - 1.1.1 to ensure that the Supplier is complying with the Service Levels; and
  - 1.1.2 for identifying any failures to achieve Service Levels in the performance of the Supplier and/or provision of the Services ("**Performance Monitoring System**").
- 1.2 Within twenty (20) Working Days of the Call Off Commencement Date the Supplier shall provide the Customer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.

### 2. REPORTING OF SERVICE FAILURES

- 2.1 The Supplier shall report all failures to achieve Service Levels and any Critical Service Level Failure to the Customer in accordance with the processes agreed in paragraph 1.2 of Part B of this Call Off Schedule 6 above.

### 3. PERFORMANCE MONITORING AND PERFORMANCE REVIEW

- 3.1 The Supplier shall provide the Customer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 1.2 of Part B of this Call Off Schedule 6 above which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
  - 3.1.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
  - 3.1.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;
  - 3.1.3 any Critical Service Level Failures and details in relation thereto;
  - 3.1.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
  - 3.1.5 the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
  - 3.1.6 such other details as the Customer may reasonably require from time to time.
- 3.2 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a monthly basis (unless otherwise agreed). The Performance Review Meetings will be the forum for the review by the Supplier and the Customer of the Performance Monitoring Reports. The Performance Review Meetings shall (unless otherwise agreed):
  - 3.2.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier;
  - 3.2.2 take place at such location and time (within normal business hours) as the Customer shall reasonably require unless otherwise agreed in advance;



- 3.2.3 be attended by the Suppliers Representative and the Customer's Representative; and
- 3.2.4 be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Customer's Representative and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Performance Review Meeting will be agreed and signed by both the Suppliers Representative and the Customer's Representative at each meeting.
- 3.3 The Customer shall be entitled to raise any additional questions and/or request any further information regarding any failure to achieve Service Levels.
- 3.4 The Supplier shall provide to the Customer such supporting documentation as the Customer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

#### **4. SATISFACTION SURVEYS**

- 4.1 In order to assess the level of performance of the Supplier, the Customer may undertake satisfaction surveys in respect of the Suppliers provision of the Services.
- 4.2 The Customer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Services which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Call Off Contract.
- 4.3 All other suggestions for improvements to the provision of Services shall be dealt with as part of the continuous improvement programme pursuant to Clause 18 of this Call Off Contract (Continuous Improvement).

### **CALL OFF SCHEDULE 7: SECURITY**

#### **1. DEFINITIONS**

- 1.1 In this Call Off Schedule 7, the following definitions shall apply:

**"Breach or Breaches of Security"** means the occurrence of:

- unauthorised access to or use of the Services, the Sites and/or any Information and Communication Technology ("ICT"), information or data (including the Confidential Information and the Customer Data) used by the Customer and/or the Supplier in connection with this Call Off Contract; and/or
- loss and/or unauthorised disclosure of any information or data (including the Confidential Information and the Customer Data), including any copies of such

information or data, used by the Customer and/or the Supplier in connection with this Call Off Contract, in either case as more particularly set out in the Security Policy;

## **2. INTRODUCTION**

- 2.1 The purpose of this Call Off Schedule 7 is to ensure a good organisational approach to security under which the specific requirements of this Call Off Contract will be met;
- 2.2 This Call Off Schedule 7 covers:
  - 2.2.1 principles of protective security to be applied in delivering the Services;
  - 2.2.2 the creation and maintenance of the Security Management Plan; and
  - 2.2.3 obligations in the event of actual or attempted Breaches of Security.

## **3. PRINCIPLES OF SECURITY**

- 3.1 The Supplier acknowledges that the Customer places great emphasis on the reliability of the performance of the Services, confidentiality, integrity and availability of information and consequently on security.
- 3.2 The Supplier shall be responsible for the effective performance of its security obligations and shall at all times provide a level of security which:
  - 3.2.1 is in accordance with the Law and this Call Off Contract;
  - 3.2.2 as a minimum demonstrates Good Industry Practice;
  - 3.2.3 complies with the Security Policy;
  - 3.2.4 meets any specific security threats of immediate relevance to the Services and/or the Customer Data; and
  - 3.2.5 complies with the Customer's ICT Policy.
- 3.3 Subject to Clause 34 of this Call Off Contract (Security and Protection of Information) the references to standards, guidance and policies contained or set out in paragraph 3.2 of this Call Off Schedule 7 shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such standards, guidance and policies, as notified to the Supplier from time to time.
- 3.4 In the event of any inconsistency in the provisions of the above standards, guidance and policies, the Supplier should notify the Customer's Representative of such inconsistency immediately upon becoming aware of the same, and the Customer's Representative shall, as soon as practicable, advise the Supplier which provision the Supplier shall be required to comply with.

## **4. SECURITY MANAGEMENT PLAN**

- 4.1 Introduction
  - 4.1.1 The Supplier shall develop and maintain a Security Management Plan in accordance with this Call Off Schedule 7. The Supplier shall thereafter comply with its obligations set out in the Security Management Plan.

#### 4.2 Content of the Security Management Plan 4.2.1

The Security Management Plan shall:

- (a) comply with the principles of security set out in paragraph 3 of this Call Off Schedule 7 and any other provisions of this Call Off Contract relevant to security;
- (b) identify the necessary delegated organisational roles defined for those responsible for ensuring it is complied with by the Supplier;
- (c) detail the process for managing any security risks from Sub-Contractors and third parties authorised by the Customer with access to the Services, processes associated with the provision of the Services, the Customer Premises, the Sites and any ICT, Information and data (including the Customer's Confidential Information and the Customer Data) and any system that could directly or indirectly have an impact on that Information, data and/or the Services;
- (d) unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Services and all processes associated with the provision of the Services, including the Customer Premises, the Sites, and any ICT, Information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Call Off Contract or in connection with any system that could directly or indirectly have an impact on that Information, data and/or the Services;
- (e) set out the security measures to be implemented and maintained by the Supplier in relation to all aspects of the Services and all processes associated with the provision of the Services and shall at all times comply with and specify security measures and procedures which are sufficient to ensure that the Services comply with the provisions of this Call Off Contract;
- (f) set out the plans for transitioning all security arrangements and responsibilities for the Supplier to meet the full obligations of the security requirements set out in this Call Off Contract and the Security Policy; and
- (g) be written in plain English in language which is readily comprehensible to the staff of the Supplier and the Customer engaged in the provision of the Services and shall only reference documents which are in the possession of the Parties or whose location is otherwise specified in this Call Off Schedule 7.

#### 4.3 Development of the Security Management Plan

- 4.3.1 Within twenty (20) Working Days after the Call Off Commencement Date (or such other period agreed by the Parties in writing) and in accordance with paragraph 4.4 (Amendment and Revision of the Security Management Plan), the Supplier shall prepare and deliver to the Customer for Approval a fully complete and up to date Security Management Plan which will be based on the draft Security Management Plan.

- 4.3.2 If the Security Management Plan submitted to the Customer in accordance with paragraph 4.3.1, or any subsequent revision to it in accordance with paragraph 4.4 (Amendment and Revision of the Security Management Plan), is Approved it will be adopted immediately and will replace the previous version of the Security Management Plan and thereafter operated and maintained in accordance with this Call Off Schedule 7. If the Security Management Plan is not Approved, the Supplier shall amend it within ten (10) Working Days or such other period as the Parties may agree in writing of a notice of non-approval from the Customer and re-submit to the Customer for Approval. The parties will use all reasonable endeavours to ensure that the approval process takes as little time as possible and in any event no longer than fifteen (15) Working Days (or such other period as the parties may agree in writing) from the date of its first submission to the Customer. If the Customer does not approve the Security Management Plan following its resubmission, the matter will be resolved in accordance with the Dispute Resolution Procedure.
- 4.3.3 The Customer shall not unreasonably withhold or delay its decision to Approve or not the Security Management Plan pursuant to paragraph 4.3.2. However a refusal by the Customer to Approve the Security Management Plan on the grounds that it does not comply with the requirements set out in paragraph 4.2 shall be deemed to be reasonable.
- 4.3.4 Approval by the Customer of the Security Management Plan pursuant to paragraph 4.3.2 of this Call Off Schedule 7 or of any change to the Security Management Plan in accordance with paragraph 4.4 shall not relieve the Supplier of its obligations under this Call Off Schedule 7.
- 4.4 Amendment and Revision of the Security Management Plan
- 4.4.1 The Security Management Plan shall be fully reviewed and updated by the Supplier at least annually to reflect:
- (a) emerging changes in Good Industry Practice;
  - (b) any change or proposed change to the Services and/or associated processes;
  - (c) any change to the Security Policy;
  - (d) any new perceived or changed security threats; and
  - (e) any reasonable change in requirements requested by the Customer.
- 4.4.2 The Supplier shall provide the Customer with the results of such reviews as soon as reasonably practicable after their completion and amendment of the Security Management Plan at no additional cost to the Customer. The results of the review shall include, without limitation:
- (a) suggested improvements to the effectiveness of the Security Management Plan;
  - (b) updates to the risk assessments; and
  - (c) suggested improvements in measuring the effectiveness of controls.

4.4.3 Subject to paragraph 4.4.4, any change or amendment which the Supplier proposes to make to the Security Management Plan (as a result of a review carried out in accordance with paragraph 4.4.1, a request by the Customer or otherwise) shall be subject to the Variation Procedure and shall not be implemented until Approved by the Customer.

4.4.4 The Customer may, where it is reasonable to do so, Approve and require changes or amendments to the Security Management Plan to be implemented on timescales faster than set out in the Variation Procedure but, without prejudice to their effectiveness, all such changes and amendments shall thereafter be subject to the Variation Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Call Off Contract.

## **5. BREACH OF SECURITY**

5.1 Either party shall notify the other in accordance with the agreed security incident management process (as detailed in the Security Management Plan if one exists) upon becoming aware of any Breach of Security or any potential or attempted Breach of Security.

5.2 Without prejudice to the security incident management process, upon becoming aware of any of the circumstances referred to in paragraph 5.1, the Supplier shall:

5.2.1 immediately take all reasonable steps(which shall include any action or changes reasonably required by the Customer) necessary to:

- (a) minimise the extent of actual or potential harm caused by any Breach of Security;
- (b) remedy such Breach of Security to the extent possible and protect the integrity of the Customer and the provision of the Services to the extent within its control against any such Breach of Security or attempted Breach of Security;
- (c) prevent an equivalent breach in the future exploiting the same root cause failure; and
- (d) as soon as reasonably practicable provide to the Customer, where the Customer so requests, full details (using the reporting mechanism defined by the Security Management Plan if one exists) of the Breach of Security or attempted Breach of Security, including a root cause analysis where required by the Customer.

5.3 In the event that any action is taken in response to a Breach of Security or potential or attempted Breach of Security that demonstrates non-compliance of the Security Management Plan with the Security policy or the requirements of this Call Off Schedule 7, then any required change to the Security Management Plan shall be at no cost to the Customer.

## **ANNEX 1: SECURITY POLICY**

1. As per Call Off Schedule 16 DEFCONS.

## CALL OFF SCHEDULE 8: BUSINESS CONTINUITY AND DISASTER RECOVERY

### 1. DEFINITIONS

1.1 In this Call Off Schedule 8, the following definitions shall apply:

<b>"Business Continuity Plan"</b>	has the meaning given to it in paragraph 2.2.1(b) of this Call Off Schedule 8;
<b>"Disaster Recovery Plan"</b>	has the meaning given to it in 2.2.1(c) of this Call Off Schedule 8;
<b>"Disaster Recovery System"</b>	means the system embodied in the processes and procedures for restoring the provision of Services following the occurrence of a disaster;
<b>"Review Report"</b>	has the meaning given to it in paragraph 6.2 of this Call Off Schedule 8;
<b>"Suppliers Proposals"</b>	has the meaning given to it in paragraph 6.2.3 of this Call Off Schedule 8;

### 2. BCDR PLAN

2.1 Within thirty 30 Working Days from the Call Off Commencement Date the Supplier shall prepare and deliver to the Customer for the Customer's written Approval a plan, which shall detail the processes and arrangements that the Supplier shall follow to:

- 2.1.1 ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services; and
- 2.1.2 the recovery of the Services in the event of a Disaster.

2.2 The BCDR Plan shall:

- 2.2.1 be divided into three parts:
  - (a) Part A which shall set out general principles applicable to the BCDR Plan;
  - (b) Part B which shall relate to business continuity (the "**Business Continuity Plan**"); and
  - (c) Part C which shall relate to disaster recovery (the "**Disaster Recovery Plan**"); and
- 2.2.2 unless otherwise required by the Customer in writing, be based upon and be consistent with the provisions of paragraphs 3, 4 and 5.

2.3 Following receipt of the draft BCDR Plan from the Supplier, the Customer shall:

- 2.3.1 review and comment on the draft BCDR Plan as soon as reasonably practicable; and
- 2.3.2 notify the Supplier in writing that it approves or rejects the draft BCDR Plan no later than twenty (20) Working Days after the date on which the draft BCDR Plan is first delivered to the Customer.

2.4 If the Customer rejects the draft BCDR Plan:

- 2.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and

- 2.4.2 the Supplier shall then revise the draft BCDR Plan (taking reasonable account of the Customer's comments) and shall re-submit a revised draft BCDR Plan to the Customer for the Customer's approval within twenty (20) Working Days of the date of the Customer's notice of rejection. The provisions of paragraphs 2.3 and 2.4 of this Call Off Schedule 8 shall apply again to any resubmitted draft BCDR Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

### **3. PART A OF THE BCDR PLAN AND GENERAL PRINCIPLES AND REQUIREMENTS**

3.1 Part A of the BCDR Plan shall:

- 3.1.1 set out how the business continuity and disaster recovery elements of the BCDR Plan link to each other;
- 3.1.2 provide details of how the invocation of any element of the BCDR Plan may impact upon the operation of the provision of the Services and any services provided to the Customer by a Related Supplier;
- 3.1.3 contain an obligation upon the Supplier to liaise with the Customer and (at the Customer's request) any Related Suppliers with respect to issues concerning business continuity and disaster recovery where applicable;
- 3.1.4 detail how the BCDR Plan links and interoperates with any overarching and/or connected disaster recovery or business continuity plan of the Customer and any of its other Related Supplier in each case as notified to the Supplier by the Customer from time to time;
- 3.1.5 contain a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multi-channels (including but without limitation a web-site (with FAQs), e-mail, phone and fax) for both portable and desk top configurations, where required by the Customer;
- 3.1.6 contain a risk analysis, including:
  - (a) failure or disruption scenarios and assessments and estimates of frequency of occurrence;
  - (b) identification of any single points of failure within the provision of Services and processes for managing the risks arising therefrom;
  - (c) identification of risks arising from the interaction of the provision of Services and with the services provided by a Related Supplier; and
  - (d) a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;
- 3.1.7 provide for documentation of processes, including business processes, and procedures;
- 3.1.8 set out key contact details (including roles and responsibilities) for the Supplier (and any Sub-Contractors) and for the Customer;
- 3.1.9 identify the procedures for reverting to "normal service";



- 3.1.10 set out method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to ensure that there is no more than the accepted amount of data loss and to preserve data integrity;
- 3.1.11 identify the responsibilities (if any) that the Customer has agreed it will assume in the event of the invocation of the BCDR Plan; and
- 3.1.12 provide for the provision of technical advice and assistance to key contacts at the Customer as notified by the Customer from time to time to inform decisions in support of the Customer's business continuity plans.
- 3.2 The BCDR Plan shall be designed so as to ensure that:
  - 3.2.1 the Services are provided in accordance with this Call Off Contract at all times during and after the invocation of the BCDR Plan;
  - 3.2.2 the adverse impact of any Disaster, service failure, or disruption on the operations of the Customer is minimal as far as reasonably possible;
  - 3.2.3 it complies with the relevant provisions of [ISO/IEC 27002] and all other industry Standards from time to time in force; and
  - 3.2.4 there is a process for the management of disaster recovery testing detailed in the BCDR Plan.
- 3.3 The BCDR Plan shall be upgradeable and sufficiently flexible to support any changes to the Services or to the business processes facilitated by and the business operations supported by the provision of Services.
- 3.4 The Supplier shall not be entitled to any relief from its obligations under the Service Levels or to any increase in the Charges to the extent that a Disaster occurs as a consequence of any breach by the Supplier of this Call Off Contract.

#### 4. BUSINESS CONTINUITY PLAN - PRINCIPLES AND CONTENTS

- 4.1 The Business Continuity Plan shall set out the arrangements that are to be invoked to ensure that the business processes and operations facilitated by the provision of Services remain supported and to ensure continuity of the business operations supported by the Services including, unless the Customer expressly states otherwise in writing:
  - 4.1.1 the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the provision of Services; and
  - 4.1.2 the steps to be taken by the Supplier upon resumption of the provision of Services in order to address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption.
- 4.2 The Business Continuity Plan shall:
  - 4.2.1 address the various possible levels of failures of or disruptions to the provision of Services;
  - 4.2.2 set out the Services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Services (such Services and steps, the "**Business Continuity Services**");
  - 4.2.3 specify any applicable Service Levels with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the

Service Levels in respect of the provision of other Services during any period of invocation of the Business Continuity Plan; and

4.2.4 clearly set out the conditions and/or circumstances under which the Business Continuity Plan is invoked.

## **5. DISASTER RECOVERY PLAN - PRINCIPLES AND CONTENTS**

5.1 The Disaster Recovery Plan shall be designed so as to ensure that upon the occurrence of a Disaster the Supplier ensures continuity of the business operations of the Customer supported by the Services following any Disaster or during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.

5.2 The Disaster Recovery Plan shall be invoked only upon the occurrence of a Disaster.

5.3 The Disaster Recovery Plan shall include the following:

5.3.1 the technical design and build specification of the Disaster Recovery System;

5.3.2 details of the procedures and processes to be put in place by the Supplier in relation to the Disaster Recovery System and the provision of the Disaster Recovery Services and any testing of the same including but not limited to the following:

- (a) [data centre and disaster recovery site audits;
- (b) backup methodology and details of the Suppliers approach to data back-up and data verification;
- (c) identification of all potential disaster scenarios;
- (d) risk analysis;
- (e) documentation of processes and procedures;
- (f) hardware configuration details;
- (g) network planning including details of all relevant data networks and communication links;
- (h) invocation rules;
- (i) Service recovery procedures; and
- (j) steps to be taken upon resumption of the provision of Services to address any prevailing effect of the failure or disruption of the provision of Services;]

5.3.3 any applicable Service Levels with respect to the provision of the Disaster Recovery Services and details of any agreed relaxation to the Service Levels in respect of the provision of other Services during any period of invocation of the Disaster Recovery Plan;

5.3.4 details of how the Supplier shall ensure compliance with security Standards ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked;

5.3.5 access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule 8; and

5.3.6 testing and management arrangements.

## 6. REVIEW AND AMENDMENT OF THE BCDR PLAN

- 6.1 The Supplier shall review the BCDR Plan (and the risk analysis on which it is based):
  - 6.1.1 on a regular basis and as a minimum once every six (6) Months;
  - 6.1.2 within three (3) calendar months of the BCDR Plan (or any part) having been invoked pursuant to paragraph 7; and
  - 6.1.3 where the Customer requests any additional reviews (over and above those provided for in paragraphs 6.1.1 and 6.1.2 of this Call Off Schedule 8) by notifying the Supplier to such effect in writing, whereupon the Supplier shall conduct such reviews in accordance with the Customer's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs payable by the Customer for the Customer's approval. The costs of both Parties of any such additional reviews shall be met by the Customer except that the Supplier shall not be entitled to charge the Customer for any costs that it may incur above any estimate without the Customer's prior written approval.
- 6.2 Each review of the BCDR Plan pursuant to paragraph 6.1 of this Call off Schedule 8 shall be a review of the procedures and methodologies set out in the BCDR Plan and shall assess their suitability having regard to any change to the Services or any underlying business processes and operations facilitated by or supported by the Services which have taken place since the later of the original approval of the BCDR Plan or the last review of the BCDR Plan and shall also have regard to any occurrence of any event since that date (or the likelihood of any such event taking place in the foreseeable future) which may increase the likelihood of the need to invoke the BCDR Plan. The review shall be completed by the Supplier within the period required by the BCDR Plan or, if no such period is required, within such period as the Customer shall reasonably require. The Supplier shall, within twenty (20) Working Days of the conclusion of each such review of the BCDR Plan, provide to the Customer a report (a "**Review Report**") setting out:
  - 6.2.1 the findings of the review;
  - 6.2.2 any changes in the risk profile associated with the provision of Services; and
  - 6.2.3 the Suppliers proposals (the "**Suppliers Proposals**") for addressing any changes in the risk profile and its proposals for amendments to the BCDR Plan following the review detailing the impact (if any and to the extent that the Supplier can reasonably be expected to be aware of the same) that the implementation of such proposals may have on any goods, services or systems provided by a third party.
- 6.3 Following receipt of the Review Report and the Suppliers Proposals, the Customer shall:
  - 6.3.1 review and comment on the Review Report and the Suppliers Proposals as soon as reasonably practicable; and
  - 6.3.2 notify the Supplier in writing that it approves or rejects the Review Report and the Suppliers Proposals no later than twenty (20) Working Days after the date on which they are first delivered to the Customer.
- 6.4 If the Customer rejects the Review Report and/or the Suppliers Proposals:

- 6.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and
- 6.4.2 the Supplier shall then revise the Review Report and/or the Suppliers Proposals as the case may be (taking reasonable account of the Customer's comments and carrying out any necessary actions in connection with the revision) and shall re-submit a revised Review Report and/or revised Suppliers Proposals to the Customer for the Customer's approval within twenty (20) Working Days of the date of the Customer's notice of rejection. The provisions of paragraphs 6.3 and 6.4 of this Call Off Schedule 8 shall apply again to any resubmitted Review Report and Suppliers Proposals, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.
- 6.5 The Supplier shall as soon as is reasonably practicable after receiving the Customer's approval of the Suppliers Proposals (having regard to the significance of any risks highlighted in the Review Report) effect any change in its practices or procedures necessary so as to give effect to the Suppliers Proposals. Any such change shall be at the Suppliers expense unless it can be reasonably shown that the changes are required because of a material change to the risk profile of the Services.

## **7. TESTING OF THE BCDR PLAN**

- 7.1 The Supplier shall test the BCDR Plan on a regular basis (and in any event not less than once in every Contract Year). Subject to paragraph 7.2 of this Call Off Schedule 8, the Customer may require the Supplier to conduct additional tests of some or all aspects of the BCDR Plan at any time where the Customer considers it necessary, including where there has been any change to the Services or any underlying business processes, or on the occurrence of any event which may increase the likelihood of the need to implement the BCDR Plan.
- 7.2 If the Customer requires an additional test of the BCDR Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Customer's requirements and the relevant provisions of the BCDR Plan. The Suppliers costs of the additional test shall be borne by the Customer unless the BCDR Plan fails the additional test in which case the Suppliers costs of that failed test shall be borne by the Supplier.
- 7.3 The Supplier shall undertake and manage testing of the BCDR Plan in full consultation with the Customer and shall liaise with the Customer in respect of the planning, performance, and review, of each test, and shall comply with the reasonable requirements of the Customer in this regard. Each test shall be carried out under the supervision of the Customer or its nominee.
- 7.4 The Supplier shall ensure that any use by it or any Sub-Contractor of "live" data in such testing is first approved with the Customer. Copies of live test data used in any such testing shall be (if so required by the Customer) destroyed or returned to the Customer on completion of the test.
- 7.5 The Supplier shall, within twenty (20) Working Days of the conclusion of each test, provide to the Customer a report setting out:
- 7.5.1 the outcome of the test;

- 7.5.2 any failures in the BCDR Plan (including the BCDR Plan's procedures) revealed by the test; and
- 7.5.3 the Suppliers proposals for remedying any such failures.
- 7.6 Following each test, the Supplier shall take all measures requested by the Customer, (including requests for the re-testing of the BCDR Plan) to remedy any failures in the BCDR Plan and such remedial activity and re-testing shall be completed by the Supplier, at no additional cost to the Customer, by the date reasonably required by the Customer and set out in such notice.
- 7.7 For the avoidance of doubt, the carrying out of a test of the BCDR Plan (including a test of the BCDR Plan's procedures) shall not relieve the Supplier of any of its obligations under this Call Off Contract.
- 7.8 The Supplier shall also perform a test of the BCDR Plan in the event of any major reconfiguration of the Services or as otherwise reasonably requested by the Customer.

## 8. INVOCATION OF THE BCDR PLAN

- 8.1 In the event of a complete Loss of Service or in the event of a Disaster, the Supplier shall immediately invoke the BCDR Plan (and shall inform the Customer promptly of such invocation). In all other instances the Supplier shall invoke or test the BCDR Plan only with the prior consent of the Customer.

## CALL OFF SCHEDULE 9: EXIT MANAGEMENT

### 1. DEFINITIONS

- 1.1 In this Call Off Schedule 9, the following definitions shall apply:
- |                               |   |
|-------------------------------|---|
| <b>"Exclusive Assets"</b>     | means those Supplier Assets used by the Supplier or a Key Sub-Contractor which are used exclusively in the provision of the Services;   |
| <b>"Exit Information"</b>     | has the meaning given to it in paragraph 4.1 of this Call Off Schedule 9;   |
| <b>"Exit Manager"</b>         | means the person appointed by each Party pursuant to paragraph 3.4 of this Call Off Schedule 9 for managing the Parties' respective obligations under this Call Off Schedule 9;   |
| <b>"Net Book Value"</b>       | means the net book value of the relevant Supplier Assets calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Customer of even date with this Call Off Contract; |
| <b>"Non-Exclusive Assets"</b> | means those Supplier Assets (if any) which are used by the Supplier or a Key SubContractor in connection with the Services but which are also used by the Supplier or Key Sub-Contractor for other purposes;  |

<b>"Registers"</b>	means the register and configuration database referred to in paragraphs 3.1.1 and 3.1.2 of this Call Off Schedule 9;
<b>"Termination Assistance"</b>	means the activities to be performed by the Supplier pursuant to the Exit Plan, and any other assistance required by the Customer pursuant to the Termination Assistance Notice;
<b>"Termination Assistance Notice"</b>	has the meaning given to it in paragraph 6.1 of this Call Off Schedule 9;
<b>"Termination Assistance Period"</b>	means in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is required to provide the Termination Assistance as such period may be extended pursuant to paragraph 6.2 of this Call Off Schedule 9;
<b>"Transferable Assets"</b>	means those of the Exclusive Assets which are capable of legal transfer to the Customer;
<b>"Transferable Contracts"</b>	means the Sub-Contracts, licences for Supplier Background IPR, Project Specific IPR, licences for Third Party IPR or other agreements which are necessary to enable the Customer or any Replacement Supplier to provide the Services or the Replacement Services, including in relation to licences all relevant Documentation;
<b>"Transferring Assets"</b>	has the meaning given to it in paragraph 9.2.1 of this Call Off Schedule 9;
<b>"Transferring Contracts"</b>	has the meaning given to it in paragraph 9.2.3 of this Call Off Schedule 9.

## 2. INTRODUCTION

- 2.1 This Call Off Schedule 9 describes provisions that should be included in the Exit Plan, the duties and responsibilities of the Supplier to the Customer leading up to and covering the Call Off Expiry Date and the transfer of service provision to the Customer and/or a Replacement Supplier.
- 2.2 The objectives of the exit planning and service transfer arrangements are to ensure a smooth transition of the availability of the Services from the Supplier to the Customer and/or a Replacement Supplier at the Call Off Expiry Date.

## 3. OBLIGATIONS DURING THE CALL OFF CONTRACT PERIOD TO FACILITATE EXIT

- 3.1 During the Call Off Contract Period, the Supplier shall:
- 3.1.1 create and maintain a Register of all:
- (a) Supplier Assets, detailing their:
- (i) make, model and asset number;

- (ii) ownership and status as either Exclusive Assets or NonExclusive Assets;
  - (iii) Net Book Value;
  - (iv) condition and physical location; and
  - (v) use (including technical specifications); and
- (b) Sub-Contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;
- 3.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, which shall contain sufficient detail to permit the Customer and/or Replacement Supplier to understand how the Supplier provides the Services and to enable the smooth transition of the Services with the minimum of disruption;
- 3.1.3 agree the format of the Registers with the Customer as part of the process of agreeing the Exit Plan; and
- 3.1.4 at all times keep the Registers up to date, in particular in the event that Assets, Sub-Contracts or other relevant agreements are added to or removed from the Services.
- 3.2 The Supplier shall:
  - 3.2.1 procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Services under this Call Off Contract; and
  - 3.2.2 (unless otherwise agreed by the Customer in writing) procure that all licences for Third Party IPR and all Sub-Contracts shall be assignable and/or capable of novation at the request of the Customer to the Customer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Services (or part of them) without restriction (including any need to obtain any consent or approval) or payment by the Customer.
- 3.3 Where the Supplier is unable to procure that any Sub-Contract or other agreement referred to in paragraph 3.2.2 of this Call Off Schedule 9 which the Supplier proposes to enter into after the Call Off Commencement Date is assignable and/or capable of novation to the Customer (and/or its nominee) and/or any Replacement Supplier without restriction or payment, the Supplier shall promptly notify the Customer of this and the Parties shall (acting reasonably and without undue delay) discuss the appropriate action to be taken which, where the Customer so directs, may include the Supplier seeking an alternative Sub-Contractor or provider of services to which the relevant agreement relates.
- 3.4 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Call Off Schedule 9 and provide written notification of such appointment to the other Party within three (3) Months of the Call Off Commencement Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its personnel, agents and Sub-Contractors comply with this Call Off Schedule 9. The Supplier shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the

Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Call Off Schedule 9. The Parties' Exit Manager will liaise with one another in relation to all issues relevant to the termination of this Call Off Contract and all matters connected with this Call Off Schedule 9 and each Party's compliance with it.

#### **4. OBLIGATIONS TO ASSIST ON RE-TENDERING OF SERVICES**

4.1 On reasonable notice at any point during the Call Off Contract Period, the Supplier shall provide to the Customer and/or its potential Replacement Supplier's (subject to the potential Replacement Supplier's entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Customer of any invitation to tender and/or to facilitate any potential Replacement Supplier's undertaking due diligence:

4.1.1 details of the Services;

4.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;

4.1.3 an inventory of Customer Data in the Supplier's possession or control;

4.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;

4.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Services;

4.1.6 all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Call Off Contract; and

4.1.7 such other material and information as the Customer shall reasonably require,

(together, the "**Exit Information**").

4.2 The Supplier acknowledges that the Customer may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Customer is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Customer may not under this paragraph 4.2 of this Call Off Schedule 9 disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-Contractors' prices or costs).

4.3 The Supplier shall:

4.3.1 notify the Customer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Services and shall consult with the Customer regarding such proposed material changes; and

4.3.2 provide complete updates of the Exit Information on an as requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from the Customer.

4.4 The Supplier may charge the Customer for its reasonable additional costs to the extent the Customer requests more than four (4) updates in any six (6) month period.



4.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:

4.5.1 prepare an informed offer for those Services; and

4.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

## **5. EXIT PLAN**

5.1 The Supplier shall, within three (3) Months after the Call Off Commencement Date, deliver to the Customer an Exit Plan which:

5.1.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the Services from the Supplier to the Customer and/or its Replacement Supplier on the expiry or termination of this Call Off Contract;

5.1.2 complies with the requirements set out in paragraph 5.3 of this Call Off Schedule 9;

5.1.3 is otherwise reasonably satisfactory to the Customer.

5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

5.3 Unless otherwise specified by the Customer or Approved, the Exit Plan shall set out, as a minimum:

5.3.1 how the Exit Information is obtained;

5.3.2 the management structure to be employed during both transfer and cessation of the Services;

5.3.3 the management structure to be employed during the Termination Assistance Period;

5.3.4 a detailed description of both the transfer and cessation processes, including a timetable;

5.3.5 how the Services will transfer to the Replacement Supplier and/or the Customer, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Customer's technology components from any technology components operated by the Supplier or its Sub-Contractors (where applicable);

5.3.6 details of contracts (if any) which will be available for transfer to the Customer and/or the Replacement Supplier upon the Call Off Expiry Date together with any reasonable costs required to effect such transfer (and the Supplier agrees that all assets and contracts used by the Supplier in connection with the provision of the Services will be available for such transfer);

5.3.7 proposals for the training of key members of the Replacement Suppliers personnel in connection with the continuation of the provision of the Services following the Call Off Expiry Date charged at rates agreed between the Parties at that time;

- 5.3.8 proposals for providing the Customer or a Replacement Supplier copies of all documentation:
- (a) used in the provision of the Services and necessarily required for the continued use thereof, in which the Intellectual Property Rights are owned by the Supplier; and
  - (b) relating to the use and operation of the Services;
- 5.3.9 proposals for the assignment or novation of the provision of all Services, leases, maintenance agreements and support agreements utilised by the Supplier in connection with the performance of the supply of the Services;
- 5.3.10 proposals for the identification and return of all Customer Property in the possession of and/or control of the Supplier or any third party (including any Sub-Contractor);
- 5.3.11 proposals for the disposal of any redundant Services and materials;
- 5.3.12 how each of the issues set out in this Call Off Schedule 9 will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or the Customer with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period; and
- 5.3.13 proposals for the supply of any other information or assistance reasonably required by the Customer or a Replacement Supplier in order to effect an orderly handover of the provision of the Services.

## 6. TERMINATION ASSISTANCE

- 6.1 The Customer shall be entitled to require the provision of Termination Assistance at any time during the Call Off Contract Period by giving written notice to the Supplier (a "**Termination Assistance Notice**") at least four (4) Months prior to the Call Off Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
- 6.1.1 the date from which Termination Assistance is required;
  - 6.1.2 the nature of the Termination Assistance required; and
  - 6.1.3 the period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) Months after the date that the Supplier ceases to provide the Services.
- 6.2 The Customer shall have an option to extend the Termination Assistance Period beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than six (6) Months after the date the Supplier ceases to provide the Services or, if applicable, beyond the end of the Termination Assistance Period and provided that it shall notify the Supplier to such effect no later than twenty (20) Working Days prior to the date on which the provision of Termination Assistance is otherwise due to expire. The Customer shall have the right to terminate its requirement for Termination Assistance by serving not less than (20) Working Days' written notice upon the Supplier to such effect.

## **7. TERMINATION ASSISTANCE PERIOD**

- 7.1 Throughout the Termination Assistance Period, or such shorter period as the Customer may require, the Supplier shall:
- 7.1.1 continue to provide the Services (as applicable) and, if required by the Customer pursuant to paragraph 6.1 of this Call Off Schedule 9, provide the Termination Assistance;
  - 7.1.2 in addition to providing the Services and the Termination Assistance, provide to the Customer any reasonable assistance requested by the Customer to allow the Services to continue without interruption following the termination or expiry of this Call Off Contract and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Customer and/or its Replacement Supplier;
  - 7.1.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Call Off Schedule 9 without additional costs to the Customer;
  - 7.1.4 provide the Services and the Termination Assistance at no detriment to the Service Level Performance Measures, save to the extent that the Parties agree otherwise in accordance with paragraph 7.3; and
  - 7.1.5 at the Customer's request and on reasonable notice, deliver up-to-date Registers to the Customer.
- 7.2 Without prejudice to the Supplier's obligations under paragraph 7.1.3 of this Call Off Schedule 9, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Call Off Schedule 9 without additional costs to the Customer, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Assistance or the Exit Plan shall be subject to the Variation Procedure.
- 7.3 If the Supplier demonstrates to the Customer's reasonable satisfaction that transition of the Services and provision of the Termination Assist during the Termination Assistance Period will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Service Level Performance Measures, the Parties shall vary the relevant Service Level Performance Measures and/or the applicable Service Credits to take account of such adverse effect.

## **8. TERMINATION OBLIGATIONS**

- 8.1 The Supplier shall comply with all of its obligations contained in the Exit Plan.
- 8.2 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Suppliers performance of the Services and the Termination Assistance and its compliance with the other provisions of this Call Off Schedule 9), the Supplier shall:
- 8.2.1 cease to use the Customer Data;
  - 8.2.2 provide the Customer and/or the Replacement Supplier with a complete and uncorrupted version of the Customer Data in electronic form (or such other format as reasonably required by the Customer);

- 8.2.3 erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Customer Data and promptly certify to the Customer that it has completed such deletion;
- 8.2.4 return to the Customer such of the following as is in the Supplier's possession or control:
- (a) all materials created by the Supplier under this Call Off Contract in which the IPRs are owned by the Customer;
  - (b) any equipment which belongs to the Customer;
  - (c) any items that have been on-charged to the Customer, such as consumables; and
  - (d) all Customer Property issued to the Supplier under Clause 31 of this Call Off Contract (Customer Property). Such Customer Property shall be handed back to the Customer in good working order (allowance shall be made only for reasonable wear and tear);
  - (e) any sums prepaid by the Customer in respect of Services not Delivered by the Call Off Expiry Date;
- 8.2.5 vacate any Customer Premises;
- 8.2.6 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Services and shall leave the Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier and/or any Supplier Personnel;
- 8.2.7 provide access during normal working hours to the Customer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:
- (a) such information relating to the Services as remains in the possession or control of the Supplier; and
  - (b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Customer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this paragraph.
- 8.3 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of this Call Off Schedule 9), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or termination services or for statutory compliance purposes.

- 8.4 Except where this Call Off Contract provides otherwise, all licences, leases and authorisations granted by the Customer to the Supplier in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.

## 9. ASSETS AND SUB-CONTRACTS

- 9.1 Following notice of termination of this Call Off Contract and during the Termination Assistance Period, the Supplier shall not, without the Customer's prior written consent:

- 9.1.1 terminate, enter into or vary any Sub-Contract;
- 9.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier Assets or acquire any new Supplier Assets; or
- 9.1.3 terminate, enter into or vary any licence for software in connection with the provision of Services.

- 9.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to paragraph 7.1.5 of this Call Off Schedule 9, the Customer shall provide written notice to the Supplier setting out:

- 9.2.1 which, if any, of the Transferable Assets the Customer requires to be transferred to the Customer and/or the Replacement Supplier (**"Transferring Assets"**);
- 9.2.2 which, if any, of:
  - (a) the Exclusive Assets that are not Transferable Assets; and
  - (b) the Non-Exclusive Assets,the Customer and/or the Replacement Supplier requires the continued use of; and
- 9.2.3 which, if any, of Transferable Contracts the Customer requires to be assigned or novated to the Customer and/or the Replacement Supplier (the **"Transferring Contracts"**),

in order for the Customer and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Customer and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Customer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Customer and/or its Replacement Supplier requires to provide the Services or the Replacement Services.

- 9.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Customer and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where the cost of the Transferring Asset has been partially or fully paid for through the Call Off Contract Charges at the Call Off expiry Date, in which case the Customer shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Call Off Contract Charges.
- 9.4 Risk in the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) on payment for the same.

- 9.5 Where the Supplier is notified in accordance with paragraph 9.2.2 of this Call Off Schedule 9 that the Customer and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:
- 9.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Customer) for the Customer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which
  - 9.5.2 procure a suitable alternative to such assets and the Customer or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.
- 9.6 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Customer and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Customer reasonably requires to effect this novation or assignment.
- 9.7 The Customer shall:
- 9.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and
  - 9.7.2 once a Transferring Contract is novated or assigned to the Customer and/or the Replacement Supplier, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.
- 9.8 The Supplier shall hold any Transferring Contracts on trust for the Customer until such time as the transfer of the relevant Transferring Contract to the Customer and/or the Replacement Supplier has been effected.
- 9.9 The Supplier shall indemnify the Customer (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Customer (and/or Replacement Supplier) pursuant to paragraph 9.6 of this Call Off Schedule 9 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract.

## **10. CHARGES**

- 10.1 Except as otherwise expressly specified in this Call Off Contract, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Customer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Call Off Schedule 9 including the preparation and implementation of the Exit Plan, the Termination Assistance and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

## **11. APPORTIONMENTS**

- 11.1 All outgoing and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Customer

and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:

- 11.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;
  - 11.1.2 the Customer shall be responsible for (or shall procure that the Replacement Supplier shall be responsible for) or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and
  - 11.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.
- 11.2 Each Party shall pay (and/or the Customer shall procure that the Replacement Supplier shall pay) any monies due under paragraph 11.1 of this Call Off Schedule 9 as soon as reasonably practicable.

#### **SCHEDULE 10 – LIST OF SUB CONTRACTORS**

CIPFA - THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY

MOORHOUSE CONSULTING

TECHMODAL LTD

## CALL OFF SCHEDULE 11: DISPUTE RESOLUTION PROCEDURE

### 1. DEFINITIONS

1.1 In this Call Off Schedule 11, the following definitions shall apply:

**"CEDR"** the Centre for Effective Dispute Resolution of International Dispute Resolution Centre, 70 Fleet Street, London, EC4Y 1EU;

**"Counter Notice"** has the meaning given to it in paragraph 6.2 of this Call Off Schedule 11;

**"Exception"** a deviation of project tolerances in accordance with PRINCE2 methodology in respect of this Call Off Contract or in the supply of the Services;

**"Expert"** the person appointed by the Parties in accordance with paragraph 5.2 of this Call Off Schedule 11; and

**"Mediation Notice"** has the meaning given to it in paragraph 3.2 of this Call Off Schedule 11;

**"Mediator"** the independent third party appointed in accordance with paragraph 4.2 of this Call Off Schedule 11.

### 2. INTRODUCTION

2.1 If a Dispute arises then:

2.1.1 the representative of the Customer and the Supplier Representative shall attempt in good faith to resolve the Dispute; and

2.1.2 if such attempts are not successful within a reasonable time either Party may give to the other a Dispute Notice.

2.2 The Dispute Notice shall set out:

2.2.1 the material particulars of the Dispute;

2.2.2 the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and

2.2.3 if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable as set out in paragraph 2.6 of this Call Off Schedule 11, the reason why.

2.3 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Call Off Contract regardless of the nature of the Dispute and notwithstanding the referral of the Dispute to the Dispute Resolution Procedure.

2.4 Subject to paragraph 3.2 of this Call Off Schedule 11, the Parties shall seek to resolve Disputes:

2.4.1 first by commercial negotiation (as prescribed in paragraph 3 of this Call Off Schedule 11);

2.4.2 then by mediation (as prescribed in paragraph 4 of this Call Off Schedule 11); and



- 2.4.3 lastly by recourse to arbitration (as prescribed in paragraph 6 of this Call Off Schedule 11) or litigation (in accordance with Clause 57 of this Call Off Contract (Governing Law and Jurisdiction)).
- 2.5 Specific issues shall be referred to Expert Determination (as prescribed in paragraph 5 of this Call Off Schedule 11) where specified under the provisions of this Call Off Contract and may also be referred to Expert Determination where otherwise appropriate as specified in paragraph 5 of this Call Off Schedule 11.
- 2.6 In exceptional circumstances where the use of the times in this Call Off Schedule 11 would be unreasonable, including (by way of example) where one Party would be materially disadvantaged by a delay in resolving the Dispute, the Parties may agree to use the Expedited Dispute Timetable. If the Parties are unable to reach agreement on whether to use of the Expedited Dispute Timetable within five (5) Working Days of the issue of the Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Customer.
- 2.7 If the use of the Expedited Dispute Timetable is determined in accordance with paragraph 2.5 or is otherwise specified under the provisions of this Call Off Contract, then the following periods of time shall apply in lieu of the time periods specified in the applicable paragraphs:
- 2.7.1 in paragraph 3.2.3, ten (10) Working Days;
  - 2.7.2 in paragraph 4.2, ten (10) Working Days;
  - 2.7.3 in paragraph 5.2, five (5) Working Days; and
  - 2.7.4 in paragraph 6.2, ten (10) Working Days.
- 2.8 If at any point it becomes clear that an applicable deadline cannot be met or has passed, the Parties may (but shall be under no obligation to) agree in writing to extend the deadline. Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension.

### 3. COMMERCIAL NEGOTIATIONS

- 3.1 Following the service of a Dispute Notice, the Customer and the Supplier shall use reasonable endeavours to resolve the Dispute as soon as possible, by discussion between the Customer Representative and the Supplier Representative.
- 3.2 If:
- 3.2.1 either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiations, will not result in an appropriate solution;
  - 3.2.2 the Parties have already held discussions of a nature and intent (or otherwise were conducted in the spirit) that would equate to the conduct of commercial negotiations in accordance with this paragraph 3 of this Call Off Schedule 11; or
  - 3.2.3 the Parties have not settled the Dispute in accordance with paragraph 3.1 of this Call Off Schedule 11 within thirty (30) Working Days of service of the Dispute Notice,
- either Party may serve a written notice to proceed to mediation (a “**Mediation Notice**”) in accordance with paragraph 4 of this Call Off Schedule 11.

#### **4. MEDIATION**

- 4.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with CEDR's Model Mediation Agreement which shall be deemed to be incorporated by reference into this Call Off Contract.
- 4.2 If the Parties are unable to agree on the joint appointment of a Mediator within thirty (30) Working Days from service of the Mediation Notice then either Party may apply to CEDR to nominate the Mediator.
- 4.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if the Parties so request and the Mediator agrees, the Mediator shall produce for the Parties a non-binding recommendation on terms of settlement. This shall not attempt to anticipate what a court might order but shall set out what the Mediator suggests are appropriate settlement terms in all of the circumstances.
- 4.4 Any settlement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties (in accordance with the Variation Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

#### **5. EXPERT DETERMINATION**

- 5.1 If a Dispute relates to any aspect of the technology underlying the provision of the Services or otherwise relates to a financial technical or other aspect of a technical nature (as the Parties may agree) and the Dispute has not been resolved by discussion or mediation, then either Party may request (which request will not be unreasonably withheld or delayed) by written notice to the other that the Dispute is referred to an Expert for determination.
- 5.2 The Expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within ten (10) Working Days, or if the person appointed is unable or unwilling to act, the Expert shall be appointed on the instructions of the relevant professional body.
- 5.3 The Expert shall act on the following basis:
- 5.3.1 he/she shall act as an expert and not as an arbitrator and shall act fairly and impartially;
- 5.3.2 the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;
- 5.3.3 the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within thirty (30) Working Days of his appointment or as soon as reasonably practicable thereafter and the Parties shall assist and provide the documentation that the Expert requires for the purpose of the determination;
- 5.3.4 any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within twenty (20) Working Days of the Expert's determination being notified to the Parties;
- 5.3.5 the process shall be conducted in private and shall be confidential; and
- 5.3.6 the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

## 6. ARBITRATION

- 6.1 The Customer may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of paragraph 6.4 of this Call Off Schedule 11.
- 6.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Customer of its intentions and the Customer shall have fifteen (15) Working Days following receipt of such notice to serve a reply (a “**Counter Notice**”) on the Supplier requiring the Dispute to be referred to and resolved by arbitration in accordance with paragraph 6.4 of this Call Off Schedule 11 or be subject to the jurisdiction of the courts in accordance with Clause 57 of this Call Off Contract (Governing Law and Jurisdiction). The Supplier shall not commence any court proceedings or arbitration until the expiry of such fifteen (15) Working Day period.
- 6.3 If:
- 6.3.1 the Counter Notice requires the Dispute to be referred to arbitration, the provisions of paragraph 6.4 of this Call Off Schedule 11 shall apply;
  - 6.3.2 the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts in accordance with Clause 57 of this Call Off Contract (Governing Law and Jurisdiction), the Dispute shall be so referred to the courts and the Supplier shall not commence arbitration proceedings;
  - 6.3.3 the Customer does not serve a Counter Notice within the fifteen (15) Working Days period referred to in paragraph 6.2 of this Call Off Schedule 11, the Supplier may either commence arbitration proceedings in accordance with paragraph 6.4 of this Call Off Schedule 11 or commence court proceedings in the courts in accordance with Clause 57 of this Call Off Contract (Governing Law and Jurisdiction) which shall (in those circumstances) have exclusive jurisdiction.
- 6.4 In the event that any arbitration proceedings are commenced pursuant to paragraphs 6.1 to 6.3 of this Call Off Schedule 11, the Parties hereby confirm that:
- 6.4.1 all disputes, issues or claims arising out of or in connection with this Call Off Contract (including as to its existence, validity or performance) shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration (“**LCIA**”) (subject to paragraphs 6.4.5 to 6.4.7 of this Call Off Schedule 11);
  - 6.4.2 the arbitration shall be administered by the LCIA;
  - 6.4.3 the LCIA procedural rules in force at the date that the Dispute was referred to arbitration shall be applied and are deemed to be incorporated by reference into this Call Off Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;
  - 6.4.4 if the Parties fail to agree the appointment of the arbitrator within ten (10) days from the date on which arbitration proceedings are commenced or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
  - 6.4.5 the chair of the arbitral tribunal shall be British;

- 6.4.6 the arbitration proceedings shall take place in London and in the English language; and
- 6.4.7 the seat of the arbitration shall be London.

## **7. URGENT RELIEF**

- 7.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:
  - 7.1.1 for interim or interlocutory remedies in relation to this Call Off Contract or infringement by the other Party of that Party's Intellectual Property Rights; and/or
  - 7.1.2 where compliance with paragraph 2.1 of this Call Off Schedule 11 and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

## CALL OFF SCHEDULE 12: VARIATION FORM

No of Call Off Order Form being varied:

.....

Variation Form No:

.....

BETWEEN:

[insert name of Customer] ("**the Customer**") and

[insert name of Supplier] ("**the Supplier**")

1. This Call Off Contract is varied as follows and shall take effect on the date signed by both Parties:

***[Insert details of the Variation]***

2. Words and expressions in this Variation shall have the meanings given to them in this Call Off Contract.
3. This Call Off Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.
- 4.

Signed by an authorised signatory for and on behalf of the Customer

Signature

Date .....

Name (in .....

Capitals)

Address .....

.....

Signed by an authorised signatory to sign for and on behalf of the Supplier

Signature

Date .....

Name (in .....

Capitals)

Address .....

.....

### **CALL OFF SCHEDULE 13: TRANSPARENCY REPORTS**

- 1.1 Within three (3) months from the Call Off Commencement Date or the date so specified by the Customer in the Call Off Order Form the Supplier shall provide to the Customer for Approval (the Customer's decision to approve or not shall not be unreasonably withheld or delayed) draft Transparency Reports consistent with the content and format requirements in Annex 1 below.
- 1.2 If the Customer rejects any proposed Transparency Report, the Supplier shall submit a revised version of the relevant report for further Approval by the Customer within five (5) days of receipt of any notice of rejection, taking account of any recommendations for revision and improvement to the report provided by the Customer. This process shall be repeated until the Parties have agreed versions of each Transparency Report.
- 1.3 The Supplier shall provide accurate and up-to-date versions of each Transparency Report to the Customer at the frequency referred to in Annex 1 of this Call Off Schedule 13 below.
- 1.4 Any Dispute in connection with the preparation and/or Approval of Transparency Reports shall be resolved in accordance with the Dispute Resolution Procedure.
- 1.5 The requirements in this Schedule 13 are in addition to any other reporting requirements in this Call Off Contract.

## ANNEX 1: LIST OF TRANSPARENCY REPORTS

<b>Title of Report</b>	<b>Content</b>	<b>Format</b>	<b>Frequency</b>
[Headline service performance]	[ ]	[ ]	[ ]
[Call Off Contract Charges]	[ ]	[ ]	[ ]
[Key Sub-Contractors]	[ ]	[ ]	[ ]
[Technical]	[ ]	[ ]	[ ]
[Performance management arrangements]	[ ]	[ ]	[ ]

## CALL OFF SCHEDULE 14: ALTERNATIVE AND/OR ADDITIONAL CLAUSES

### 1. INTRODUCTION

- 1.1 This Call Off Schedule 14 specifies the range of Alternative Clauses and Additional Clauses that may be requested in the Call Off Order Form and, if requested in the Call Off Order Form, shall apply to this Call Off Contract.

### 2. CLAUSES SELECTED

- 2.1 The Customer may, in the Call Off Order Form, request the following Alternative Clauses:
- 2.1.1 Scots Law (see paragraph **Error! Reference source not found.** of this Call Off Schedule 14);
  - 2.1.2 Northern Ireland Law (see paragraph **Error! Reference source not found.** of this Call Off Schedule 14);
  - 2.1.3 Non-Crown Bodies (see paragraph **Error! Reference source not found.** of this Call Off Schedule 14);
  - 2.1.4 Non-FOIA Public Bodies (see paragraph **Error! Reference source not found.** of this Call Off Schedule 14);
  - 2.1.5 Financial Limits (see paragraph **Error! Reference source not found.** of this Call Off Schedule 14).
- 2.2 The Customer may, in the Call Off Order Form, request the following Additional Clauses should apply:
- 2.2.1 Security Measures (see paragraph 4.1 of this Call Off Schedule 14);
  - 2.2.2 NOT USED;
  - 2.2.3 MOD ("Ministry of Defence") Additional or Alternative Clauses (see paragraph 5 of this Call Off Schedule 14)

### 3. IMPLEMENTATION

- 3.1 The appropriate changes have been made in this Call Off Contract to implement the Alternative and/or Additional Clauses specified in paragraph 2.1 of this Call Off Schedule 14 and the Additional Clauses specified in paragraphs 2.2 and 2.2.1 of this Call Off Schedule 14 shall be deemed to be incorporated into this Call Off Contract.

### 4. ADDITIONAL CLAUSES: GENERAL

#### 4.1 SECURITY MEASURES

- 4.1.1 The following definitions to be added to Call Off Schedule 1 (Definitions) to the Call Off Order Form and the Call Off Terms:

**"Document"** includes specifications, plans, drawings, photographs and books;

**"Secret Matter"** means any matter connected with or arising out of the performance of this Call Off Contract which has been, or may hereafter be, by a notice in writing given by the Customer to the Supplier be designated 'top secret', 'secret', or 'confidential';



"**Servant**" where the Supplier is a body corporate shall include a director of that body and any person occupying in relation to that body the position of director by whatever name called.

4.1.2 The following new Clause 58 shall apply:

**58. SECURITY MEASURES**

58.1. The Supplier shall not, either before or after the completion or termination of this Call Off Contract, do or permit to be done anything which it knows or ought reasonably to know may result in information about a secret matter being:

58.1.1. without the prior consent in writing of the Customer, disclosed to or acquired by a person who is an alien or who is a British subject by virtue only of a certificate of naturalisation in which his name was included;

58.1.2. disclosed to or acquired by a person as respects whom the Customer has given to the Supplier a notice in writing which has not been cancelled stating that the Customer requires that secret matters shall not be disclosed to that person;

58.1.3. without the prior consent in writing of the Customer, disclosed to or acquired by any person who is not a servant of the Supplier; or

58.1.4. disclosed to or acquired by a person who is an employee of the Supplier except in a case where it is necessary for the proper performance of this Call Off Contract that such person shall have the information.

58.2. Without prejudice to the provisions of Clause 58.1, the Supplier shall, both before and after the completion or termination of this Call Off Contract, take all reasonable steps to ensure:

58.2.1. no such person as is mentioned in Clauses 58.1, 58.1.1 or 58.1.2 hereof shall have access to any item or document under the control of the Supplier containing information about a secret matter except with the prior consent in writing of the Customer;

58.2.2. that no visitor to any premises in which there is any item to be supplied under this Call Off Contract or where Services are being supplied shall see or discuss with the Supplier or any person employed by him any secret matter unless the visitor is authorised in writing by the Customer so to do;

58.2.3. that no photograph of any item to be supplied under this Call Off Contract or any portions of the Services shall be taken except insofar as may be necessary for the proper performance of this Call Off Contract or with the prior consent in writing of the Customer, and that no such

photograph shall, without such consent, be published or otherwise circulated;

58.2.4. that all information about any secret matter and every document model or other item which contains or may reveal any such information is at all times strictly safeguarded, and that, except insofar as may be necessary for the proper performance of this Call Off Contract or with the prior consent in writing of the Customer, no copies of or extracts from any such document, model or item shall be made or used and no designation of description which may reveal information about the nature or contents of any such document, model or item shall be placed thereon; and

58.2.5. that if the Customer gives notice in writing to the Supplier at any time requiring the delivery to the Customer of any such document, model or item as is mentioned in Clause 58.2.3, that document, model or item (including all copies of or extracts therefrom) shall forthwith be delivered to the Customer who shall be deemed to be the owner thereof and accordingly entitled to retain the same.

58.3. The decision of the Customer on the question whether the Supplier has taken or is taking all reasonable steps as required by the foregoing provisions of Clause 58 shall be final and conclusive.

58.4. If and when directed by the Customer, the Supplier shall furnish full particulars of all people who are at any time concerned with any secret matter.

58.5. If and when directed by the Customer, the Supplier shall secure that any person employed by it who is specified in the direction, or is one of a class of people who may be so specified, shall sign a statement that he understands that the Official Secrets Act, 1911 to 1989 and, where applicable, the Atomic Energy Act 1946, apply to the person signing the statement both during the carrying out and after expiry or termination of a Call Off Contract.

58.6. If, at any time either before or after the expiry or termination of this Call Off Contract, it comes to the notice of the Supplier that any person acting without lawful authority is seeking or has sought to obtain information concerning this Call Off Contract or anything done or to be done in pursuance thereof, the matter shall be forthwith reported by the Supplier to the Customer and the report shall, in each case, be accompanied by a statement of the facts, including, if possible, the name, address and occupation of that person, and the Supplier shall be responsible for making all such arrangements as it may consider appropriate to ensure that if any such occurrence comes to the knowledge of any person employed by it, that person shall forthwith report the matter to the Supplier with a statement of the facts as aforesaid.

- 58.7. The Supplier shall place every person employed by it, other than a Sub-Contractor, who in its opinion has or will have such knowledge of any secret matter as to appreciate its significance, under a duty to the Supplier to observe the same obligations in relation to that matter as are imposed on the Supplier by Clauses 58.1 and 58.2 and shall, if directed by the Customer, place every person who is specified in the direction or is one of a class of people so specified, under the like duty in relation to any secret matter which may be specified in the direction, and shall at all times use its best endeavours to ensure that every person upon whom obligations are imposed by virtue of Clause 58 observes the said obligations, and the Supplier shall give such instructions and information to every such person as may be necessary for that purpose, and shall, immediately upon becoming aware of any act or omission which is or would be a breach of the said obligations, report the facts to the Supplier with all necessary particulars.
- 58.8. The Supplier shall, if directed by the Customer, include in the SubContract provisions in such terms as the Customer may consider appropriate for placing the Sub-Contractor under obligations in relation to secrecy and security corresponding to those placed on the Supplier by Clause 58, but with such variations (if any) as the Customer may consider necessary. Further the Supplier shall:
- 58.8.1. give such notices, directions, requirements and decisions to its Sub-Contractors as may be necessary to bring the provisions relating to secrecy and security which are included in Sub-Contracts under Clause 58 into operation in such cases and to such extent as the Customer may direct;
  - 58.8.2. if there comes to its notice any breach by the SubContractor of the obligations of secrecy and security included in their Sub-Contracts in pursuance of Clause 58, notify such breach forthwith to the Customer; and
  - 58.8.3. if and when so required by the Customer, exercise its power to determine the Sub-Contract under the provision in that Sub-Contract which corresponds to Clause 58.11.
- 58.9. The Supplier shall give the Customer such information and particulars as the Customer may from time to time require for the purposes of satisfying the Customer that the obligations imposed by or under the foregoing provisions of Clause 58 have been and are being observed and as to what the Supplier has done or is doing or proposes to do to secure the observance of those obligations and to prevent any breach thereof, and the Supplier shall secure that a representative of the Customer duly authorised in writing shall be entitled at reasonable times to enter and inspect any premises in which anything is being done or is to be done under this Call Off Contract or in which there is or will be any item to be supplied under this Call Off Contract, and also to inspect any

document or item in any such premises or which is being made or used for the purposes of this Call Off Contract and that any such representative shall be given all such information as he may require on the occasion of, or arising out of, any such inspection.

58.10. Nothing in Clause 58 shall prevent any person from giving any information or doing anything on any occasion when it is, by virtue of any enactment, the duty of that person to give that information or do that thing.

58.11. If the Customer shall consider that any of the following events has occurred:

58.11.1. that the Supplier has committed a breach of, or failed to comply with any of, the foregoing provisions of Clause 58;  
or

58.11.2. that the Supplier has committed a breach of any obligations in relation to secrecy or security imposed upon it by any other contract with the Customer, or with any department or person acting on behalf of the Crown;  
or

58.11.3. that by reason of an act or omission on the part of the Supplier, or of a person employed by the Supplier, which does not constitute such a breach or failure as is mentioned in 58.11.2, information about a secret matter has been or is likely to be acquired by a person who, in the opinion of the Customer, ought not to have such information;

and shall also decide that the interests of the State require the termination of this Call Off Contract, the Customer may by notice in writing terminate this Call Off Contract forthwith.

58.12. A decision of the Customer to terminate this Call Off Contract in accordance with the provisions of Clause 58.11 shall be final and conclusive and it shall not be necessary for any notice of such termination to specify or refer in any way to the event or considerations upon which the Customer's decision is based.

58.13. Suppliers notice

58.13.1. The Supplier may within five (5) Working Days of the termination of this Call Off Contract in accordance with the provisions of Clause 58.11, give the Customer notice in writing requesting the Customer to state whether the event upon which the Customer's decision to terminate was based is an event mentioned in Clauses 58.11, 58.11.1 or 58.11.2 and to give particulars of that event; and

58.13.2. the Customer shall within ten (10) Working Days of the receipt of such a request give notice in writing to the

Supplier containing such a statement and particulars as are required by the request.

58.14. Matters pursuant to termination

58.14.1. The termination of this Call Off Contract pursuant to Clause 58.11 shall be without prejudice to any rights of either party which shall have accrued before the date of such termination;

58.14.2. The Supplier shall be entitled to be paid for any work or thing done under this Call Off Contract and accepted but not paid for by the Customer at the date of such termination either at the price which would have been payable under this Call Off Contract if this Call Off Contract had not been terminated, or at a reasonable price;

58.14.3. The Customer may take over any work or thing done or made under this Call Off Contract (whether completed or not) and not accepted at the date of such termination which the Customer may by notice in writing to the Supplier given within thirty (30) Working Days from the time when the provisions of Clause 58 shall have effect, elect to take over, and the Supplier shall be entitled to be paid for any work or thing so taken over a price which, having regard to the stage which that work or thing has reached and its condition at the time it is taken over, is reasonable. The Supplier shall in accordance with directions given by the Customer, deliver any work or thing taken over under this Clause, and take all such other steps as may be reasonably necessary to enable the Customer to have the full benefit of any work or thing taken over under this Clause; and

58.14.4. Save as aforesaid, the Supplier shall not be entitled to any payment from the Customer after the termination of this Call Off Contract

58.15. If, after notice of termination of this Call Off Contract pursuant to the provisions of 58.11:

58.15.1. the Customer shall not within ten (10) Working Days of the receipt of a request from the Supplier, furnish such a statement and particulars as are detailed in Clause 58.13.1; or

58.15.2. the Customer shall state in the statement and particulars detailed in Clause 58.13.2. that the event upon which the Customer's decision to terminate this Call Off Contract was based is an event mentioned in Clause 58.11.3,

the respective rights and obligations of the Supplier and the Customer shall be terminated in accordance with the following provisions:

- 58.15.3. the Customer shall take over from the Supplier at a fair and reasonable price all unused and undamaged materials, bought-out parts and components and articles in course of manufacture in the possession of the Supplier upon the termination of this Call Off Contract under the provisions of Clause 58.11 and properly provided by or supplied to the Supplier for the performance of this Call Off Contract, except such materials, bought-out parts and components and articles in course of manufacture as the Supplier shall, with the concurrence of the Customer, elect to retain;
- 58.15.4. the Supplier shall prepare and deliver to the Customer within an agreed period or in default of agreement within such period as the Customer may specify, a list of all such unused and undamaged materials, bought-out parts and components and articles in course of manufacture liable to be taken over by or previously belonging to the Customer and shall deliver such materials and items in accordance with the directions of the Customer who shall pay to the Supplier fair and reasonable handling and delivery charges incurred in complying with such directions;
- 58.15.5. the Customer shall indemnify the Supplier against any commitments, liabilities or expenditure which are reasonably and properly chargeable by the Supplier in connection with this Call Off Contract to the extent to which the said commitments, liabilities or expenditure would otherwise represent an unavoidable loss by the Supplier by reason of the termination of this Call Off Contract;
- 58.15.6. if hardship to the Supplier should arise from the operation of Clause 58.15 it shall be open to the Supplier to refer the circumstances to the Customer who, on being satisfied that such hardship exists shall make such allowance, if any, as in its opinion is reasonable and the decision of the Customer on any matter arising out of this Clause 58.15 shall be final and conclusive; and
- subject to the operation of Clauses 58.15.3, 58.15.4, 58.15.5 and 58.15.6 termination of this Call Off Contract shall be without prejudice to any rights of either party that may have accrued before the date of such termination.

## 5. MOD ADDITIONAL CLAUSES

- 5.1 The definition of Call Off Contract in Schedule 1 (Definitions) to the Call Off Terms shall be replaced with the following:
- 5.1.1 **"Call Off Contract"** means this written agreement between the Customer and the Supplier consisting of the Call Off Order Form and the Call Off Terms and the MoD Terms and Conditions.

- 5.2 The following definitions shall be inserted into in Schedule 1 (Definitions) to the Call Off Terms:
- 5.3 **"MoD Terms and Conditions"** means the contractual terms and conditions listed in Schedule [...] which form part of the Call Off Terms:
- 5.3.1 **"Site"** shall include any of Her Majesty's Ships or Vessels and Service Stations.
- 5.3.2 **"Officer in charge"** shall include Officers Commanding Service Stations, Ships' Masters or Senior Officers, and Officers superintending Government Establishments.
- 5.4 The following clauses shall be inserted into Clause 2 of this Call Off Contract (Due Diligence):
- 5.5 The Supplier confirms that it has had the opportunity to review the MoD Terms and Conditions and has raised all due diligence questions in relation to those documents with the Customer prior to the Commencement Date.
- 5.5.1 Where required by the Customer, the Supplier shall take such actions as are necessary to ensure that the MoD Terms and Conditions constitute legal, valid, binding and enforceable obligations on the Supplier.
- 5.6 The following new Clause [60] shall apply:

## 6. ACCESS TO MOD SITES

- 6.1 In this Clause 60:
- 6.1.1 The Customer shall issue passes for those representatives of the Supplier who are approved for admission to the Site and a representative shall not be admitted unless in possession of such a pass. Passes shall remain the property of the Customer and shall be surrendered on demand or on completion of the supply of the Services.
- 6.1.2 The Suppliers representatives when employed within the boundaries of a Site, shall comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force for the time being for the conduct of personnel at that Site. When on board ship, compliance shall be with the Ship's Regulations as interpreted by the Officer in charge. Details of such rules, regulations and requirements shall be provided, on request, by the Officer in charge.
- 6.1.3 The Supplier shall be responsible for the living accommodation and maintenance of its representatives while they are employed at a Site. Sleeping accommodation and messing facilities, if required, may be provided by the Customer wherever possible, at the discretion of the Officer in charge, at a cost fixed in accordance with current Ministry of Defence regulations. At Sites overseas, accommodation and messing facilities, if required, shall be provided wherever possible. The status to be accorded to the Suppliers personnel for messing purposes shall be at the discretion of the Officer in charge who shall, wherever possible give his decision before the commencement of this Call Off Contract where so asked by the Supplier. When sleeping accommodation and messing facilities are not available, a certificate to this effect may be required by the Customer and shall be obtained by the Supplier from the Officer in charge. Such certificate shall be presented to the Customer with other evidence relating to the costs of this Call Off Contract.

6.1.4 Where the Suppliers representatives are required by this Call Off Contract to join or visit a Site overseas, transport between the United Kingdom and the place of duty (but excluding transport within the United Kingdom) shall be provided for them free of charge by the Ministry of Defence whenever possible, normally by Royal Air Force or by MOD

chartered aircraft. The Supplier shall make such arrangements through the Technical Branch named for this purpose in this Call Off Contract. When such transport is not available within a reasonable time, or in circumstances where the Supplier wishes its representatives to accompany material for installation which it is to arrange to be delivered, the Supplier shall make its own transport arrangements. The Customer shall reimburse the Suppliers reasonable costs for such transport of its representatives on presentation of evidence supporting the use of alternative transport and of the costs involved. Transport of the Suppliers representatives locally overseas which is necessary for the purpose of this Call Off Contract shall be provided wherever possible by the Ministry of Defence, or by the Officer in charge and, where so provided, shall be free of charge.

6.1.5 Out-patient medical treatment given to the Suppliers representatives by a Service Medical Officer or other Government Medical Officer at a Site overseas shall be free of charge. Treatment in a Service hospital or medical centre, dental treatment, the provision of dentures or spectacles, conveyance to and from a hospital, medical centre or surgery not within the Site and transportation of the Suppliers representatives back to the United Kingdom, or elsewhere, for medical reasons, shall be charged to the Supplier at rates fixed in accordance with current Ministry of Defence regulations.

6.1.6 Accidents to the Suppliers representatives which ordinarily require to be reported in accordance with Health and Safety at Work etc Act 1974, shall be reported to the Officer in charge so that the Inspector of Factories may be informed.

6.1.7 No assistance from public funds, and no messing facilities, accommodation or transport overseas shall be provided for dependants or members of the families of the Suppliers representatives. Medical or necessary dental treatment may, however, be provided for dependants or members of families on repayment at current Ministry of Defence rates.

6.1.8 The Supplier shall, wherever possible, arrange for funds to be provided to its representatives overseas through normal banking channels (e.g. by travellers' cheques). If banking or other suitable facilities are not available, the Customer shall, upon request by the Supplier and subject to any limitation required by the Supplier, make arrangements for payments, converted at the prevailing rate of exchange (where applicable), to be made at the Site to which the Suppliers representatives are attached. All such advances made by the Customer shall be recovered from the Supplier.

**6.2** The following new Call Off Schedule 16 shall apply:



## CALL OFF SCHEDULE 16: MOD DEFCONS AND DEFFORMS

**The following MOD DEFCONS and DEFFORMs form part of this Call Off Contract:**

<b>Condition Title</b>	<b>Description</b>
DEFCON 5J (Edn 18/11/16)	Unique Identifiers
DEFCON 35	Progress Payments
DEFCON 76	Contractors Personnel at Government Establishments
DEFCON129J (Edn 18/11/16)	The Use of The Electronic Business Delivery Form
DEFCON 501	Definitions and Interpretations
DEFCON 502	Specifications Changes
DEFCON 503	Formal Amendments to Contract
DEFCON 522 (Edn 18/11/16)	Payment and Recovery of Sums Due
DEFCON 531	Disclosure of Information
DEFCON 534 (Edn 18/11/16)	Subcontracting and Prompt Payment
DEFCON 550	Child Labour and Employment Law
DEFCON 602B	Quality Assurance (without Quality Plan)
DEFCON 647	Financial Management Information
DEFCON 659A	Security Measures
DEFCON 660	Official Sensitive Security Requirements (Security Aspects Letter – attached Schedule 16 Annex 1)
DEFCON 703	Intellectual Property Rights - Vesting in the Authority
DEFFORM 94	Confidentiality Agreement
DEFFORM 111	Annex – Addresses and Other Information
AQAP 2120	NATO Quality Assurance requirements for Production

**Copies of all DEFCONS are available at [ww.aof.mod.uk](http://ww.aof.mod.uk)**

OFFICIAL

**CALL OFF SCHEDULE 16: MOD DEFCONS AND DEFFORMS – ANNEX 1**  
**SECURITY ASPECTS LETTER (SAL)**



Army Continuous Adaptation,  
Army Headquarters, Blenheim Bldg,  
Marlborough Lines, Monxton Road,  
Andover, Hants SP11 8HJ  
Phone: 01264 887591  
E-mail: ArmyReform-Adapt-SO1-B@mod.uk

Our Ref:

Date:

[Address Line 1  
Address Line 2  
Address Line 3  
Address Line 4]

(Attention: )

Dear Sir/Madam,

**3. [Ref]- PERSONNEL SUPPORT and TRANSFORMATION PROGRAMME**

1. On behalf of the Secretary of State for Defence, I hereby give you notice that all aspects of the work under the above contract are classified as OFFICIAL and the aspects defined in Annex A are specifically caveated as OFFICIAL-SENSITIVE for the purpose of DEFCON 660.

2. If any security incident occurs to classified information related to this contract the details of the incident shall be immediately reported in accordance with paragraphs 25 & 26 of the Security Condition referred to below.

4. Information about this contract must not be published or communicated to anyone except where necessary for the execution of the contract without the approval of the Authority

5. Your attention is drawn to the requirements of the "Security Conditions" DEFCONs 531 and 659A, and the provisions of the Official Secrets Acts 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 the contract have notice of the above

specified aspects and that the aforementioned statutory provisions apply to them and will continue so to apply after the completion or earlier determination of the contract.

6. Any access to classified information on MoD premises that may be needed will be in accordance with MoD security regulations under the direction of the MoD Project Officer.

7. The enclosed Security Condition, outlines the minimum measures required to safeguard OFFICIAL and OFFICIAL-SENSITIVE information and is provided to enable you to provide the required degree of protection.

8. Please confirm in writing the requirements of this Security Aspects Letter and the UK Security Conditions are understood and will be complied with.

Yours faithfully

{Signed}

Copy to:

MA DAR, Army HQ  
DBR-DefSy-STInd (MULTIUSER)

## ***OFFICIAL and OFFICIAL- SENSITIVE Security Condition for UK Contracts***

### **Definitions**

1. The term "Authority" 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 marked OFFICIAL-SENSITIVE. The Authority shall issue a Security Aspects Letter which shall define 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. 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.

6. 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.

7. 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.

8. 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 30.

9. All OFFICIAL and OFFICIAL-SENSITIVE information the Contractor receives from the Authority shall be managed and stored in accordance with the terms of the contract, the procedures set-out in this SAL, DEFCON 531 (Edn 11/14) 'Disclosure of Information' and DEFCON 659A (Edn 11/14) 'Security Measures'.

### **Access**

10. Access to OFFICIAL and OFFICIAL-SENSITIVE information shall be confined to those individuals who have a "need-to-know" and, as a minimum, hold Baseline Personal Security Standard (BPSS) clearance, and 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 indicate 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 CPA scheme are available at:

<http://www.cesg.gov.uk/servicecatalogue/Product-Assurance/Pages/ProductAssurance.aspx>.

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. UK 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 with (or within) earshot of unauthorised persons.

17. UK 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. 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.

20. 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,
- (h) 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.

g. Integrity & Availability. The following supporting measures shall be implemented:

- (1) Provide general protection against normally foreseeable accidents/mishaps and known recurrent problems (e.g. viruses and 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,

h. 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”



- i. 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.
- j. 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) which is acceptable to the Authority's Principal Security Advisor.
- k. 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**

- 21. 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 13 above.
- 22. Unencrypted laptops not on a secure site<sup>3</sup> 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.
- 23. 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.
- 24. 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**

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

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<sup>3</sup> 3 Secure Sites are defined as either Government premises or a secured office on the contractor premises

26. 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/ISN2014\\_02\\_Incident\\_Reporting.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/293480/ISN2014_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.

#### JSyCCWARP Contact Details

Email: For those with access to the RLI: CIO-DSAS-JSyCCOperations

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

Telephone: Working Hours: 030 677 021 187

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**

27. 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 form 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 Authority shall provide the Contractor with the security conditions that shall be incorporated within the Sub-contract document.

#### **Publicity Material**

28. 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**

29. 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 to DBR- DefSy(S&T/Ind) for PV Security Grading in accordance with the requirement detailed at: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/300050/pv\\_grading\\_flyer\\_apr14.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300050/pv_grading_flyer_apr14.pdf).

### **Promotions and Potential Export Sales**

30. 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**

31. As soon as no longer required or as determine by the Authority (see Annex A), 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**

32. Advice regarding the interpretation of the above requirements should be sought from the Authority.

33. 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**

34. 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.

### **DEFCONS**

35. The following DEFCONS shall apply:

1. DEFCON 531 (Edn 11/14) Disclosure of Information'
2. DEFCON 659A (Edn 11/14) Security Measures

**Copies of all DEFCONS are available at [www.aof.mod.uk](http://www.aof.mod.uk)**

Security Aspects Letter [Ref]

OFFICIAL SENSITIVE Security Aspects (Lines of Enquiry)

Name	UK Protective Marking	Security Descriptors	Destruction Date	Notes

