

SCHEDULE 19

Change Control Procedure

1 GENERAL PRINCIPLES

- 1.1 This Schedule 19 (Change Control Procedure) sets out the procedure for dealing with Changes.
- 1.2 Decisions on whether a proposed activity falls inside or outside the scope of the Contract shall be at the sole discretion of the Authority.
- 1.3 Until a Change has been approved by the Authority and the DEFFORM 10B (as issued by the Authority) in respect of such Change has been signed and returned to the Authority by the Contractor as unqualified acceptance of the offer, then:
 - (a) unless the Authority expressly agrees (or requires) otherwise in writing, the Contractor shall continue to supply the Services in accordance with the existing terms of the Contract, as if the Change did not apply; and
 - (b) any discussions, negotiations or other communications which may take place between the Authority and the Contractor in connection with any proposed Change, including the submission of any Change Communications, shall be without prejudice to each Party's other rights under the Contract.

2 CHANGE REQUEST

- 2.1 Either Party may request a Change by issuing a Change Request to the other Party. The requesting Party may designate the Change Request as a Fast-Track Change, in which case the provisions of paragraph 7.1 will also apply.
- 2.2 The Change Request shall set out the Change required in sufficient detail to enable (as applicable) (i) the Contractor to provide a Change Proposal in response or (ii) the Authority to consider the Contractor's Change Request. The Change Request may include (as applicable):
 - (a) defining the category of Change;
 - (b) a brief description of the parts of the Contract which will be impacted by the Change;
 - (c) a description of the location(s) impacted by the Change;
 - (d) key dates and timeframes for implementation of the Change; and
 - (e) details of any dates by which a response to the Change Request, and/or incorporation of the Change into the Contract, are critical.

3 CHANGE PROPOSAL

- 3.1 Upon the issue of a Change Request, or upon receipt of a Change Request from the Authority, the Contractor shall prepare and provide to the Authority a Change Proposal in respect of such

Change Request within ten (10) Business Days (or within such longer time period as the Authority may specify in writing in respect of such Change Request). The Change Proposal shall be completed in good faith and shall include:

- (a) details of the impact of the proposed Change on the Services, and the Contractor's ability to meet its other obligations under this Contract;
- (b) any variation to the terms of this Contract that will be required as a result of the Change and/or the impact detailed in (a) above, including changes to:
 - (i) Schedule 2 (Statement of Requirement), Schedule 3 (Service Delivery Plan), Schedule 4 (Payment, Performance and Incentivisation Mechanism) and/or any other provisions of the Contract;
 - (ii) the format of any Authority deliverables; and/or
 - (iii) the Transition Plan and any other timetable and/or programme previously agreed by the Parties;
- (c) the impact of the Change on health and safety or other regulatory requirements;
- (d) details of any impacts on other services provided by third party contractors to the Authority;
- (e) a detailed breakdown (as required by Part B of the Change Form, and calculated in accordance with paragraph 3.2) of the up-front and/or one-off costs of implementing the proposed Change, with reference to the most up-to date and agreed operational and financial baseline as per the most recently agreed (in accordance with Schedule 31 (Transparency and Financial Models)) Updated Baseline Financial Model and Updated Baseline Operational Model (or the Baseline Financial Model and Baseline Operational Model if such models have not been updated in accordance with the provisions of Schedule 31 (Transparency and Financial Models));
- (f) a detailed breakdown (as required by Part B of the Change Form, and calculated in accordance with paragraph 3.2) of the ongoing costs required by the proposed Change when implemented, including any increase or decrease in the Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party, to include a proposed Updated Baseline Financial Report in accordance with Schedule 31 (Transparency and Financial Models);
- (g) an explanation of the operating and financial assumptions underpinning any analysis that indicates a change to the Contractor resource or cost base or proposed Charges to be paid by the Authority;
- (h) a proposed programme and timetable for the implementation of the Change, together with any proposals for the testing of the Change;
- (i) details of how the proposed Change will ensure compliance with any applicable Specific Change in Law;

- (j) such other information as the Authority may reasonably request in the Change Request; and
- (k) any other information which is relevant to the proposed Change (which may include details of changes in dependencies, changes in risk, benefits of the proposed Change, recovery plans, evidence to demonstrate why the proposed Change offers better value for money to the Authority).

3.2 The Contractor shall calculate the costs and/or savings associated with a proposed Change in accordance with the following principles:

- (a) the Contractor shall demonstrate that any proposed increase or decrease in the Charges as a direct result of the proposed Change requires additional/amended resources, and that these additional/amended resources are proportionate to the increase or decrease in the level of resources required for the provision of the Services as a result of the proposed Change;
- (b) any costs/savings of any proposed Change must be fully reconcilable to the most recently agreed (in accordance with Schedule 31 (Transparency and Financial Models)) Updated Baseline Financial Model (or the Baseline Financial Model if such model has not been updated in accordance with the provisions of Schedule 31 (Transparency and Financial Models)), and any costs/savings and/or proposed increase or decrease to the Charges shall be calculated in accordance with the principles and rates set out in such Updated Baseline Financial Model (or Baseline Financial Model as the case may be) and Schedule 4 (Payment, Performance and Incentivisation Mechanism); if this is not possible, then the Contractor shall provide full details and evidence of such costs and/or increase or decrease in the Charges; and
- (c) the Authority shall not be charged for any resources that it is already paying for or that are already included in the most recently agreed (in accordance with Schedule 31 (Transparency and Financial Models)) Updated Baseline Financial Model (or the Baseline Financial Model if such model has not been updated in accordance with the provisions of Schedule 31 (Transparency and Financial Models)).

3.3 Any updates to the most recently agreed (in accordance with Schedule 31 (Transparency and Financial Models)) Updated Baseline Financial Model (or the Baseline Financial Model if such model has not been updated in accordance with the provisions of Schedule 31 (Transparency and Financial Models)) proposed by the Contractor in the Change Proposal shall be made in accordance with Schedule 31 (Transparency and Financial Models).

4 CONSIDERATION OF CHANGE PROPOSAL

4.1 Within twenty (20) Business Days (or such other timeframe as the Parties may agree in writing in respect of each proposed Change) of receiving the Change Proposal from the Contractor, the Authority shall evaluate the Change Proposal and shall either:

- (a) approve the Change Proposal, in which case the Authority shall issue the DEFFORM 10B in respect of such Change as set out in paragraph 6.1 as soon as is reasonably practicable thereafter;

- (b) at its absolute discretion reject the Change Proposal, in which case the Authority may provide the Contractor with the reasons in writing as soon as is reasonably practicable thereafter;
- (c) request (via Part C of the Change Form) that further information is supplied by the Contractor or that the Change Proposal is modified where the Authority believes that it contains errors or omissions (and the Authority shall notify the Contractor of the timeframe in which the Contractor must prepare and deliver the amended Change Proposal). Upon receiving an amended Change Proposal, the Authority shall approve or reject the amended Change Proposal within ten (10) Business Days. Where the Authority requires additional further information and/or where the Authority believes that the Change Proposal still contains errors or omissions, the step shall repeat until such time as the Authority determines that it is able to approve or reject the amended Change Proposal.

5 CONTRACTOR'S RIGHT TO REJECT A CHANGE REQUEST

5.1 If the Contractor reasonably believes, and demonstrates to the Authority's reasonable satisfaction, that the proposed Change:

- (a) will materially and adversely affect the risks to the health and safety of any person; and/or
- (b) will require the Services to be performed in a way that infringes any Law; and/or
- (c) is technically impossible to implement,

then the Contractor shall be entitled to reject the Change Request, and shall notify the Authority of its reasons for doing so within ten (10) Business Days after the date of receipt of the Change Request.

6 APPROVAL AND ENACTMENT OF A CHANGE

6.1 Following its approval of a Change Proposal pursuant to paragraph 4.1, the Authority shall issue to the Contractor the DEFFORM 10B in respect of such Change, signed on behalf of the Authority.

6.2 If, following receipt of the DEFFORM 10B issued in respect of a Change by the Authority pursuant to paragraph 6.1, the Change as set out in such DEFFORM 10B is acceptable to the Contractor, the Contractor shall sign the DEFFORM 10B in accordance with its terms and return it to the Authority.

6.3 A Change shall become effective with effect on and from the Effective Date (as such term in defined in the relevant DEFFORM 10B) for such Change.

6.4 Within five (5) Business Days of a Change becoming effective, the Contractor shall deliver to the Authority:

(a) a copy of the Contract (to include the Updated Baseline Financial Report, agreed between the Parties for the Change) updated to reflect such Change as agreed in the relevant DEFFORM 10B; and

(b) an updated Change Control Log to reflect such Change.

6.5 Following approval in writing by the Authority of the updated form of Contract, Updated Baseline Financial Report and Change Control Log (as supplied by the Contractor pursuant to paragraph 6.4), the Contractor shall upload the updated Contract, Updated Baseline Financial Report and updated Change Control Log to the Shared Data Environment within two (2) Business Days of such approval.

7 FAST-TRACK CHANGES

7.1 The Parties acknowledge that to ensure operational efficiency there may be circumstances where it is desirable to expedite the processes set out above. The Authority may, at its absolute discretion, mark a Change Request as a Fast-Track Change and then the Parties shall use the process set out in paragraphs 2, 3, 5 and 6 but with reduced timescales, such that:

(a) any period of twenty (20) Business Days is reduced to five (5) Business Days;

(b) any period of ten (10) Business Days is reduced to two (2) Business Days; and

(c) any period of five (5) Business Days is reduced to one (1) Business Day.

7.2 The Parties may agree in writing to revise the parameters set out in paragraph 7.1 from time to time or in respect of a particular Change.

8 URGENT OPERATIONAL CHANGES

8.1 The Authority may require an Urgent Operational Change to the Contract. In order to invoke an Urgent Operational Change, the Authority shall notify the Contractor in writing. Such Urgent Operational Change shall be enacted by the Contractor without delay; any additional costs, amendments to Charges and/or required variations to the Contract shall be agreed between the Parties subsequently, on the basis of the principles set out in this Schedule 19 (Change Control Procedure), and in accordance with a timetable agreed between the Parties.

9 COSTS INCURRED BY THE CONTRACTOR

9.1 The costs of preparing:

(a) a Change Request initiated by the Contractor;

(b) each Change Proposal; and/or

(c) any other costs incurred by the Contractor in the process of preparing and agreeing a Change,

shall be borne by the Contractor.

ANNEX A

Change Form

CHANGE FORM		
PART A (CHANGE REQUEST)		
CHANGE PROPOSED BY: Authority / Contractor <i>* delete as necessary</i>		
CHANGE REQUEST NUMBER: (to be allocated by the Authority)	TITLE OF CHANGE REQUEST:	CATEGORY OF CHANGE: This Change Requests relates to: (a) an administrative change; (b) One-Off Additional Services; (c) Enduring Additional Services; (d) an operational change; (e) a strategic change; (f) an amendment or alteration to the extent of any of the Contractor's obligations relating to the Services; (g) a Specific Change in Law; and/or (h) Partial Termination. <i>* delete as necessary</i>
CONTRACT NUMBER:	SERVICE DELIVERY AREA:	REQUIRED BY DATE:
FAST-TRACK CHANGE? Yes / No <i>* delete as necessary</i>		
URGENT OPERATIONAL CHANGE? Yes / No <i>* delete as necessary</i> <i>[For Authority use only. Change Form may be completed after the Change has been enacted.]</i>		
Description of required change <i>[To be completed by the Authority in accordance with paragraph 2 of Schedule 19 (Change Control Procedure).]</i> <i>The requested Change will constitute – an enduring requirement <u>or</u> a single occurrence * delete as necessary</i> The terms and conditions of the Contract will be applied to this Change.		
Change Request raised by: Name: Position: Date:		

E-mail:

Telephone:

Change Request approval by:

Navy Command – Commercial

SIGNED

APPOINTMENT

DATE

CHANGE FORM (continued)	
PART B (CHANGE PROPOSAL)	
AUTHORITY'S CHANGE REQUEST NUMBER:	
CONTRACTOR'S REFERENCE NUMBER:	
CONTRACTOR'S RESPONSE TO THE CHANGE REQUEST: <i>[To be completed by the Contractor in accordance with paragraphs 3.1 and 3.2 of Schedule 19 (Change Control Procedure).]</i>	
DOES THE PROPOSED CHANGE INCLUDE USE OF SUB-CONTRACTORS: YES / NO <i>(*delete as appropriate)</i> Please provide full details:	
COST OF THE CHANGE (VAT Exclusive) or SAVINGS: <i>[To be completed in accordance with paragraph 3.2 of Schedule 19 (Change Control Procedure).]</i> One off/up-front non-recurring cost or (savings) (£): Duration of change (from DD:MM:YY to DD:MM:YY or enduring until end of contract term): Effective date of change (DD:MM:YY): Number of months to end of contract term: Increase or (decrease) to monthly Charges <i>[which shall be effected via an update to the most recently agreed (in accordance with Schedule 31 (Transparency and Financial Models)) Updated Baseline Financial Model (or the Baseline Financial Model if such model has not been updated in accordance with the provisions of Schedule 31 (Transparency and Financial Models))]</i> (£): Summary One off/up-front non-recurring cost or (savings) (£): Total recurring cost or (savings): Total cost of change (£): (additional to the current Contract) Treatment of VAT to be clarified by the Contractor.	
Signed: Contractor Representative Name: Date: E-mail:	

Telephone:

CHANGE FORM (continued)	
PART C (CHANGE PROPOSAL – FURTHER INFORMATION)	
<p>Additional information requested from the Contractor, as follows: <i>[To be completed by the Authority, in accordance with paragraph 4.1(c)]</i></p> <p>Requested response date:</p> <p>Signed Date:</p>	
<p>Contractor response: <i>[To be completed by the Contractor, in accordance with paragraph 4.1(c)]</i></p> <p>Signed: Contractor Representative Name: Date: E-mail: Telephone:</p>	