

Date stated in the MOD Boats Form 2010B to Schedule 5B (Take-On Take-Off and Acceptance – Type B) or MOD Boats Form 2010A to Schedule 5C (Take-On Take Off and Acceptance – Type A).

If the Actual Delivery Date declared in the MOD Boats Form 2010A to Schedule 5B (Take-On Take-Off and Acceptance – Type B) or MOD Boats Form 2010A to Schedule 5C (Take-On Take Off and Acceptance – Type A) exceeds 44 Calendar Days, the Authority will apply a Service Credit in accordance with Clause 72.1.1 below.

If the Actual Delivery Date is on or within 30 Calendar Days, as declared in the MOD Boats Form 2010A to Schedule 5B (Take-On Take-Off and Acceptance – Type B) or MOD Boats Form 2010A to Schedule 5C (Take-On Take Off and Acceptance – Type A), the Authority will apply an Incentive Adjustment, in accordance with Clause 72.1.2. below.

KPI No. 1.2 (Defect Rectification): If, within 3 months of the Annual Maintenance Package being completed by the Contractor, a defect is found because of work undertaken or scheduled work omitted under KPI 1.1 (Achieve the Agreed Delivery Date), a MOD Boats Form 1030 (Defect Rectification Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form), the Contractor will be required to undertake the rectification and the time to rectify that defect will be added to the time elapsed in KPI 1.1 (Agreed Delivery Date). The total time to complete an Annual Maintenance Package plus any associated defect rectification under KPI 1.2 shall be cumulative and must not exceed 44 Calendar Days. When the Authority issues a MOD Boats Form 1030 at Schedule 5A (Multi-Task Authorisation Form / Work Request Form), the Contractor has one Business Day before any time elapsed is counted towards the overall 44 Calendar Days turnaround.

The Authority will apply a Service Credit in accordance with Clause 72.1.1 below, if the total time to complete the Annual Maintenance Package and rectify all defects within this 3 month period exceeds 44 Calendar Days, which will be recorded on Schedule 6 (Key Performance Indicators and Information Reporting).

An Incentive Adjustment will be paid if the Actual Delivery Date for Annual Maintenance Package including Defect Rectification is achieved on or before 30 Calendar Days, in accordance with Clause 72.1.2.

To calculate the RAG status for KPI 1.2 only, if a Defect Rectification is completed within 5 days, that individual task will be classed as 'Monthly Task Status - green' which will then be accumulated with other tasks under 1.2 to calculate the overall RAG status for KPI 1.2.

13.1.2. KPI No. 2 – Spares – Responding to Request for Quotes and Spares Delivery

KPI No. 2.1 (Responding to Request For Quotes for Spares): Fully completed Request For Quotes (RFQ) for spares must be submitted by the Contractor within 30 Calendar Days of the RFQ request being issued by the Authority, using a MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form).

KPI No. 2.2 (Spares Delivery): All codified spares must be delivered to the delivery address identified in Clause 23.4 above and within the delivery timescales stated in Table 4 (Spares) to Schedule 2A (Statement of Technical Requirements – Pricing – 11m Standard Work Boat (SWB)). All non-codified spares ordered on a MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form) must be delivered to the delivery address identified in Clause

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22.4 above within the delivery timescales stated in the MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form).

If the codified spares are not delivered to the delivery address identified in Clause 22.4 above, within the delivery timescales stated in Table 4 (Spares) to Schedule 2A (Statement of Technical Requirements – Pricing – 11m Standard Work Boat (SWB)), the Authority will apply a Service Credit in accordance with Clause 72.1.1. below.

If the non-codified spares are not delivered to the delivery address identified in Clause 23.4 above, within the delivery timescales stated in the a MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form), the Authority will apply a Service Credit in accordance with Clause 72.1.1. below.

13.1.3. KPI No. 3 – OPDEF Responses

KPI No. 4.1 (A1 and B1 OPDEFs): The Contractor shall respond to all A1 and B1 OPDEFs with a firm scope of work and quote within 6 Calendar Days of the OPDEF being raised by the Authority. The Authority shall review the scope and quote and either negotiate or accept the scope and quote.

KPI No. 4.2 (A2 and B2 OPDEFs): The Contractor shall respond to all A2 and B2 OPDEFs with a firm scope of work and quote within 7 Calendar Days of the OPDEF being raised by the Authority. The Authority shall review the scope and quote and either negotiate or accept the scope and quote.

KPI No. 4.3: The Authority will issue a MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form) to the Contractor in accordance with the quote and scope as agreed in KPI No. 4.1 (A1 and B1 OPDEFs) and KPI No. 4.2 (A2 and B2 OPDEFs). The work must be completed within the time period specified on the authorised MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form).

If the work is not completed within the time period specified on the authorised MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form), the Authority will apply a Service Credit in accordance with Clause 72.1.1 below.

For KPIs 4.1, 4.2 and 4.3, if an OPDEF is raised as a result of a defect rectification to an Annual Maintenance Package (AMP), AMP KPIs 1.1 and 1.2 will take precedence.

13.1.4. KPI No. 4 – Reporting (excluding Schedule 6 (Information Reporting))

KPI No. 3.1 (Time): The Data Reporting, Analysis and Corrective Action System (DRACAS) report, and Documentation, Obsolescence, Reliability, Configuration, Security (DORCS) report detailed in Schedule 2 (Statement of Technical Requirements) must be submitted within the time period specified on a MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form).

KPI No. 3.2 (Rework): If the DRACAS and / or DORCS reports are found to be incorrect, incomplete or inaccurate within 3 months of receipt, the Contractor will be required to correct the DRACAS and / or DORCS report and resubmit this to the Authority.

- 13.2. KPIs have been given a weighting commensurate with their level of importance to the Authority:

KPI Title	KPI Sub-title	KPI weighting (RAG)
1. Annual Maintenance Packages	1.1. Achieve Delivery Date	60%
	1.2. Defect Rectification	
2. Spares	2.1. Responding to Request for Quotes	5%
	2.2. Spares Delivery	15%
3. OPDEF responses	4.1. Respond to A1 and B1 within 6 Calendar Days	5%
4. Reporting	3.1. DRACAS and DORCS reports submitted on time	5%
	3.2. Rework within 3 months	5%
	4.2. Respond to A2 and B2 within 7 Calendar Days	
	4.3. Complete work according to agreed timeframe	5%

- 13.3. The total weighted score shall be used to determine the Overall Contractor Performance score:

13.3.1. Greater than 90% - Green - Good Performance

13.3.2. Between 75% to 90% - Amber - Improvement Required

13.3.3. Less than 75% - Red - Unsatisfactory Performance

The Overall Contractor Performance score will be used by the Authority to monitor performance. This shall be calculated and recorded each reporting calendar month using Schedule 6 (KPI and Information Reporting).

Key Performance Indicator Process

- 13.4. The Contractor shall, for each reporting calendar month, populate Schedule 6 (KPI and Information Reporting) with the data from authorised Work Request Forms (MOD Boats Form 1020 (Schedule 5A Multi-Task Authorisation Form / Work Request Forms) This information will automatically populate the Information Reporting Output Sheets which will be used to monitor performance against the KPIs.
- 13.5. The Contractor shall submit a completed Schedule 6, for the reporting calendar month, to the Authority's Commercial Officer specified at Box 1 to Schedule 3 (Appendix – Addresses and Other Information) within 3 (three) Business Days of the end of each reporting calendar month together with any supporting data including, if appropriate a Corrective Action Plan(s). The KPI data in Schedule 6 (Key Performance and Information Reporting) provides information on current performance and shall cover all tasks completed in that reporting calendar month.
- 13.6. Where the Overall Contractors Performance score is scored as:
- 13.6.1. GREEN; Good Performance, the Contractor's performance shall be deemed to be satisfactory.
- 13.6.2. AMBER; Improvement Required, the Contractor shall issue a Corrective Action Plan to the Authority, for agreement, in accordance with Clause 13.8 below. The Corrective Action Plan shall detail the Contractor's plans and timescales to resolve the shortfall in performance.

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- 13.6.3. RED; Unsatisfactory Performance, the Contractor shall issue a Corrective Action Plan to the Authority, for agreement, in accordance with Clause 13.813.8 below. The Corrective Action Plan shall detail the Contractor's plans and timescales to resolve the shortfall in performance.
- 13.6.4. If the Contractor's overall performance is scored AMBER 'Improvement Required' for 3 (three) consecutive reporting calendar months, this shall constitute a RED 'Unsatisfactory Performance' score.
- 13.7. Where the Overall Contractor Performance score is RED 'Unsatisfactory Performance' in 3 (three) consecutive reporting calendar months, the Contractor shall be considered to be in Contractor Default and the Authority shall have the right to terminate the Contract in accordance with Condition 14 (Termination for Contractor Default).
- 13.8. The Corrective Action Plan shall include, but not be limited to, details of;
- 13.8.1. Any such failure in performance by the Contractor;
 - 13.8.2. The Contractor's explanation and root cause analysis of such failure in performance;
 - 13.8.3. The Contractor's proposed actions to be taken to fully remedy such failure in performance;
 - 13.8.4. Any measures (whether interim or otherwise) to prevent future recurrence and/or aggravation of such failure in performance;
 - 13.8.5. The completion date by which the Contractor shall implement the proposed remedial steps (and any other measures, as described in Clause 13.8.3 above. The Contractor shall note that the completion date must be prior to the next monthly KPI report unless otherwise agreed by the Authority;
 - 13.8.6. The date on which it is proposed that the Authority confirm that the remedial steps in accordance with Clause 13.8.3 above have been undertaken such that the relevant failure in performance is remedied to the Authority's reasonable satisfaction, such confirmation to be provided within two Business Days of notification that the failure in performance has been remedied.
- 13.9. The Parties shall, acting reasonably, agree (within 5 (five) Business Days of the Contractor's submission of the Corrective Action Plan) the contents of any Corrective Action Plan submitted pursuant to Clause 13.813.8. In the event that the Parties are unable to so agree, the matter shall be e considered a dispute and resolved in accordance with DEFCON 530 (Dispute Resolution (English Law)).
- 13.10. If a corrective plan is not produced prior to the next reporting period, the next KPI rating will automatically be classed as RED.
- 13.11. Following agreement or determination of the Corrective Action Plan pursuant to Clause 13.8 the Contractor shall implement such Corrective Action Plan, and shall report to the Authority (on a weekly basis) on its progress in respect of such implementation, identifying within such report each remedial step covered by such Corrective Action Plan as being:
- 13.11.1. On schedule for completion within the relevant timescale identified in the Corrective Action Plan (as agreed or determined pursuant to Clause 13.813.8;

- 13.11.2. Behind schedule for completion within the relevant timescale identified in the Corrective Action Plan (as agreed or determined pursuant to Clause 13.8)13.8, but not irretrievably so ("Failing Status"); or
- 13.11.3. Irretrievably behind schedule for completion within the relevant timescale identified in the Corrective Action Plan (as agreed or determined pursuant to Clause 13.8)13.8 ("Failed Status")
- 13.12. If any remedial action is identified as being of Failing Status, the Contractor shall, at the same time as submitting the report in which such remedial step is so identified, submit its proposals for correcting the fact that such remedial step is behind schedule for timely completion, and shall implement such proposals.
- 13.13. If any remedial step is identified as being of Failed Status, the Contractor shall, at the same time as submitting the report in which such remedial step is so identified, submit its proposals for correcting the fact that such remedial step is behind schedule for timely completion (including revising such schedule to the extent necessary), and, if the Authority (acting reasonably) agrees to such revised schedule, shall implement such proposals.
- 13.14. Where the Authority terminates a MOD Boats Form 1020 (Work Request Form) to Schedule 5A (Multi-Task Authorisation Form / Work Request Form) or a MOD Boats Form 2010A to Schedule 5B (Take-On Take-Off and Acceptance – Type B) or MOD Boats Form 2010A to Schedule 5C (Take-On Take Off and Acceptance – Type A) in accordance with Clause 13.7 above the Authority shall have the right to recover any additional cost it incurs in accordance with Condition 17 (Financial Consequences of Termination).

14. Termination for Contractor Default

- 14.1. Where any of the events described in Clause 14.2 has or have occurred then the Authority may, subject to Conditions 19 (Relief Events); 18 (Authority Step-In); 20 (Measures in a Crisis); 21 (Force Majeure Events), 14.2 to 14.5 (Contractor Rectification) and 14.10 to 14.12 (Partial Termination), terminate this Contract by giving a Termination Notice to the Contractor, receiver, administrative receiver, liquidator, or any other person in whom the Contractor's interest in this Contract may be vested at the relevant time.
- 14.2. Each of the following events shall entitle the Authority to terminate this Contract by serving a Termination Notice:
- 14.2.1. a breach by the Contractor of any of its obligations under this Contract which materially affects the performance of the Services and/or the Contractor's other obligations under this Contract (other than any other breaches listed in this Condition);

- 14.2.2. the occurrence of a Persistent Breach;
- 14.2.3. the occurrence of the circumstances referred to in DEFCON 515 (Bankruptcy and Insolvency);
- 14.2.4. subject to paragraph 3 of DEFCON 520 (Corrupt Gifts and Payment of Commission), the occurrence of the circumstances referred to in paragraph 2 of DEFCON 520;
- 14.2.5. NOT USED
- 14.2.6. a breach by the Contractor of DEFCON 518 (Transfer);
- 14.2.7. a breach by the Contractor of DEFCON 566 (Change of Control of Contractor); and/or
- 14.2.8. the Contractor commits a breach of this Contract which results in the criminal investigation, prosecution and conviction of the Contractor and any subcontractor under the Health and Safety Legislation.

Contractor Rectification

- 14.3. The Authority shall not terminate this Contract in the event of a Rectifiable Default except where compliant with Clauses 14.3 to 14.5. For the purposes of Clauses 14.3 to 14.5, a Rectifiable Default means any event identified in Clause 14.2.1 or in Clause 14.2.8. Where a Rectifiable Default has occurred, the Authority shall, if it wishes to terminate this Contract, give notice in writing (an Authority Rectification Notice) prior to issuing the Termination Notice to the Contractor, requiring the Contractor to make a proposal acceptable to the Authority for the rectification of the Rectifiable Default within fourteen (14) days after the date of the Authority Rectification Notice (or such longer period as may be agreed by the Authority).
- 14.4. If no such proposal for rectification is received by the Authority within fourteen (14) days of the date of the Authority Rectification Notice (or such longer period as may be agreed by the Authority), then the Authority may terminate this Contract.
- 14.5. Where a proposal for rectification is received by the Authority within fourteen (14) days after the date of the Authority Rectification Notice (or such longer period as may be agreed by the Authority) (being hereinafter referred to as the Rectification Plan), the Contractor shall remedy the default within fourteen (14) days (or such longer period as may be agreed by the Authority). At the expiry of that period (or other period if agreed) if the Contractor has failed to rectify, or cause to be rectified, the default to the satisfaction of the Authority, the Authority may proceed to terminate this Contract by the service of a Termination Notice.

Persistent Breach

- 14.6. If a particular breach (which has occurred and is considered by the Authority as being outside the scope of Condition 13 (KPIs)), has continued for more than sixty (60) days or occurred more than three (3) times in any three (3) month period, then the Authority's Authorised Representative may serve a notice on the Contractor;