



Ministry
of Defence

Contract

702791450 –

UPGRADE AND SUPPORT OF SRS FUSION REMOTELY OPERATED VEHICLES

**17 February 2022 to 31 March 2022
with optional extensions to 31 March 2024**

**Between the Secretary of State for Defence of
the United Kingdom of Great Britain and
Northern Ireland**

And

Strategic Robotic Systems

Team Name and Address:
Navy Commercial
4 Deck, NCHQ
Leach Building
Whale Island
Portsmouth
PO2 8BY

Contractor Address:

14842 NE 95th Street
Redmond
WA 98052
USA

As at Contract Commencement

SC1B (Edn 02/22)

1 Definitions - In the Contract:

The Authority means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, (referred to in this document as "the Authority"), acting as part of the Crown;

Business Day means 09:00 to 17:00 Monday to Friday, excluding public and statutory holidays;

Contract means the agreement concluded between the Authority and the Contractor, including all terms and conditions, , specifications, plans, drawings, schedules and other documentation, expressly made part of the agreement in accordance with Clause 2.c;

Contractor means the person, firm or company specified as such in the Contract. Where the Contractor is an individual or a partnership, the expression shall include the personal representatives of the individual or of the partners, as the case may be;

Contractor Deliverables means the goods and / or services including packaging (and supplied in accordance with any QA requirements if specified) which the Contractor is required to provide under the Contract in accordance with the schedule of requirements.

Effective Date of Contract means the date stated on the Contract or, if there is no such date stated, the date upon which both Parties have signed the Contract;

Firm Price means a price excluding Value Added Tax (VAT) which is not subject to variation;

Government Furnished Assets (GFA) is a generic term for any MOD asset such as equipment, information or resources issued or made available to the Contractor in connection with the Contract by or on behalf of the Authority;

Hazardous Contractor Deliverable means a Contractor Deliverable or a component of a Contractor Deliverable that is itself a hazardous material or substance or that may in the course of its use, maintenance, disposal, or in the event of an accident, release one or more hazardous materials or substances and each material or substance that may be so released;

Issued Property means any item of Government Furnished Assets (GFA), including any materiel issued or otherwise furnished to the Contractor in connection with the Contract by or on behalf of the Authority;

Legislation means in relation to the United Kingdom any Act of Parliament, any subordinate legislation within the meaning of section 21 of the Interpretation Act 1978, any exercise of Royal Prerogative or any enforceable community right within the meaning of Section 2 of the European Communities Act 1972.

Notices means all notices, orders, or other forms of communication required to be given in writing under or in connection with the Contract;

Parties means the Contractor and the Authority, and Party shall be construed accordingly;

Sensitive Information means the information listed as such in Schedule 4, being information notified by the Contractor to the Authority, which is acknowledged by the Authority as being sensitive, at the point at which the Contract is entered into or amended (as relevant) and remains sensitive information at the time of publication;

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

2 General

- a. The Contractor shall comply with all applicable Legislation, whether specifically referenced in this Contract or not.
- b. Any variation to the Contract shall have no effect unless expressly agreed in writing and signed by both Parties.
- c. If there is any inconsistency between these terms and conditions and the associated documents expressly referred to

therein, the conflict shall be resolved according to the following descending order of priority:

- (1) the terms and conditions;
- (2) the schedules; and
- (3) the documents expressly referred to in the agreement.

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

e. Failure or delay by either Party in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of its rights or remedies. No waiver in respect of any right or remedy shall operate as a waiver in respect of any other right or remedy.

f. The Parties to the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a Party to it.

g. The Contract and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English Law, and subject to Clause 15 and without prejudice to the dispute resolution procedure set out therein, the Parties submit to the exclusive jurisdiction of the English courts. Other jurisdictions may apply solely for the purpose of giving effect to this Clause 2.g and for enforcement of any judgement, order or award given under English jurisdiction.

3 Application of Conditions

a. These terms and conditions, schedules and the specification govern the Contract to the entire exclusion of all other terms and conditions. No other terms or conditions are implied.

b. The Contract constitutes the entire agreement and understanding and supersedes any previous agreement between the Parties relating to the subject matter of the Contract.

4 Disclosure of Information

Information received or in connection with the Contract shall be managed in accordance with DEFCON 531 (SC1) and Clause 5.

5 Transparency

a. Notwithstanding an other condition of this Contract, including 531 (SC1), the Contractor understands that the Authority may publish the Transparency Information to the general public. . b. Subject to Clause 5.c, the Authority shall publish and maintain an up-to-date version of the Transparency Information in a format readily accessible and reusable by the general public under an open licence where applicable.

c. If, in the Authority's reasonable opinion, publication of any element of the Transparency Information would be contrary to the public interest, the Authority shall be entitled to exclude such information from publication. The Authority acknowledges that it would expect the public interest by default to be best served by publication of the Transparency Information in its entirety. Accordingly, the Authority acknowledges that it shall only exclude Transparency Information from publication in exceptional circumstances and agrees that where it decides to exclude information from publication on that basis, it will provide a clear statement to the general public explaining the categories of information that have been excluded from publication and reasons for withholding that information.

c. The Contractor shall assist and co-operate with the Authority as reasonably required to enable the Authority to publish the Transparency Information, in accordance with the principles set out above. Where the Authority publishes Transparency Information, it shall:

- (1) before publishing redact any information that would be exempt from disclosure if it was the subject of a request for information under the FOIA and/or the EIR , for the avoidance of doubt, including the Sensitive Information.
- (2) taking into account the Sensitive Information set out in Schedule 4, consult with the Contractor where the Authority intends to publish information which has been identified as Sensitive Information. For the avoidance of doubt the Authority, acting reasonably, shall have absolute discretion to decide what information shall be published or be exempt

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from disclosure in accordance with the FOIA and/or the EIR; and

(3) present information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how this Contract is being performed.

6 Notices

a. A Notice served under the Contract shall be:

- (1) in writing in the English language;
- (2) authenticated by signature or such other method as may be agreed between the Parties;
- (3) sent for the attention of the other Party's representative, and to the address set out in the Contract;
- (4) marked with the number of the Contract; and
- (5) delivered by hand, prepaid post (or airmail), facsimile transmission or, if agreed in the Contract, by electronic mail.

b. Notices shall be deemed to have been received:

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

7 Intellectual Property

a. The Contractor shall as its sole liability keep the Authority fully indemnified against an infringement or alleged infringement of any intellectual property rights or a claim for Crown use of a UK patent or registered design caused by the use, manufacture or supply of the Contractor Deliverables.

b. The Authority shall promptly notify the Contractor of any infringement claim made against it relating to any Contractor Deliverable and, subject to any statutory obligation requiring the Authority to respond, shall permit the Contractor to have the right, at its sole discretion to assume, defend, settle or otherwise dispose of such claim. The Authority shall give the Contractor such assistance as it may reasonably require to dispose of the claim and will not make any statement which might be prejudicial to the settlement or defence of the claim.

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

8 Supply of Contractor Deliverables and Quality Assurance

a. This Contract comes into effect on the Effective Date of Contract.

b. The Contractor shall supply the Contractor Deliverables to the Authority at the Firm Price stated in the Contract.

c. The Contractor shall ensure that the Contractor Deliverables:

- (1) correspond with the specification;
- (2) are of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) except that fitness for purpose shall be limited to the goods being fit for the particular purpose held out expressly by or made known expressly to the Contractor and in this respect the

Authority relies on the Contractor's skill and judgement; and

(3) comply with any applicable Quality Assurance Requirements specified in the Contract.

d. The Contractor shall apply for and obtain any licences required to import any material required for the performance of the Contract in the UK. The Authority shall provide to the Contractor reasonable assistance with regard to any relevant defence or security matter arising in the application for any such licence.

9 Supply of Data for Hazardous Contractor Deliverables

a. The Contractor shall establish if the Contractor Deliverables are, or contain, Dangerous Goods as defined in the Regulations set out in this Clause 9. Any that do shall be packaged for UK or worldwide shipment by all modes of transport in accordance with the following unless otherwise specified in the Contract.:

- (1) the Technical Instructions for the Safe Transport of Dangerous Goods by Air (ICAO), IATA Dangerous Goods Regulations;
- (2) the International Maritime Dangerous Goods (IMDG) Code;
- (3) the Regulations Concerning the International Carriage of Dangerous Goods by Rail (RID); and
- (4) the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR).

b. Certification markings, incorporating the UN logo, the package code and other prescribed information indicating that the package corresponds to the successfully designed type shall be marked on the packaging in accordance with the relevant regulation.

c. As soon as possible and in any event within the period specified in the Contract (or if no such period is specified no later than one month prior to the delivery date), the Contractor shall provide to the Authority's representatives in the manner and format prescribed in the Contract:

- (1) confirmation as to whether or not to the best of its knowledge any of the Contractor Deliverables are Hazardous Contractor Deliverables; and
- (2) for each Hazardous Contractor Deliverable, a Safety Data Sheet containing the data set out at Clause 9.d, which shall be updated by the Contractor during the period of the Contract if it becomes aware of any new relevant data.

d. Safety Data Sheets if required under Clause 9.c shall be provided in accordance with the extant UK REACH Regulation and any additional information required by the Health and Safety at Work etc. Act 1974 and shall contain:

- (1) information required by the Classification, Labelling and Packaging (GB CLP) Regulation or any replacement thereof; and
- (2) where the Hazardous Contractor Deliverable is, contains or embodies a radioactive substance as defined in the extant Ionising Radiation Regulations, details of the activity, substance and form (including any isotope); and
- (3) where the Hazardous Contractor Deliverable has magnetic properties, details of the magnetic flux density at a defined distance, for the condition in which it is packed.

e. The Contractor shall retain its own copies of the Safety Data Sheets provided to the Authority in accordance with Clause 9.d for 4 years after the end of the Contract and shall make them available to the Authority's representatives on request.

f. Nothing in this Clause 9 reduces or limits any statutory or legal obligation of the Authority or the Contractor.

g. Where delivery is made to the Defence Fulfilment Centre (DFC) and / or other Team Leidos location / building, the Contractor must comply with the Logistic Commodities and Services Transformation (LCST) Supplier Manual.

10 Delivery / Collection

a. The Contract shall specify whether the Contractor Deliverables are to be delivered to the consignee by the Contractor or collected from the consignor by the Authority.

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- b. Title and risk in the Contractor Deliverables shall pass from the Contractor to the Authority on delivery or on collection in accordance with Clause 10.a.
- c. The Authority shall be deemed to have accepted the Contractor Deliverables within a reasonable time after title and risk has passed to the Authority unless it has rejected the Contractor Deliverables within the same period.

11 Marking of Contractor Deliverables

- a. Each Contractor Deliverable shall be marked in accordance with the requirements specified in Contract, or if no such requirement is specified, the Contractor shall mark each Contractor Deliverable clearly and indelibly in accordance with the requirements of the relevant DEF-STAN 05-132 as specified in the contract or specification. In the absence of such requirements, the Contractor Deliverables shall be marked with the MOD stock reference, NATO Stock Number (NSN) or alternative reference number specified in the schedule of requirements.
- b. Any marking method used shall not have a detrimental effect on the strength, serviceability or corrosion resistance of the Contractor Deliverables.
- c. The marking shall include any serial numbers allocated to the Contractor Deliverable.
- d. Where because of its size or nature it is not possible to mark a Contractor Deliverable with the required particulars, the required information should be included on the package or carton in which the Contractor Deliverable is packed, in accordance with condition 12 (Packaging and Labelling (excluding Contractor Deliverables containing Ammunition or Explosives)).

12 Packaging and Labelling of Contractor Deliverables (Excluding Contractor Deliverables Containing Ammunition or Explosives)

The Contractor shall pack or have packed the Contractor Deliverables in accordance with any requirements specified in the Contract and Def Stan 81-041 (Part 1 and Part 6).

13 Progress Monitoring, Meetings and Reports

The Contractor shall attend progress meetings and deliver reports at the frequency or times (if any) specified in the Contract and shall ensure that its Contractor's representatives are suitably qualified to attend such meetings. Any additional meetings reasonably required shall be at no cost to the Authority.

14 Payment

- a. Payment for Contractor Deliverables will be made by electronic transfer and prior to submitting any claims for payment under clause 14b the Contractor will be required to register their details (Supplier on-boarding) on the Contracting, Purchasing and Finance (CP&F) electronic procurement tool.
- b. Where the Contractor submits an invoice to the Authority in accordance with clause 14a, the Authority will consider and verify that invoice in a timely fashion.
- c. The Authority shall pay the Contractor any sums due under such an invoice no later than a period of 30 days from the date on which the Authority has determined that the invoice is valid and undisputed.
- d. Where the Authority fails to comply with clause 14b and there is undue delay in considering and verifying the invoice, the invoice shall be regarded as valid and undisputed for the purpose of clause 14c after a reasonable time has passed.
- e. The approval for payment of a valid and undisputed invoice by the Authority shall not be construed as acceptance by the Authority of the performance of the Contractor's obligations nor as a waiver of its rights and remedies under this Contract.
- f. Without prejudice to any other right or remedy, the Authority reserves the right to set off any amount owing at any time from the Contractor to the Authority against any amount payable by the Authority to the Contractor under the Contract or under any other contract with the Authority, or with any other Government Department.

15 Dispute Resolution

- a. The Parties will attempt in good faith to resolve any dispute or claim arising out of or relating to the Contract through negotiations between the respective representatives of the Parties having authority to settle the matter, which attempts may include the use of any alternative dispute resolution procedure on which the Parties may agree.
- b. In the event that the dispute or claim is not resolved pursuant to Clause 15.a the dispute shall be referred to arbitration and shall be governed by the Arbitration Act 1996. For the purposes of the arbitration, the arbitrator shall have the power to make provisional awards pursuant to Section 39 of the Arbitration Act 1996.
- c. For the avoidance of doubt it is agreed between the Parties that the arbitration process and anything said, done or produced in or in relation to the arbitration process (including any awards) shall be confidential as between the Parties, except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise. No report relating to anything said, done or produced in or in relation to the arbitration process may be made beyond the tribunal, the Parties, their legal representatives and any person necessary to the conduct of the proceedings, without the concurrence of all the Parties to the arbitration.

16 Termination for Corrupt Gifts

The Authority may terminate the Contract with immediate effect, without compensation, by giving written notice to the Contractor at any time after any of the following events:

- a. where the Authority becomes aware that the Contractor, its employees, agents or any sub-contractor (or anyone acting on its behalf or any of its or their employees):
 - (1) has offered, promised or given to any Crown servant any gift or financial or other advantage of any kind as an inducement or reward;
 - (2) commits or has committed any prohibited act or any offence under the Bribery Act 2010 with or without the knowledge or authority of the Contractor in relation to this Contract or any other contract with the Crown;
 - (3) has entered into this or any other contract with the Crown in connection with which commission has been paid or has been agreed to be paid by it or on its behalf, or to its knowledge, unless before the contract is made particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the Authority.
- b. In exercising its rights or remedies to terminate the Contract under Clause 16.a. the Authority shall:
 - (1) act in a reasonable and proportionate manner having regard to such matters as the gravity of, and the identity of the person committing the prohibited act;
 - (2) give due consideration, where appropriate, to action other than termination of the Contract, including (without being limited to):
 - (a) requiring the Contractor to procure the termination of a subcontract where the prohibited act is that of a Subcontractor or anyone acting on its or their behalf;
 - (b) requiring the Contractor to procure the dismissal of an employee (whether its own or that of a Subcontractor or anyone acting on its behalf) where the prohibited act is that of such employee.

- c. Where the Contract has been terminated under Clause 16.a. the Authority shall be entitled to purchase substitute Contractor Deliverables from elsewhere and recover from the Contractor any costs and expenses incurred by the Authority in obtaining the Contractor Deliverables in substitution from another supplier.

17 Material Breach

In addition to any other rights and remedies, the Authority shall have the right to terminate the Contract (in whole or in part) with immediate effect by giving written notice to the Contractor where the Contractor is in material breach of its obligations under the Contract. Where the Authority has terminated the Contract under

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Clause 17 the Authority shall have the right to claim such damages as may have been sustained as a result of the Contractor's material breach of the Contract.

18 Insolvency

The Authority shall have the right to terminate the contract if the Contractor is declared bankrupt or goes into liquidation or administration. This is without prejudice to any other rights or remedies under this Contract.

19 Limitation of Contractor's Liability

a. Subject to Clause 19.b the Contractor's liability to the Authority in connection with this Contract shall be limited to £5m (five million pounds).

b. Nothing in this Contract shall operate to limit or exclude the Contractor's liability:

(1) for:

- a. any liquidated damages (to the extent expressly provided for under this Contract);
- b. any amount(s) which the Authority is entitled to claim, retain or withhold in relation to the Contractor's failure to perform or under-perform its obligations under this Contract, including service credits or other deductions (to the extent expressly provided for under this Contract);
- c. any interest payable in relation to the late payment of any sum due and payable by the Contractor to the Authority under this Contract;
- d. any amount payable by the Contractor to the Authority in relation to TUPE or pensions to the extent expressly provided for under this Contract;

(2) under Condition 7 of the Contract (Intellectual Property), and DEFCONs 91 or 638 (SC1) where specified in the contract;

(3) for death or personal injury caused by the Contractor's negligence or the negligence of any of its personnel, agents, consultants or sub-contractors;

(4) For fraud, fraudulent misrepresentation, wilful misconduct or negligence;

(5) in relation to the termination of this Contract on the basis of abandonment by the Contractor;

(6) for breach of the terms implied by Section 2 of the Supply of Goods and Services Act 1982; or

(7) for any other liability which cannot be limited or excluded under general (including statute and common) law.

c. The rights of the Authority under this Contract are in addition to, and not exclusive of, any rights or remedies provided by general (including statute and common) law.

20 The Project Specific DEFCONs and DEFCON SC Variants that apply to this Contract are:

DEFCON 5J (Edn 11/16) - Unique Identifiers

DEFCON 16 (Edn 06/21) - Repair And Maintenance Information

DEFCON 129J SC1 (Edn 06/17) – The Use of the Electronic Business Delivery Form

DEFCON 503 SC1 (Edn 07/21) – Formal Amendments to Contract

DEFCON 524A SC1 (Edn 08/20) – Counterfeit Materiel

DEFCON 532A SC1 (Edn 08/20) - Protection of Personal Data (Where Personal Data is not being processed on behalf of the Authority)

DEFCON 534 (Edn 06/17) – Subcontracting and Prompt Payment

DEFCON 538 (Edn 06/02) - Severability

DEFCON 566 Edn 10/20) - Change of Control of Contractor

DEFCON 601 (SC) - (Edn 04/14) or SC (Edn 03/15) - Redundant Materiel. This DEFCON IS used solely in relation to DEFCON 611 (Edn 02/16)

DEFCON 609 SC1 (Edn 08/18) - Contractor's Records

DEFCON 611 SC1 (Edn 12/16) – Issued Property

DEFCON 620 SC1 (Edn 08/21) – Contract Change Control Procedure

DEFCON 656A (Edn 08/16) - Termination for Convenience Under £5m

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

DEFCON 694 SC1 (Edn 07/21) – Accounting For Property of the Authority

21 The special conditions that apply to this Contract are:**Third Party IPR Authorisation**

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

Options

In addition to the requirements detailed at Item 1 of the Schedule of Requirements, the Contractor hereby grants to the Authority the following irrevocable options to purchase Requirements detailed at Item 2 to 3 of the Schedule of Requirements, in accordance with the terms and conditions set out in this contract or any such subsequent contract or contracts where such options are taken up, it being agreed that the Authority has no obligation to exercise such options.

Options: at a firm price of to be confirmed, in accordance with the delivery schedule at Schedule of Requirements, provided that the Authority exercises such an option by no later than To be confirmed.

The Authority may exercise any of the options above in the stated quantities varied within a range of + / - 10% (ten per cent), as well as in the stated quantities and the option prices shall apply equally to the quantities so varied.

The Authority shall have the right to exercise the options by the specified dates or within such further period as corresponds to the aggregate of any period(s):

a. of delay in the delivery programme whether constituting any breach of the Contract or resulting from any force majeure event, or

b. for the duration of which the Authority is prevented from exercising any such option due to any other breach of the Contract by the Contractor.

The Authority shall not be obliged to exercise the options.

The option prices detailed are firm prices.

Security Clearances

The Contractor shall ensure that they arrange for any relevant security clearances (including BPSS or SC) to be in place when their personnel are required deliver any goods or services on Authority sites.

Publicity and Communications with the Media

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

22 The processes that apply to this Contract are:**Impediments**

The Contractor shall notify the Authority as soon as they become aware of any circumstance which will impact on their ability to deliver any of the requirements or meet any of the stated timescales.

Tender Proposal

Requirements to be delivered in accordance with this contract and, where it does not conflict with this contract, in line with proposal included in tender dated 07 February 2022.

Performance Management

A date for delivery of goods or completion of each service will be stated in the contract or agreed between the Authority and the Contractor. Where this is not met by the Contractor, goods are not delivered or services are not completed, until after any stated or agreed date (unless the Authority accepts that circumstances were outside of the control of the Contractor), the Authority reserves the right to deduct 10% of the payment due for those services for each week or portion of a week that passes before the services are completed.

If, at any time, any of the goods or services provided under the Contract do not meet the required standard or quality, the Authority will not be obligated to buy any more services unless it is satisfied that the required standard or quality will be met.

Schedule 1 – Statement of Requirements

STATEMENT OF REQUIREMENT – UPGRADE OF SRS FUSION REMOTELY OPERATED VEHICLES

Background

1. SRS FUSION is a Remotely Operated Vehicle (ROV) currently in experimental use by specialist mine warfare personnel operating in concert with RN Divers to conduct high assurance underwater search for explosive hazard threats in the vicinity of UK strategic assets. It is also upgradable to become an Autonomous Underwater Vehicle (AUV) able to be operated at increased range from the host platform or location. The use of remote/autonomous systems reduces the Risk to Life (RtL) currently faced by RN divers when conducting search of ships' hulls (notably QEC), their strategic ports and Critical National Infrastructure both deployed and in home waters. This risk is captured as Navy Command 1* ARM risk 3205 (Cat B) and is currently TOLERATED. This risk has been prioritised by 1SL and 2SL as requiring to be TREATED at the earliest opportunity. FUSION also permits a similar mitigation to RtL in the site exploitation of an explosive hazard event, either post-blast or following neutralisation of the threat.

2. Available upgrades to FUSION offer a technological step change from partially trialled Mk1 systems currently in use by FDS. Advances in sensor suites (principally side scan sonar) permit high fidelity search of the seabed for explosive hazards as an AUV while an upgraded human machine interface and manipulator arms afford the operator the capability to cut, manipulate and retrieve items when configured as an ROV. A common data architecture will permit effective human machine teaming whereby divers can rapidly and effectively reacquire an item located and identified by FUSION for either neutralisation or exploitation. This permits much more focused employment of the diver with minimum exposure to the explosive threat, in accordance with Defence EOD principals. Such development builds on earlier work with FUSION as an ROV for limited high assurance search; this is now unable to be further progressed due to system limitations.

3. Evidence will be used to inform and de-risk parallel work to deliver an enduring EOD ROV and a Mine Investigation & Exploitation (MIE) ROV including the development of tactical level doctrine and MW specialisation expertise in offboard systems.

Requirement

4. Upgrade of two existing FUSION Mk 1 ROVs from baseline to AUV status while addressing obsolescence issues in the conduct of capability and tactical development for the Fleet Diving Squadron (FDS) and its successor the Diving & Threat Exploitation Group (DTXG). This Tactical experimentation and development is being cohered under TRITON, initially a 2 year project which aims to build the evidence to prioritise future Diving and MEOD capability investments. This project will also deepen DTXG collaboration with Project WILTON and the future Mine Hunting Capability (MHC) Programme of Record to develop both force elements under a single MCM capability requirements banner.

a. **Description of Work.** Technical details of the requirement are described in Table 1.

Serial	Quantity	Description	Part No.	Supplier
Enhancements				
1	2	Grabber, Dual Five Function (each including skid, controller, case)	135-700	Strategic Robotic Systems (SRS)

2	2	Payload Release Mechanism	120-710	Strategic Robotic Systems (SRS)
3	2	Payload Container Shell	120-715	Strategic Robotic Systems (SRS)
4	1	Battery Discharger Module	30-708	Strategic Robotic Systems (SRS)
Upgrades				
5	2	FUSION Mk 1 System Upgrade consisting of: <ul style="list-style-type: none"> • Vehicle updates including DVL transducer pod, integrated side scan sonar, floatation module, wet mate battery connectors and applicable electronic component updates. • HMI update to enable 5F controller compatibility. • Battery charger update. • Battery pod connector update. • Full system FAT. • Freight inclusive. 	N/A	Strategic Robotic Systems (SRS)
Spares				
6	2	Thruster, Port Side	20-705	Strategic Robotic Systems (SRS)
7	2	Thruster, Stbd Side	20-706	Strategic Robotic Systems (SRS)
8	2	Battery Pod	30-700	Strategic Robotic Systems (SRS)
9	2	500m tether supplied on spool (in transit case)	90-704	Strategic Robotic Systems (SRS)

Table 1: Description of technical requirement.

b. **Support package.** In addition to manufacturer's warranty, corrective maintenance packages are offered by the OEM to ensure comprehensive and cost-effective support over the period of evaluation. Funding has been secured by Navy Dev for one 'Level 3' corrective maintenance package per system in FYs 22/23 and 23/24. An annual 'training and technical visit' is also required whereby the OEM will conduct skills training and optimise systems for the specific needs of the user community.

c. **Deliverables.** Measurement of delivery will be conducted through tangible receipt (accrual) of equipment. Equipment will be tested correct following delivery through routine conduct of system operator checks.

Contract Start Date and Duration

5. Benefit is required to be accrued IY (FY 21/22) therefore delivery¹ date for the upgraded systems is to be no later than 31 Mar 22. The support requirements described at Para 4b are to endure until 31 Mar 24. In order to de-risk IY accrual, contract acceptance is required as soon as practical. These upgrades will contribute to resilience of the systems out to their previously agreed out of service date of Feb 2028.

Security considerations

6. Technical documentation is to be provided at UNCLASSIFIED. Material to inform a Safety and Environmental Case Report (SECR) is to be provided at UNCLASSIFIED or OFFICIAL. Contractors will not be required to visit any MOD establishments in the course of this work.

7. FUSION is registered on the Defence Assurance Risk Tool (DART) for system accreditation to OFFICIAL-SENSITIVE during its period of evaluation. On potential adoption as an in-service capability further work would be required to achieve accreditation to SECRET. Any modifications or ancillary items subsequently required to achieve SECRET accreditation are outside the scope of this SOR.

Other considerations

8. FUSION was originally procured on a trials footing through DES as delivery agent. DES SALMO have responsibility as Equipment Authority however no enduring support contract has been procured pending full evaluation of potential in-service utility.² Funding has been secured by Navy Dev for OEM support packages for FYs 22/23 and 23/24 in order to complete experimentation under TRITON. Any subsequent decision to bring FUSION into service will require a (DD Ships funded) funded enduring support solution to be established.

9. Single source procurement from SRS is considered the only viable route to market for upgrade of these systems for the following reasons: 1) SRS are the sole manufacturer and supplier of FUSION; use of a third party for upgrade would not be technically feasible due to SRS holding IPR; 2) Letting of a contract for an alternative system to achieve the intended capability outputs is not viable within the resource envelope and would see existing baseline FUSION systems rendered obsolete; this does not represent VfM.

Schedule 2 - Schedule of Requirements

Deliverables in accordance with Statement of Requirements

Item Number	Description	Delivery Date (exact dates to be confirmed on contract award)	Unit of Measurement	Quantity	Firm Price (£) Ex VAT – Per Item (including any packaging, travel, delivery and importing)	Firm Price (£) Ex VAT –Total (including any packaging, travel, delivery and importing)
1	Upgrade of two existing FUSION Mk 1 ROVs from baseline to AUV status	Delivered by 31 st March 2022	Per Upgrade	2	Redacted under FOIA Section 43, Commercial interests	Redacted under FOIA Section 43, Commercial interests
Option 1	'Level 3' corrective maintenance package per system including one day of Technical and Training.	Option Year 1 – 1 st April 2022 to 31 st March 2023	Per Year	2	Redacted under FOIA Section 43, Commercial interests	Redacted under FOIA Section 43, Commercial interests
Option 2	'Level 3' corrective maintenance package per system including one day of Technical and Training.	Option Year 2 – 1 st April 2023 to 31 st March 2024	Per Year	2	Redacted under FOIA Section 43, Commercial interests	Redacted under FOIA Section 43, Commercial interests
<p>All prices are firm prices, to be paid in £ (GBP/Pounding Sterling), not subject to any increase or exchange rates.</p> <p>Quantities shown are expected numbers and not a guarantee of amounts required or due.</p> <p>Quantity ordered under the contract may differ dependent on The Authority requirements.</p> <p>For the avoidance of any doubt, time of delivery 31/03/2022 is of the essence. If the Contractor fails to deliver the Goods or transfer ownership by or before 31/03/2022 the Authority shall have the right to terminate the Contract and no payments shall be due to the contractor.</p>					Total Price	209,800

Item Number	Consignee Address (XY code only)
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All	HM Naval Base Portsmouth
Item Number	Payment Schedule
All	Payments to be made following delivery of service/purchase

Schedule 3 - Contract Data Sheet

Contract Period	<p>Effective date of Contract: 17th February 2022</p> <p>The Contract expiry date shall be: 1 April 2024</p>
Clause 6 - Notices	<p>Notices served under the Contract can be transmitted by electronic mail</p> <p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>Notices served under the Contract shall be sent to the following address:</p> <p>Authority: Commercial Officer</p> <p>Contractor: Contract Manager</p>
Clause 8 – Supply of Contractor Deliverables and Quality Assurance	<p>Is a Deliverable Quality Plan required for this Contract?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p> <p>If Yes the Deliverable Quality Plan must be set out as defined in AQAP 2105 and delivered to the Authority (Quality) within Business Days of Contract Award. Once agreed by the Authority the Quality Plan shall be incorporated into the Contract. The Contractor shall remain at all times, solely responsible for the accuracy, suitability and applicability of the Deliverable Quality Plan.</p> <p>Other Quality Assurance Requirements:</p> <p>AQAP 2131</p>

Clause 9 – Supply of Data for Hazardous Contractor Deliverables, Materials and Substances	<p>A completed DEFFORM 68 (Hazardous Articles, Materials or Substance Statement), and if applicable, Safety Data Sheet(s) are to be provided by e-mail with attachments in Adobe PDF or MS WORD format to:</p> <p>a) The Authority's Representative (Commercial)</p> <p>b. DESTECH-QSEPEnv-HSISMulti@mod.gov.uk</p> <p>or: if only a hardcopy is available to:</p> <p>a) The Authority's Representative (Commercial)</p> <p>b) Hazardous Stores Information System (HSIS)</p> <p>Defence Safety Authority (DSA) Movement Transport Safety Regulator (MTSR) Hazel Building Level 1, #H019 MOD Abbey Wood (North) Bristol, BS34 8QW</p> <p>DESTECH-QSEPEnv-HSISMulti (MULTIUSER)</p> <p>to be Delivered no later than one (1) month prior to the Delivery Date for the Contract Deliverable or by the following date:</p>
Clause 10 – Delivery/Collection	<p>Contract Deliverables are to be:</p> <p>Delivered by the Contractor <input checked="" type="checkbox"/></p> <p>Special Instructions:</p> <p>Collected by the Authority <input type="checkbox"/></p> <p>Special Instructions (including consignor address if different from Contractor's registered address)</p>
Clause 12 – Packaging and Labelling of Contractor Deliverables	<p>Additional packaging requirements:</p> <p>N/A</p>
Clause 13 – Progress Meetings	<p>The Contractor shall be required to attend the following meetings:</p> <p>To be arranged if and when required unless already detailed in Statement of Requirements.</p>

Clause 13 – Progress Reports	The Contractor is required to submit the following Reports: To be arranged if and when required unless already detailed in Statement of Requirements.
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Appendix - Addresses and Other Information

1. Commercial Officer:

Redacted under FOIA Section 40, Personal Information

8. Public Accounting Authority:

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

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

Redacted under FOIA Section 40, Personal Information

9. Consignment Instructions:

The items are to be consigned as follows:

As detailed in Schedule of Requirements

3. Packaging Design Authority:

Organisation and point of contact:

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

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

As per box 2

**(b) U.I.N.****10. Transport.** The appropriate Ministry of Defence Transport Offices are:

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

Air Freight Centre

IMPORTS ☎ 030 679 81113 / 81114 Fax 0117 913 8943

EXPORTS ☎ 030 679 81113 / 81114 Fax 0117 913 8943

Surface Freight Centre

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

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

B. JSCS

JSCS Helpdesk ☎ 01869 256052 (option 2, then option 3); JSCS Fax No 01869 256837

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

5. Drawings/Specifications are available from:**11. The Invoice Paying Authority:**

Ministry of Defence ☎ 0151-242-2000
DBS Finance
Walker House, Exchange Flags Fax: 0151-242-2809
Liverpool, L2 3YL **Website is:**
<https://www.gov.uk/government/organisations/ministry-of-defence/about/procurement#invoice-processing>

6. Intentionally Left Blank**7. Quality Assurance Representative:**

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

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

12. Forms and Documentation are available through *:

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

Applications via fax or email: Leidos-FormsPublications@teamleidos.mod.uk

*** NOTE**

1. Many **DEFCONs** and **DEFFORMs** can be obtained from the MOD Internet Site: <https://www.aof.mod.uk/aofcontent/tactical/toolkit/index.htm>

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

Schedule 4 - Contractor's Sensitive Information (i.a.w. Clause 5)

This list shall be agreed in consultation with the Authority and the Contractor and may be reviewed and amended by agreement. The Authority shall review the list before publication of any information.

Contract Number:
Description of Contractor's Sensitive Information: None Stated
Cross Reference(s) to location of Sensitive Information:
Explanation of Sensitivity:
Details of potential harm resulting from disclosure:
Period of Confidence (if applicable):
Contact Details for Transparency / Freedom of Information matters: Name: Position: Address: Telephone Number: Email Address:

Ministry of Defence Acceptance of Offer of Contract

To: Redacted under FOIA Section 40, Personal Information

We acknowledge receipt of your Department's Letter of Offer, reference 702791450 dated 15 February 2022, with associated documents and confirm that we accept the offer contained therein. We understand that by accepting the Department's offer, we are entering into a legally binding contract. We agree that any other terms and conditions or any general reservations, which may be printed on any of our correspondence in connection with this work, shall not be applicable to the contract. We confirm that we are proceeding with the work.

We agree that the contract shall be subject to English Law.

Offer and Acceptance																	
<p>A) Offer</p> <p>Contract 702791450 constitutes an offer by the Authority for the supplier to supply the Deliverables. This is open for acceptance by the supplier until 17th February 2022. By signing below the Contractor agrees to be bound by the attached Contract terms and conditions.</p> <p>Redacted under FOIA Section 40, Personal Information</p>	<p>B) Acceptance of Offer of Contract</p> <p>I acknowledge receipt of the Departments contract letter reference 702791450.</p> <p>I confirm that I accept the Offer it contains and agree to be bound by its terms.</p> <p>Redacted under FOIA Section 40, Personal Information</p>																
<p>Section C) Tier 1 Sub-Contractor data:¹</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Name</td> <td style="width: 25%;">value of work (£ ex VAT)</td> <td style="width: 25%;">Location Of work.....</td> <td style="width: 25%;">SME ...Yes / No</td> </tr> <tr> <td>Name</td> <td>value of work (£ ex VAT)</td> <td>Location Of work.....</td> <td>SME ...Yes / No</td> </tr> <tr> <td>Name</td> <td>value of work (£ ex VAT)</td> <td>Location Of work.....</td> <td>SME ...Yes / No</td> </tr> <tr> <td>Name</td> <td>value of work (£ ex VAT)</td> <td>Location Of work.....</td> <td>SME ...Yes / No</td> </tr> </table>		Name	value of work (£ ex VAT)	Location Of work.....	SME ...Yes / No	Name	value of work (£ ex VAT)	Location Of work.....	SME ...Yes / No	Name	value of work (£ ex VAT)	Location Of work.....	SME ...Yes / No	Name	value of work (£ ex VAT)	Location Of work.....	SME ...Yes / No
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Name	value of work (£ ex VAT)	Location Of work.....	SME ...Yes / No														

¹ The MOD is required to report to the Government any spend with Small and Medium-sized Enterprises (SMEs) including Sub-contractors (Tier 1). SMEs are defined by the EU on http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-/index_en.htm