

SCHEDULE 3 : CODES AND STANDARDS

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Schedule 3: Compliance, Codes and Standards Documentation

Legislation	Title	
	Firearms Act 1968	Legal compliance (Awaiting formal position from BSG)
	Any other legislation which is applicable to the nature of the business: eg H&SAW Act	Legal compliance
National Standards	Title	
	ADR - European Regulations for the Carriage of Dangerous Goods by Road	Legal compliance
	Explosives Licensing Regulations	Legal compliance
	Cabinet Office Security Policy Framework	Flows from application of DEFCON 659
AQAP	Title	
2110	NATO Quality Assurance Requirements for Design, Development and Production.	
2105	NATO Requirements for Deliverable Quality Plans	
JSP	Title - <i>most recent versions available on MoD intranet</i>	Justification
JSP 309	UK MoD's Fuels and Gases Environment and Safety Management Policy and Codes of Practice	Operating on MoD owned premises

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

JSP 317	Joint Service Safety Regulations for the Storage and Handling of Fuels and Lubricants	Operating on MoD owned premises
JSP 319	Joint Service Regulations for the Storage, Handling and Use of Gases	Operating on MoD owned premises
JSP 375	MoD Health and Safety Handbook	Operating on MoD owned premises
JSP 379	The Packer's Handbook	Delivering materiel into the MoD supply chain
JSP 390	Military Laser Safety	Operating on MoD owned premises
JSP 392	Radiation Safety Handbook	Operating on MoD owned premises
JSP 403	Handbook of Land Range Safety	Operating on MoD owned premises
JSP 418	MoD Corporate Environmental Protection Manual	Operating on MoD owned premises
JSP 426	Fire Safety Manual	Operating on MoD owned premises
JSP 440	Defence Manual of Security	Managing classified equipment
JSP 454	Land Systems Safety and Environmental Protection	Repairing MoD owned equipment
JSP 458	Defence Licensing and Testing Authority Regulations	Testing and repair of MoD owned equipment
JSP 462	Financial Management Policy Manual	
JSP 467	Specification for Power Driven Lifting Devices Used for Handling Conventional and Nuclear Armaments	Testing and repair of MoD owned devices

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

JSP 482	MoD Explosives Regulations	Operating on MoD owned premises
JSP 509	Management of Test and Measuring Equipment	Usage of MoD owned equipment
JSP 515	Hazardous Stores Information System	Management of materiel consistently with other elements of the Support Chain
JSP 520	Ordnance Munitions and Explosives Safety Management System	Management of materiel consistently with other elements of the Support Chain
JSP 541	MoD Information Security and Computer Network Defence	NewCo will use MoD IT
JSP 568	Defence Logistics Operational Assurance Handbook	Management of materiel consistently with other elements of the Support Chain
JSP 740	Acceptable Use Policy for Users of MoD Information Technology and telecommunications networks	NewCo will use MoD IT
JSP 800	Defence Movements and Transportation Regulations	
JSP 815	Defence Environment and Safety Management	Operating on MoD owned premises
JSP 886	Defence Logistics Support Chain Manual	Management of materiel consistently with other elements of the Support Chain

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

JSP 930	Generic Maintenance Inspection Certification and Testing of Vehicles	VOSA-compliant MoD inspection and roadworthiness standards
AESP	Title - <i>All AESP applicable to equipment within the scope of the contract. See separate equipment list</i>	
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED]	[REDACTED] [REDACTED]
[REDACTED]	[REDACTED]	
[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

DEFSTAN	Title	
00-23	IRR Requirements for Painting Military vehicles	Painting MoD owned equipment
00-56	Safety	
03-32	Pre-treatment and painting of vehicles, engineer equipment and components. System for ferrous metal excluding armour	Painting MoD owned equipment
03-33	Arc Welding of Ferrous Armour	Repairing MoD armoured vehicles
05-55	Measurement and Calibration System Requirements for MoD Test and Measurement Equipment	Managing MoD T&M equipment
05-57	Configuration Management of Defence Materiel	
05-61 Part 1	Quality Assurance Procedural Requirements	
05-61 Part 4	Concessions	
05-61 Part 9	Concessions	
05-99	Managing GFE in industry	NewCo will hold MoD GFE
05-135	Avoidance of Counterfeit Materiel	
Other MoD Policy	Title	

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

DEFCON 602A	Deliverable Quality Plan	
DEFCON 627	Quality Assurance - Requirement for a Certificate of Conformity	
	Commercial Policy Statement No.1 - Conflicts of Interest	
	Army Assurance Requirements for Industry Delivered Equipment Support (RIDES)	
	The Packers Handbook; Part 1 Issue 10	
	The Packers Handbook; Part 2 Issue 2	

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 5: EXIT MANAGEMENT

1. **APPLICATION**

- 1.1 In this schedule 5, references to a Replacement Contractor shall be deemed to include reference to more than one Replacement Contractor where more than one is or may be appointed.
- 1.2 Where this Contract or the provision of Services is terminated in part further to clause 44 (Partial Termination), the provisions of this schedule 5 shall apply in respect of the part or parts so terminated.

2. **EXIT PLAN REQUIREMENTS**

- 2.1 The Contractor shall ensure when reviewing, maintaining and updating the Exit Plan that the Exit Plan shall, as a minimum, take account of and provide for those areas set out in this paragraph 2, together with any other provisions as the Contractor deems necessary or as the Authority may reasonably request from time to time in order for the Contractor to be able to perform its obligations under this schedule 5:

(A) exit and transition following:

- (1) the Expiry Date; and
- (2) a Termination Notice;

(B) plans and methodologies for implementation of each part of the Service Delivery Plan and the provision of each element of the Exit Services;

(C) a project plan detailing the timeframes for implementation of each part of the Exit Plan and the provision of each element of the Exit Obligations, and any milestones that need to be met by the Contractor;

(D) details of the management processes and controls to be used in the implementation of the Service Delivery Plan and provision of the Exit Obligations;

(E) arrangements to facilitate and enable the transfer of Transferring Contracts and Transferring Consents;

OFFICIAL SENSITIVE - COMMERCIAL

- (F) a list of the meetings that shall take place during the implementation of the Exit Plan;
- (G) an outline of any procedures and special transition provisions relating to IS;
- (H) a list of any and all Relevant Consents and any other approvals, consents, licences, permissions, certificates and statutory Contracts, permits or authorisations which are necessary, desirable or required by Law or by any competent authority obtained, or to be obtained, by the Contractor for the performance of the Services, the occupation and use of any Contractor Sites or Authority Sites, the performance of Replacement Services or any other transfer or hand back envisaged under this schedule 5; and
- (I) any other information or action pertaining to the Exit Plan required by the Contractor or the Authority to ensure orderly, seamless and timely transfer to the Authority or Replacement Contractor as the case may be.

3. EXIT PERIOD

3.1 The Exit Period shall commence on the earlier of the date:

- (A) that is twenty-four (24) Contract Months before the Expiry Date; or
- (B) of deemed receipt by the Contractor of a Termination Notice;

such date being the “Exit Period Commencement Date” in respect of such Exit Period and shall expire on the applicable Termination Date.

3.2 The Authority may, from time to time, notify to the Contractor a revised Termination Date, which may be earlier or later than the then current Termination Date.

3.3 The Exit Period shall not exceed two (2) years unless the Parties shall agree otherwise.

3.4 Notwithstanding the commencement of an Exit Period, the Parties shall not be restricted during an Exit Period from exercising any right to issue a Termination Notice.

4. EXIT OBLIGATIONS

4.1 During the Exit Period, the Contractor shall provide and shall ensure that, where relevant, the Sub-contractors shall provide:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) the Services to the extent required by the Authority provided that, subject to paragraph 8, the Contractor and/or its Sub-contractors shall not be obliged to provide the Services beyond the Expiry Date;
- (B) the Exit Obligations; and
- (C) any reasonable assistance requested by the Authority to allow the Services to continue without interruption following the Termination Date and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Authority and/or a Replacement Contractor.

4.2 The Contractor shall use all reasonable endeavours to reallocate resources to perform its obligations under this schedule 5 without additional costs being incurred by it.

4.3 Unless the Authority notifies the Contractor otherwise, the Exit Obligations that the Contractor is required to comply with shall include:

- (A) providing all reasonable assistance to the Authority and/or the Replacement Contractor to enable them to determine which Transferring Contracts and Transferring Consents will be required in order to provide the orderly and seamless transition and to provide the Replacement Services;
- (B) notifying the Sub-contractors of procedures to be followed during the Exit Period and ensuring that these procedures are followed;
- (C) providing such access for the Authority and / or a Replacement Contractor to the GFX as may be reasonably required for the orderly and timely transition of the Services from the Contractor to the Authority or any Replacement Contractor with the minimum of disruption and so as to prevent or mitigate any inconvenience to the Authority or disruption to its operations, in accordance with this schedule 5;
- (D) providing reasonable access to the Authority and/or a Replacement Contractor during the Exit Period and for a period not exceeding six (6) months following the Termination Date for the purpose of the orderly and seamless transfer of the Services:

- (1) without prejudice to the obligations of the Contractor pursuant to clause 88 (Records and Reports) and paragraph 6 below, providing to the Authority's

OFFICIAL SENSITIVE - COMMERCIAL

Representative and/or to any Replacement Contractor all and any information and/or material concerning the Authority Sites and the Services that is in the possession or control of the Contractor or its sub-contractors, which is reasonably required for the efficient transfer of responsibility for their performance of the Services including a right to take copies of that information or material, but excluding any information which is commercially sensitive to the Contractor (and for the purpose of this paragraph 4.3(D)(1), commercially sensitive shall mean information which would if disclosed to a competitor of the Contractor give that competitor a competitive advantage over the Contractor and thereby prejudice the business of the Contractor);

- (2) following reasonable notice and during the Contractor's normal business hours, to members of the personnel of the Contractor or any Key Sub-contractor who have been involved in the provision or management of the Services and who are still employed or engaged by them; and
- (3) following reasonable notice and during the Contractor's business hours, to any Contractor Sites (but not so as to interfere with or impede the Services) for the purpose of effecting a prompt knowledge transfer provided that any such agent or personnel of any Replacement Contractor (including employees, consultants and contractors) having access to any Contractor Sites under this paragraph shall sign a confidentiality undertaking in favour of the Contractor (in such form as the Contractor shall reasonably require).

4.4 THE CONTRACTOR SHALL PROMPTLY COMPLY WITH ALL REASONABLE INSTRUCTIONS FROM THE AUTHORITY WITH REGARD TO THE IMPLEMENTATION OF THE EXIT PLAN, INCLUDING CO-OPERATING WITH ANY REPLACEMENT CONTRACTOR, INCLUDING IN RELATION TO TRANSFER OF CONTRACTOR PERSONNEL.

4.5 During the Exit Period, the Contractor shall implement the Exit Plan unless and to the extent expressly instructed in writing by the Authority not to do so.

5. **TRANSITION**

5.1 The Contractor shall use all reasonable endeavours to ensure the orderly transition of the Services from the Contractor to the Authority or any Replacement Contractor (as notified to the Contractor

OFFICIAL SENSITIVE - COMMERCIAL

by the Authority) in the event of expiry or termination (including Partial Termination), for any reason, of this Contract with the minimum of disruption and so as to facilitate the smooth transfer of responsibility for the Services and to prevent or mitigate any inconvenience to the Authority or disruption to its operations, and shall take no action at any time which is calculated or intended, directly or indirectly, to prejudice or frustrate or make more difficult such transfer.

5.2 THE CONTRACTOR SHALL MAKE KEY PERSONNEL REASONABLY AVAILABLE TO THE AUTHORITY AND ANY REPLACEMENT CONTRACTOR DURING THE EXIT PERIOD AND FOR A REASONABLE PERIOD OF TIME FOLLOWING THE TERMINATION DATE, IN ORDER TO EFFECT THE ORDERLY AND TIMELY TRANSFER OF PROVISION OF THE SERVICES.

5.3 The Contractor shall, after the Termination Date, if required by the Authority, provide to the Authority or any Replacement Contractor as the Authority shall direct, continued support and/or maintenance of any elements of the Services provided by the Contractor which are to continue to be used by such Replacement Contractor (as appropriate in the administration or operation of the Services or Replacement Services as applicable), and for the support and/or maintenance of which the proprietary knowledge or skills of the Contractor is required:

- (A) for a period of time to be agreed between the Contractor and the Authority (each acting reasonably); and
- (B) on fair and reasonable prices, commercial and other terms as may be agreed between the Contractor and the Authority (each acting reasonably) and otherwise determined in accordance with the Dispute Resolution Procedure.

For the AVOIDANCE OF DOUBT, THE FOREGOING SHALL NOT APPLY IN RESPECT OF CONTINUED USE OF CONTRACTOR CORE SYSTEMS WHICH SHALL BE GOVERNED IN ACCORDANCE WITH CLAUSES 3.5 AND 3.6 OF SCHEDULE 36 (IPR).

6. **RE-COMPETITION DATA**

6.1 Subject to paragraph 6.3, on reasonable notice the Contractor shall provide to the Authority and/or (subject to the potential third parties entering into reasonable written confidentiality undertakings) any potential third parties, the following information (but excluding any information which is commercially sensitive to the Contractor (and for the purpose of this paragraph 6, commercially sensitive shall mean information which would if disclosed to a competitor of the

OFFICIAL SENSITIVE - COMMERCIAL

Contractor give that competitor a competitive advantage over the Contractor and thereby prejudice the business of the Contractor)) for the purpose of actual or potential re-competition of, and managing transition to any potential third party of, services the same or similar to the Services (in whole or in part) (the “Re-Competition Data”):

- (A) details of the Services (including the scope of Services currently provided and potential new Services or material changes that are in the contemplation of both of the Parties);
- (B) without prejudice to the timetable for, and provisions relating to, delivery of information relating to potential Subsequent Transferring Employees set out in annex 1 (Staff Transfer Arrangements on Exit) and/or any Exit Plan, and in accordance with and subject to annex 1 (Staff Transfer Arrangements on Exit), all information relating to potential Subsequent Transferring Employees required to be provided by the Contractor under this Contract as described in annex 1 (Staff Transfer Arrangements on Exit);
- (C) the Management Information; and
- (D) such other information as the Authority may reasonably request.

6.2 On reasonable notice the Contractor shall update the Re-Competition Data which has been provided to the Authority under paragraph 6.1 and provide such updated Re-Competition Data to the Authority.

6.3 Notwithstanding clauses 79 (Intellectual Property) and 36 (Confidentiality), the Authority may provide the Re-Competition Data to its employees, agents, contractors and advisers and (subject to their entering into reasonable confidentiality Contracts) to any potential Replacement Contractors and their employees, agents, contractors and advisers for the purposes of conducting or participating in a re-tendering exercise or a procurement of services similar, in whole or in part, to the Services.

6.4 The Contractor shall comply with the provisions of this paragraph 6 at any time during the Contract Period in connection with any market-testing exercise, proposed re-tendering or procurement exercise in respect of all or any part of the Services, regardless of whether a Termination Notice has been served or whether the expiry of the Contract is imminent.

7. TRANSFERRING CONTRACTS

OFFICIAL SENSITIVE - COMMERCIAL

- 7.1 At any time after the Exit Period Commencement Date, the Authority shall notify the Contractor which Sub-contracts are the Transferring Contracts.
- 7.2 The Contractor shall (at the Authority's election) assign or procure the novation to the Authority and/or a Replacement Contractor of the Transferring Contracts with effect from the date notified by the Authority. The Contractor shall at its expense execute such documents and provide such other assistance as the Authority reasonably requires to effect such novation or assignment.
- 7.3 The Authority shall:
- (A) accept assignments from the Contractor or join with the Contractor in procuring a novation of each Transferring Contract; and
 - (B) once a Transferring Contract is novated or assigned to the Authority or the Replacement Contractor, 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 a Replacement Contractor does the same.
- 7.4 The Contractor shall hold any Transferring Contracts on trust for the Authority or the Replacement Contractor (as directed by the Authority) until such time as the transfer of such Transferring Contract to the Authority and/or the Replacement Contractor has been effected.
- 7.5 The Contractor shall indemnify the Authority and/or the Replacement Contractor, as applicable, against each Loss arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Authority (and/or Replacement Contractor) pursuant to paragraph 7.2 in relation to any matters arising on or prior to the date of assignment or novation of such Transferring Contract.

8. Transferring Consents

- 8.1 Within:
- (A) twenty (20) Business Days of the Exit Period Commencement Date, the Contractor shall provide the Authority with details of all Relevant Consents applicable to the Services or part of this Contract in respect of which the relevant Exit Period applies, the compliance history for such Relevant Consents, and progress reports for any ongoing work required

OFFICIAL SENSITIVE - COMMERCIAL

under such Relevant Consents and details of such Relevant Consents which the Contractor has not obtained but is required to obtain or which it is in the process of obtaining; and

- (B) thirty (30) Business Days of provision of information further to paragraph 8.1(A), the Authority shall notify the Contractor of the Relevant Consents it requires to be transferred or assigned (the “Transferring Consents”).

8.2 During the Exit Period the Contractor shall:

- (A) use all reasonable endeavours to transfer or assign the Transferring Consents to the Authority or, if the Authority directs, to a Replacement Contractor;
- (B) promptly provide any information as the Authority may reasonably require for the purposes of transferring or assigning any Transferring Consent, or applying for any Relevant Consent;
- (C) promptly provide access to any Contractor Sites or personnel of the Contractor as the Authority may reasonably require for the purposes of transferring, assigning or applying for any Relevant Consent; and
- (D) not modify, alter, vary or surrender any Relevant Consent without the prior written consent of the Authority.

8.3 If a Transferring Consent cannot be assigned or transferred to the Authority or Replacement Contractor before or on the Termination Date then until the Transferring Consent has been transferred or assigned to the Authority or a Replacement Contractor (as applicable), or the Authority informs the Contractor that the Transferring Consent is no longer required, the Contractor shall:

- (A) in so far as is allowed under Law, hold the Transferring Consent on trust for the Authority absolutely;
- (B) in the performance of its obligations and the exercise of its rights under the Transferring Consent, unless not permitted to do so under Legislation, seek and act at all times in accordance with the instructions of the Authority and if requested by the Authority provide assistance as may be required to enable the Authority to enforce the Contractor’s rights and discharge the Contractor’s obligations under the Transferring Consent; and

OFFICIAL SENSITIVE - COMMERCIAL

- (C) in respect of the Transferring Consent continue to comply with such operating procedures as the Contractor was complying with immediately prior to the Exit Period End Date, subject to such appropriate amendments thereto as may be necessary to comply with Good Industry Practice.

9. **IPR**

9.1 Following the issue of a Termination Notice, and, in any event during the Exit Period, the Contractor shall not, without the Authority's prior written consent:

- (A) terminate, enter into or vary any licence connected with Third Party Licensed IPR (including, without limitation, Third Party Software) and/or Contractor Software;
- (B) dispose of or erase (in any manner) any documents or material in its power, possession, custody or control which relate to the provision of the Services, including without limitation any of the Authority Licensed Materials, the Contractor Licensed Materials.

9.2 Unless the Contractor is notified otherwise in writing by the Authority, the provisions of clauses 36 (Confidentiality), 37 (Data Protection) and 79 (Intellectual Property) shall apply for the duration of the Exit Period to the extent required for the Contractor to comply with its Exit Obligations.

9.3 At the end of the Exit Period (or earlier if this does not adversely affect the Contractor's performance of the Services and the Exit Obligations and its compliance with the other provisions of this schedule 5) the Contractor shall:

- (A) deliver up to the Authority the Source Code of the Contractor Software and (to the extent necessary) Third Party Software to enable the Authority to continue and to use such software in accordance with the licences in paragraph 3 of schedule 36 (IPR);
- (B) deliver up to the Authority copies of all embodiments of the Contractor Background IPR and Contractor Confidential Information in order to enable the Authority to continue to use Contractor Background IPR and Contractor Confidential Information in accordance with the licences in paragraph 3 of schedule 36 (IPR);
- (C) deliver up to the Authority all embodiments and copies of the Project Specific IPR and Specially Written Software (including, without limitation, the Source Code for any Specially Written Software) and any adaptations and modifications to the Authority Licensed

OFFICIAL SENSITIVE - COMMERCIAL

Materials on media and in a format that is reasonably acceptable to the Authority and, in the case of adaptations or modifications to the Specially Written Software in both Source Code and binary code forms;

- (D) subject to complying with its obligations in paragraph 9.3(C) above, deliver up to the Authority, destroy or to irretrievably erase (at the Authority's option and Contractor's cost) all embodiments and copies of the Authority Licensed Materials in any Contractor Related Party's power, possession, custody or control in accordance with paragraph 2.4 of schedule 36 (IPR);
- (E) promptly execute a confirmatory assignment of all its rights, title and interest in and to any and all adaptations and modifications made from time to time to any of the Authority Licensed Materials to the Authority free of charge and confirm that, to the greatest extent permitted by law, it waives all moral rights it may have in and to the Authority Licensed Materials in favour of the Authority pursuant to paragraph 2.2(D) of schedule 36 (IPR); and
- (F) procure the prompt execution of a confirmatory assignment of any Contractor Related Party's rights, title and interest in and to any and all adaptations and modifications made from time to time to any of the Authority Licensed Materials to the Authority free of charge and procuring the confirmation that they waive all moral rights they may have in and to the Authority Licensed Materials in favour of the Authority pursuant to paragraph 2.2(D) of schedule 36 (IPR).

10. **Continued Performance**

Save as expressly specified in the Exit Plan or this schedule 5, the Contractor shall at all times during the Exit Period continue to perform its obligations in accordance with the provisions of this Contract.

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX 1: STAFF TRANSFER ARRANGEMENTS ON EXIT

11. Definitions

11.1 In this annex 1 save where otherwise provided, words and terms defined in schedule 1 (Definitions) shall have the meaning ascribed to them in schedule 1 (Definitions).

11.2 Without prejudice to schedule 1 (Definitions), in this annex 1 unless the context otherwise requires:

“Authority Employees” means those employees of the Authority who transferred to the Contractor or an Employing Sub-contractor under the Transfer Regulations and pursuant to the Business Transfer Agreement on the Commencement Date;

“Employing Sub-contractor” means any Sub-contractor of the Contractor providing all or any part of the Services who employs or engages any person in providing the Services;

“Subsequent Relevant Transfer” means a transfer of the employment of Subsequent Transferring Employees from the Contractor or any Employing Sub-contractor to a Replacement Contractor or the Authority under the Transfer Regulations;

“Subsequent Transfer Date” means the date on which the transfer of a Subsequent Transferring Employee takes place under the Transfer Regulations;

“Subsequent Transferring Employee” means an employee wholly or mainly employed or otherwise assigned to the Services (or in respect of Partial Termination, the relevant part of the Services) whose employment transfers under the Transfer Regulations from the Contractor or any Employing Sub-contractor to a Replacement Contractor;

“Transfer Regulations” means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time.

OFFICIAL SENSITIVE - COMMERCIAL

12. **Employment**

12.1 Information on re-tender, Partial Termination, termination or expiry

(A) No earlier than two years preceding the termination, Partial Termination or the Expiry Date or at any time after the service of a notice to terminate this Contract or the provision of any of the Services (whether in whole or part) or on receipt of a written request by the Authority, the Contractor shall (and shall procure that any Employing Sub-contractor shall):

- (1) supply to the Authority such information as the Authority may reasonably require in order to consider the application of the Transfer Regulations on the termination, Partial Termination or expiry of this Contract;
- (2) supply to the Authority such full and accurate and up-to-date information as may be requested by the Authority including the information listed in annex 2 (Contractor personnel-related information to be released upon re-tendering where the Transfer Regulations apply) relating to the employees who are wholly or mainly employed, assigned or engaged in providing the Services or part of the Services under this Contract who may be subject to a Subsequent Relevant Transfer, separately identifying those former employees of the Authority whose employment previously transferred to the Contractor and/or Employing Sub-contractor and details of any pension scheme of which they are members;
- (3) provide the information promptly and in any event not later than three months from the date when a request for such information is made and at no cost to the Authority;
- (4) acknowledge that the Authority will use the information for informing any prospective Replacement Contractor for any services which are substantially the same as the Services or part of the Services provided pursuant to this Contract;
- (5) inform the Authority of any changes to the information provided under paragraphs 12.1(A)(1) or 12.1(B)(2) up to the Subsequent Transfer Date as soon as reasonably practicable.

(B) Three months preceding the Termination Date or expiry of this Contract or on receipt of a

OFFICIAL SENSITIVE - COMMERCIAL

written request from the Authority the Contractor shall:

- (1) ensure that Employee Liability Information and the information listed in part 1 of annex 3 (Personnel information to be released pursuant to this Contract) relating to the Subsequent Transferring Employees is provided to the Authority and/or any Replacement Contractor;
 - (2) inform the Authority and/or any Replacement Contractor of any changes to the information provided under this paragraph 12.1(B) up to any Subsequent Transfer Date as soon as reasonably practicable;
 - (3) enable and assist the Authority and/or any Replacement Contractor or any Sub-contractor of a Replacement Contractor to communicate with and meet those employees and their trade union or other employee representatives.
- (C) No later than 28 days prior to the Subsequent Transfer Date the Contractor shall provide the Authority and/or any Replacement Contractor with a final list of the Subsequent Transferring Employees together with the information listed in part 1 of annex 3 (Personnel information to be released pursuant to this Contract) relating to the Subsequent Transferring Employees. The Contractor shall inform the Authority and/or Replacement Contractor of any changes to this list or information up to the Subsequent Transfer Date.
- (D) Paragraphs 12.1(A) and 12.1(B) are subject to the Contractor's obligations in respect of the Data Protection Legislation and the Contractor shall use its reasonable endeavours to obtain the consent of its employees (and shall procure that its Sub-contractors use their reasonable endeavours to obtain the consent of their employees) to the extent necessary under the Data Protection Legislation or provide the data in an anonymous form in order to enable disclosure of the information required under paragraphs 12.1(A) and 12.1(B). To the extent anonymous data has been provided by the Contractor pursuant to its obligations under paragraphs 12.1(A) and 12.1(B), the Contractor shall provide full data to the Authority no later than twenty-eight (28) days prior to the Subsequent Transfer Date.
- (E) On notification to the Contractor by the Authority of a Replacement Contractor or within the period of eighteen (18) months prior to the Expiry Date or after service of a notice to terminate this Contract (whether in whole or in part), whichever is earlier and in any event

OFFICIAL SENSITIVE - COMMERCIAL

on receipt of a written request by the Authority, the Contractor shall not and shall procure that an Employing Sub-contractor shall not:

- (1) materially amend or promise to amend the rates of remuneration or other terms and conditions of employment of any person wholly or mainly employed or engaged in providing the Services under this Contract;
- (2) replace or re-deploy from the Services any person wholly or mainly employed or engaged in providing the Services, or materially increase or decrease the number of persons performing the Services under this Contract or the working time spent on the Services (or any part thereof);
- (3) reorganise any working methods or assign to any person wholly or mainly employed or engaged in providing the Services (or any part thereof) any duties unconnected with the Services (or any part thereof) under this Contract; or
- (4) terminate or give notice to terminate the employment of any person wholly or mainly employed or engaged in providing the Services (or any part thereof) under this Contract other than in the case of serious misconduct or for poor performance,

save in the ordinary course of business and with the prior written consent of the Authority (not to be unreasonably withheld or delayed) and the Contractor shall indemnify and keep indemnified the Authority in respect of any reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any breach of paragraphs 12.1(A), 12.1(B), 12.1(C) or 12.1(E).

- (F) The Authority may at any time prior to the period set out in paragraph 12.1(E) request from the Contractor any of the information in sections 1(A) to (D) of annex 2 (Contractor personnel-related information to be released upon re-tendering where the transfer regulations apply) and the Contractor shall and shall procure any Sub-contractor will provide the information requested within twenty-eight (28) days of receipt of that request.

12.2 Obligations in Respect of Subsequent Transferring Employees

- (A) To the extent that the Transfer Regulations apply on expiry, termination or Partial

OFFICIAL SENSITIVE - COMMERCIAL

Termination of this Contract, the Contractor shall and shall procure any Employing Sub-contractor shall and the Authority shall and shall procure that a Replacement Contractor shall in such circumstances:

- (1) before and in relation to the Subsequent Transfer Date liaise with each other and shall co-operate with each other in order to implement effectively the smooth transfer of the Subsequent Transferring Employees to the Authority and/or a Replacement Contractor; and
- (2) comply with their respective obligations under the Transfer Regulations including their obligations to inform and consult under Regulation 13 of the Transfer Regulations.

12.3 Unexpected Subsequent Transferring Employees

- (A) If a claim or allegation is made by an employee or former employee of the Contractor or any Sub-contractor who is not named on the list of Subsequent Transferring Employees provided under paragraph 12.1(C) (an “Unexpected Subsequent Transferring Employee”) that he has or should have transferred to the Authority and/or Replacement Contractor by virtue of the Transfer Regulations, the Party receiving the claim or allegation shall notify the other Party (or the Contractor shall notify the Authority on the Sub-contractor’s behalf and the Authority shall notify the Contractor on the Replacement Contractor’s behalf) in writing as soon as reasonably practicable and no later than ten (10) Business Days after receiving notification of the Unexpected Subsequent Transferring Employee's claim or allegation, whereupon:
 - (1) the Contractor shall (or shall procure that the Employing Sub-contractor shall), as soon as reasonably practicable, offer and/or confirm continued employment to the Unexpected Subsequent Transferring Employee or take such other steps so as to effect a written withdrawal of the claim or allegation; and
 - (2) if the Unexpected Subsequent Transferring Employee's claim or allegation is not withdrawn or resolved the Contractor shall notify the Authority (who will notify any Replacement Contractor who is a party to such claim or allegation), and the Authority (insofar as it is permitted) and/or Replacement Contractor (as appropriate) shall employ the Unexpected Subsequent Transferring Employee or as

OFFICIAL SENSITIVE - COMMERCIAL

soon as reasonably practicable, (subject to compliance with its obligations at paragraph 12.3(A)(3)(c) serve notice to terminate the Unexpected Subsequent Transferring Employee's employment in accordance with his contract of employment; and

- (3) the Contractor shall indemnify the Authority and/or Replacement Contractor against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any of the following liabilities incurred by the Authority and/or Replacement Contractor in dealing with or disposing of the Unexpected Subsequent Transferring Employee's claim or allegation:
- (a) any additional costs of employing the Unexpected Subsequent Transferring Employee up to the date of dismissal where the Unexpected Subsequent Transferring Employee has been dismissed in accordance with 12.3(A)(2);
 - (b) any liabilities acquired by virtue of the Transfer Regulations in relation to the Unexpected Subsequent Transferring Employee;
 - (c) any liabilities relating to the termination of the Unexpected Subsequent Transferring Employee's employment but excluding such proportion or amount of any liability for unfair dismissal, breach of contract or discrimination attributable:
 - (i) to a failure by the Authority or a Replacement Contractor to act reasonably to mitigate the costs of dismissing such person);
 - (ii) directly or indirectly to the procedure followed by the Authority or a Replacement Contractor in dismissing the Unexpected Subsequent Transferring Employee;
 - (iii) to the acts/omissions of the Authority or a Replacement Contractor not wholly connected to the dismissal of that person;
 - (iv) any liabilities incurred under a settlement of the Unexpected Subsequent Transferring Employee's claim which was reached with the

OFFICIAL SENSITIVE - COMMERCIAL

express permission of the Contractor (not to be unreasonably withheld or delayed);

(v) reasonable administrative costs incurred by the Authority or Replacement Contractor in dealing with the Unexpected Subsequent Transferring Employee's claim or allegation, subject to a cap per Unexpected Subsequent Transferring Employee of £5,000; and/or

(vi) legal and other professional costs reasonably incurred.

(B) the Authority shall be deemed to have waived its right to an indemnity under paragraph 12.3(A)(3) if it fails without reasonable cause to take, or fails to procure any Replacement Contractor takes, any action in accordance with any of the timescales referred to in this paragraph 2.3.

12.4 Indemnities on subsequent transfer under the Transfer Regulations on Partial Termination, Termination or Expiry of this Contract

(A) If on the expiry, termination or Partial Termination of the Contract there is a Subsequent Relevant Transfer, the Contractor shall indemnify the Authority and any Replacement Contractor against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with:

(1) any employment related claim or claims by Subsequent Transferring Employees whether against the Authority or any Replacement Contractor or any sub-contractor of the Replacement Contractor at any time on or after the Subsequent Transfer Date which arise as a result of an act or omission of the Contractor or any Sub-contractor during the period prior to the Subsequent Transfer Date;

(2) any claim by any employee or trade union representative or employee representative arising whether before or after the Subsequent Transfer Date out of any failure by the Contractor or any Sub-contractor to comply with their obligations under Regulation 13 of the Transfer Regulations in relation to any Subsequent Transferring Employee or any other employee engaged wholly or mainly in connection with the Services by the Contractor or any Sub-contractor or any other

OFFICIAL SENSITIVE - COMMERCIAL

employee of the Contractor or any Sub-contractor affected by the Subsequent Relevant Transfer effected by this Contract (as defined by Regulation 13 of the Transfer Regulations),

save to the extent that all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities are a result of the act or omission of the Authority, the Replacement Contractor or any sub-contractor of a Replacement Contractor.

(B) If there is a Subsequent Relevant Transfer, the Authority shall indemnify the Contractor against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of, or in connection with:

- (1) any claim or claims by a Subsequent Transferring Employee at any time on or after the Subsequent Transfer Date which arise as a result of an act or omission of the Authority or a Replacement Contractor during the period from and including the Subsequent Transfer Date save in respect of any redundancy liability under paragraph 2.5;
- (2) subject to paragraph 2.4(A) any claim by any employee or trade union representative or employee representative arising whether before or after the Subsequent Transfer Date out of any failure by the Authority or a Replacement Contractor to comply with their obligations under Regulation 13 of the Transfer Regulations in relation to any Subsequent Transferring Employee or any other employee engaged wholly or mainly in connection with the Services by the Replacement Contractor or any other employee of the Authority or any Replacement Contractor affected by the Subsequent Relevant Transfer effected by this Contract (as defined by Regulation 13 of the Transfer Regulations),

save to the extent that all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities are a result of the act or omission of the Contractor or any Employing Sub-contractor.

(C) In the event of a Subsequent Relevant Transfer, the Authority shall indemnify the Contractor in respect of all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and other liabilities arising out of or in

OFFICIAL SENSITIVE - COMMERCIAL

connection with or as a result of a substantial change by the Authority or a Replacement Contractor on or after the Subsequent Transfer Date to the working conditions of any Subsequent Transferring Employee to the material detriment of any such Subsequent Transferring Employee. For the purposes of this paragraph 2.4(C), the expressions “substantial change” and “material detriment” shall have the meanings as are ascribed to them for the purposes of Regulation 4(9) of the Transfer Regulations.

OFFICIAL SENSITIVE - COMMERCIAL

12.5 Redundancy Liability on Partial Termination, Termination or Expiry

- (A) The Authority shall indemnify the Contractor against any liability of the Contractor and/or any Employing Sub-Contractor to make statutory and contractual redundancy payments to Authority Employees as a consequence of dismissal by reason of redundancy provided that the dismissal by reason of redundancy (as defined by section 139 of the Employment Rights Act 1996) arises from the expiry or termination or partial termination of this Contract otherwise than by reason of a Contractor Default or any other default of the Contractor or Employing Sub-Contractor and that such a dismissal takes place within six months of such expiry or termination or partial termination and only if the Authority Employees are not transferred to the Authority or Replacement Contractor under the Transfer Regulations by reason other than a failure by the Contractor or any Sub-contractor to comply with its or their obligations under the Transfer Regulations.
- (B) The indemnity set out in paragraph 2.5(A) of this annex shall not include:
- (1) any claims for and costs arising out of the unfair dismissal of Authority Employees;
 - (2) any payments for monies paid to Authority Employees in lieu of notice;
 - (3) any payments for redundancy monies paid to Authority Employees which are referable to a period of time when they were not employed by the Authority or not working wholly or mainly on the Services under this Contract in the employment of the Contractor and/or any Employing Sub-contractor;
 - (4) any enhancements or increases to redundancy payments or benefits agreed with or on behalf of the Authority Employees following the Commencement Date;
 - (5) payments to any Authority Employees who are moved out of or redeployed from the Services at any time; and
 - (6) any payment for monies paid to Authority Employees, in lieu of untaken annual leave or any other contractual or statutory claim.
- (C) The Contractor warrants (and shall procure that any Employing Sub-Contractor warrants) that it will:

OFFICIAL SENSITIVE - COMMERCIAL

- (1) seek to effect dismissal on grounds of redundancy of any of the Authority Employees in accordance with the terms and conditions of employment of the Authority Employees and in accordance with any applicable collective agreements;
 - (2) comply with all relevant statutory obligations which are imposed on an employer; and
 - (3) effect any dismissal on grounds of redundancy fairly, and it will be for the Contractor if so requested to demonstrate to the reasonable satisfaction of the Authority that in any particular case redundancy is or was the genuine reason for the dismissal and to demonstrate (except where the Replacement Contractor disputes their application and that position has been agreed in any subsequent contract for the Services by the Authority) that the Transfer Regulations do not apply.
- (D) If the Contractor or an Employing Sub-Contractor by its acts or omissions is in breach of the warranties under paragraph 2.5(C) in respect of an Authority Employee the Authority will not be liable to indemnify under this paragraph 2.5 in respect of that Authority Employee.

12.6 Contracts (Rights of Third Parties) Act 1999

- (A) A Replacement Contractor may enforce the terms of paragraphs 12.3 (Unexpected Subsequent Transferring Employees) and 2.4 (Indemnities on subsequent transfer under the Transfer Regulations on Partial Termination, Termination, Expiry or Termination of this Contract) against the Contractor in accordance with the Contracts (Rights of Third Parties) Act 1999.
- (B) The consent of a Replacement Contractor (save where the Replacement Contractor is the Authority) is not required to rescind, vary or terminate this Contract.
- (C) Nothing in this paragraph 2.6 shall affect the accrued rights of the Replacement Contractor prior to the rescission, variation, expiry or termination of this Contract.

OFFICIAL SENSITIVE - COMMERCIAL

**ANNEX 2: CONTRACTOR PERSONNEL-RELATED INFORMATION TO BE RELEASED
UPON RE-TENDERING WHERE THE TRANSFER REGULATIONS APPLY**

13. Pursuant to paragraph 12.1(A)(2) of annex 1 (Staff Transfer Arrangements on Exit), the following information will be provided:
- (A) The total number of individual employees (including any employees of Sub-contractors) that are currently engaged, assigned or employed in providing the Services and who may therefore be transferred. Alternatively the Contractor should provide information why any of their employees or those of their Sub-contractors will not transfer;
 - (B) The total number of posts or proportion of posts expressed as a full-time equivalent value that currently undertakes the work that is to transfer;
 - (C) The preceding twelve (12) months total pay costs – (Pay, benefits employee/employer ERNIC and Overtime);
 - (D) Total redundancy liability including any enhanced contractual payments;
14. In respect of those employees included in the total at 1(a), the following information:
- (A) Age (not date of birth);
 - (B) Employment Status (i.e. Fixed Term, Casual, Permanent);
 - (C) Length of current period of continuous employment (in years, months) and notice entitlement;
 - (D) Weekly conditioned hours of attendance (gross);
 - (E) Standard Annual Holiday Entitlement (not “in year” holiday entitlement that may contain carry over or deficit from previous leave years);
 - (F) Pension Scheme Membership (including for ex-Authority Employees or other former Civil Servants who are current members of the Contractor 's Scheme or other Contractor pension scheme certified by GAD which was set up following a transfer to the Contractor or Sub-contractor of former Civil Servants);

OFFICIAL SENSITIVE - COMMERCIAL

- (G) Information about redundancy liabilities and any relevant pension information, including a description of any redundancy terms applicable;
 - (H) Annual Salary;
 - (I) Details of any regular overtime commitments (these may be weekly, monthly or annual commitments for which staff may receive an overtime payment);
 - (J) Details of attendance patterns that attract enhanced rates of pay or allowances;
 - (K) Regular/recurring allowances; and
 - (L) Outstanding financial claims arising from employment (i.e. season ticket loans, transfer grants).
15. The information to be provided under this annex 2 should not identify an individual employee by name or other unique personal identifier unless such information is being provided within fourteen (14) days of the Subsequent Transfer Date.
16. The Contractor will provide (and will procure that the Sub-contractors provide) the Authority/tenderers with access to the Contractor's and Sub-contractor's general employment terms and conditions applicable to those employees identified at paragraph 13(A).

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX 3: PERSONNEL INFORMATION TO BE RELEASED PURSUANT TO THIS
CONTRACT

PART 1

17. Pursuant to paragraph 12.1(B) of annex 1 (Staff Transfer Arrangements on Exit), the written statement of employment particulars as required by section 1 of the Employment Rights Act 1996 together with the following information (save where that information is included within that statement) which will be provided to the extent it is not included within the written statement of employment particulars:

17.1 Personal, Employment and Career

- (A) Age;
- (B) Security Vetting Clearance;
- (C) Job title;
- (D) Work location;
- (E) Conditioned hours of work;
- (F) Employment Status;
- (G) Details of training and operating licensing required for Statutory and Health and Safety reasons;
- (H) Details of training or sponsorship commitments;
- (I) Standard Annual leave entitlement and current leave year entitlement and record;
- (J) Annual leave reckonable service date;
- (K) Details of disciplinary or grievance proceedings taken by or against transferring employees in the last two years;
- (L) Information of any legal proceedings between employees and their employer within the previous two years or such proceedings that the transferor has reasonable grounds to

OFFICIAL SENSITIVE - COMMERCIAL

believe that an employee may bring against the transferee arising out of their employment with the transferor;

- (M) Issue of Uniform/Protective Clothing;
- (N) Working Time Directive opt-out forms; and
- (O) Date from which the latest period of continuous employment began.

17.2 Performance Appraisal

- (A) The current year's Performance Appraisal;
- (B) Current year's training plan (if it exists); and
- (C) Performance Pay Recommendations (PPR) forms completed in the current reporting year, or where relevant, any bonus entitlements.

17.3 Superannuation and Pay

- (A) Maternity leave or other long-term leave of absence (meaning more than four weeks) planned or taken during the last two years;
- (B) Annual salary and rates of pay band/grade;
- (C) Shifts, unsociable hours or other premium rates of pay;
- (D) Overtime history for the preceding twelve-month period;
- (E) Allowances and bonuses for the preceding twelve-month period;
- (F) Details of outstanding loan, advances on salary or debts;
- (G) Cumulative pay for tax and pension purposes;
- (H) Cumulative tax paid;
- (I) National Insurance Number;
- (J) National Insurance contribution rate;

OFFICIAL SENSITIVE - COMMERCIAL

- (K) Other payments or deductions being made for statutory reasons;
- (L) Any other voluntary deductions from pay;
- (M) Civil Service Pension Scheme Membership (Opt-out of Civil Service Pension Scheme, Classic, Classic Plus, Premium, Defined Contribution or other section) or, where relevant Contractor Scheme or other Contractor /Sub-contractor pension scheme membership;
- (N) For pension purposes, the notional reckonable service start date;
- (O) Pensionable pay history for three years to date of transfer;
- (P) Percentage of any pay currently contributed under additional voluntary contribution arrangements; and
- (Q) Percentage of pay currently contributed under any added years arrangements.

17.4 **Medical**

- (A) Sickness and absence records for the immediately preceding four-year period; and
- (B) Details of any active restoring efficiency case for health purposes.

17.5 **Disciplinary**

- (A) Details of any active restoring efficiency case for reasons of performance; and
- (B) Details of any active disciplinary cases where corrective action is ongoing.

17.6 **Further information**

- (A) Information about specific adjustments that have been made for an individual under the Disability Discrimination Act 1995 or the Equality Act 2010;
- (B) Short term variations to attendance hours to accommodate a domestic situation;
- (C) Individuals that are TA members, or staff that may have been granted special leave as a School Governor; and
- (D) Information about any maternity or other statutory leave or other absence from work.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 8: GOVERNANCE

The following definitions shall apply to this schedule 8:

“Ad Hoc Front Line Operating Meeting” has the meaning given to it in paragraph 11.1 of this schedule 8 (Governance);

“Ad Hoc Front Line Operating Meeting Notice” has the meaning given to it in paragraph 11.1 of this schedule 8 (Governance);

“Ad Hoc Joint Management Group Meeting” has the meaning given to it in paragraph 7.1 of this schedule 8 (Governance);

“Ad Hoc Joint Management Group Meeting Notice” has the meaning given to it in paragraph 7.1 of this schedule 8 (Governance);

“Ad Hoc Joint Strategic Group Meeting” has the meaning given to it in paragraph 5.1 of this schedule 8 (Governance);

“Ad Hoc Joint Strategic Group Meeting Notice” has the meaning given to it in paragraph 5.1 of this schedule 8 (Governance);

“Ad Hoc Programme Operations Meetings” has the meaning given to it in paragraph 9.1 of this schedule 8 (Governance);

“Ad Hoc Programme Operations Meetings Notice” has the meaning given to it in paragraph 9.1 of this schedule 8 (Governance);

“Ad Hoc SPC Contract Review Meeting” has the meaning given to it in paragraph 13.1 of this schedule 8 (Governance);

“Ad Hoc SPC Contract Review Meeting Notice” has the meaning given to it in paragraph 13.1 of this schedule 8 (Governance);

“Ad Hoc Transformation Meeting” has the meaning given to it in paragraph 14B.1 of this schedule 8 (Governance);

OFFICIAL SENSITIVE - COMMERCIAL

“Ad Hoc Transformation Meeting Notice” has the meaning given to it in paragraph 14B.1 of this schedule 8;

“Fee Determination Official” means independent Authority representative selected by the Authority responsible for determining the award of the Intangible Element Reward Fee;

“Front Line Operating Meeting” means the operational meeting as described in paragraph 10 of this schedule 8 (Governance);

“Group Member” means the Authority and the Contractor group appointments as set out in tables 1 to 6 in Appendix 1 to this schedule 8 (Governance);

“Group(s)” means one or all of the Joint Management Group, the Joint Strategic Group, the SPC Contract Review Meeting, the Programme Operations Meetings, the Front Line Operating Meeting and the Transformation Review Meetings;

“Programme Operations Meetings” means the operational meetings as described in paragraph 8 of this schedule 8 (Governance); and

“Transformation Review Meetings” means the quarterly review meetings to review progress against schedule 7 (Transformation Plan) as described further in paragraph 14A of this schedule 8 (Governance).

1. **Introduction**

1.1 This schedule 8 describes the procedures that will be used to manage the relationship between the Authority and the Contractor under this Contract.

2. **Establishment of the Groups**

2.1 The Groups shall be established by the Authority under this Contract on which both the Authority and the Contractor shall be represented.

2.2 The Programme Operations Meetings and the Front Line Operating Meeting of the Authority and Contractor representatives will review the day to day operation of this Contract. The role and function of the Programme Operations Meetings is more particularly set out in paragraph 8 (Role of the Programme Operations Meeting) and the role and function of the Front Line Operating Meeting is more particularly set out in paragraph 10 (Front Line Operating Meeting). As at the Commencement Date, there will be seven Programme Operations Meetings as set out below:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) Artillery Systems Operations Meeting;
- (B) In-Service Armoured Platforms Operations Meeting;
- (C) Support Vehicles Operations Meeting;
- (D) Infrastructure Operations Meeting;
- (E) Protected Mobility Operations Meeting; and
- (F) Soldier Systems Operations Meeting.

- 2.3 The SPC Contract Review Meeting consisting of Authority and Contractor representatives will coordinate the outcomes of the seven Programme Operations Meetings and the Front Line Operating Meeting, review the aggregate day to day operation of this Contract and act as the first tier of the Dispute Resolution Procedure in accordance with paragraph 1 of schedule 13 (Dispute Resolution). The role and function of the SPC Contract Review Meeting is more particularly set out in paragraph 12 (SPC Contract Review Meeting).
- 2.4 The Joint Management Group consisting of Authority and Contractor representatives will monitor this Contract at a managerial level and act as the second tier of the Dispute Resolution Procedure in accordance with paragraph 2(A) of schedule 13 (Dispute Resolution). The role and function of the Joint Management Group is more particularly set out in paragraph 6 (Role of the Joint Management Group).
- 2.5 The Joint Strategic Group consisting of Authority and Contractor representatives will monitor this Contract at a strategic level and act as the third tier of the Dispute Resolution Procedure in accordance with paragraph 2(B) of schedule 13 (Dispute Resolution). The role and function of the Joint Strategic Group is more particularly set out in paragraph 4 (Role of the Joint Strategic Group).
- 2.6 Both Parties shall ensure that appropriate resource is made available on a regular basis such that the aims, objectives and specific provisions of this schedule 8 (Governance) can be fully realised.

3. **Group Structure and Representation**

- 3.1 Appendix 1 to this schedule 8 describes in relation to each Group:

- (A) the Authority members of that Group;

OFFICIAL SENSITIVE - COMMERCIAL

- (B) the Contractor members of that Group;
- (C) the frequency that the Group shall meet (unless otherwise agreed between the Parties);
- (D) the location of the Group's meetings; and
- (E) the planned start date by which the Group shall be established.

3.2 As soon as practicable after the Commencement Date the Contractor shall nominate to the Authority particular individuals for approval as Contractor Group Members, to provide representation at each of the Groups, in accordance with management levels defined in tables 1 to 6 in Appendix 1 to schedule 8 (Governance), such approval not to be unreasonably withheld or delayed.

3.3 If either Party wishes to replace any Group Member position, that Party shall notify the other in writing of the proposed change for agreement by the other Party (such agreement not to be unreasonably withheld or delayed). Such a change shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure). Notwithstanding the foregoing, it is intended that each Authority Group Member has at all times a counterpart Contractor Group Member of equivalent seniority and expertise.

3.4 Each Party shall ensure that its Group Members shall make all reasonable efforts to attend Group meetings at which that Group Member's attendance is required. If any Group Member is not able to attend a Group meeting, that person shall use all reasonable endeavours to ensure that:

- (A) a delegate attends the relevant Group meetings in his/her place who (wherever possible) is properly briefed and prepared; and
- (B) that he/she is debriefed by such delegate after the Group meeting.

3.5 A chairperson shall be appointed by the Authority for the Joint Strategic Group, Joint Management Group, SPC Contract Review Meeting, Front Line Operating Meeting and for each of the seven Programme Operations Meetings as identified in Appendix 1 to this schedule 8. The chairperson shall be responsible for:

- (A) scheduling Group meetings;
- (B) authorising the agenda for Group meetings prepared by the secretariat;

OFFICIAL SENSITIVE - COMMERCIAL

- (C) chairing the Group meetings;
- (D) authorising the Group minutes prepared by the secretariat; and
- (E) facilitating the process or procedure by which any decision agreed at any Group meeting is given effect in the appropriate manner.

3.6 The Contractor shall provide all secretariat support to the Groups at the corresponding frequency that each meeting is held in accordance with Appendix 1 in addition to any unscheduled meetings that are held. Secretariat support shall include but not be limited to:

- (A) assembling papers and setting the agenda for Group meetings and circulating to all attendees in advance of such meeting;
- (B) managing diaries and venues;
- (C) ensuring that minutes for Group meetings are recorded and distributed electronically to the appropriate persons and to all Group Members within five (5) Business Days after the relevant Group meeting; and
- (D) capturing and monitoring progress of any follow up tasks or actions following each Group meeting.

3.7 Group meetings shall be quorate as long as at least three (3) representatives (including any delegates attending pursuant to paragraph 3.4) from each Party are present.

3.8 The Parties shall ensure, as far as reasonably practicable, that all Groups shall as soon as reasonably practicable resolve the issues and achieve the objectives placed before them. Each Party shall use reasonable endeavours to ensure that the Group Members are empowered to make relevant decisions or have access to empowered individuals for decisions to be made to achieve this.

4. **Role of the Joint Strategic Group**

4.1 The Joint Strategic Group shall meet with such frequency as may be deemed necessary by the chairperson but in any event shall meet not less than the frequency as set out in table 1 of Appendix 1 to this schedule 8.

OFFICIAL SENSITIVE - COMMERCIAL

- 4.2 The attendees of each Joint Strategic Group meeting shall be those as set out in table 1 of Appendix 1 to this schedule 8, but each Party may invite any other person or persons (including any Sub-contractor) to attend any meeting of the Joint Strategic Group, and the relevant Party shall procure that any person invited by it signs an undertaking with the Authority confirming that it agrees to be bound by the provisions of clause 36 (Confidentiality) (mutatis mutandis) before attending the meeting and complies with all relevant security requirements.
- 4.3 The Joint Strategic Group shall:
- (A) ensure that this Contract is operated throughout the Contract Period in a manner which optimises value for money and operational benefit derived by the Authority and the commercial benefit derived by the Contractor;
 - (B) receive and review reports from the Joint Management Group which summarises key aspects of the operation of the Services and review reports on technology, service and other developments that offer potential for improving the benefit either Party is receiving, in particular value for money;
 - (C) discuss any strategic objectives or future plans of the Authority and/or the Contractor which may impact upon the implementation of the Services throughout the Contract Period;
 - (D) in light of the discussion referred to in paragraph 4.3(C) consider and make any necessary amendments to the Service Delivery Plan and/or the Transformation Plan;
 - (E) determine the impact of and response to government policy matters and cross-departmental initiatives which may impact on the implementation of the Services;
 - (F) authorise any activation or deactivation of the Enterprise PIs in accordance with schedule 25 (Performance Mechanism) and review the strategic implications of the Contractor's performance against the such Enterprise PIs;
 - (G) review and advise the Authority and the Contractor on interfaces between this Contract and other projects, ensuring that this Contract remains aligned with the Authority's strategic objectives in relation to Defence and initiatives and priorities as to the allocation of available resources and budget;

OFFICIAL SENSITIVE - COMMERCIAL

- (H) review and monitor the implementation of the Transformation and any other relevant business change which may affect the Contractor's ability to provide the Services in accordance with this Contract, including consideration of any delivery, commercial and financial risks escalated by the Joint Management Group and through the Transformation Review Meeting;
- (I) develop a relationship development strategy for the development of the operational/supplier relationship; and
- (J) consider and resolve Disputes (including Disputes as to the cause of a delay to or in the performance of the Services) which have been escalated to the Joint Strategic Group in accordance with schedule 13 (Dispute Resolution).

5. **Ad Hoc Joint Strategic Group Meetings**

5.1 Any member of the Joint Strategic Group may request the chairperson to call an unscheduled meeting (an "Ad Hoc Joint Strategic Group Meeting") by serving a minimum of five (5) Business Days' notice on all other members (an "Ad Hoc Joint Strategic Group Meeting Notice") setting out the reasons why the Ad Hoc Joint Strategic Group Meeting has been called and the issues to be discussed or resolved in it.

5.2 An Ad Hoc Joint Strategic Group Meeting shall only be called in the following circumstances:

- (A) in connection with:
 - (1) a security incident or an interruption of any of the Services which is considered to be significant by the member of the Joint Strategic Group calling the meeting;
 - (2) clause 34 (Authority Step-in);
 - (3) clause 35 (Measures in a Crisis); or
 - (4) termination or partial termination in accordance with clauses 39 to 45;
- (B) where the chairperson considered that it is needed in order to address a matter which requires urgent consideration; or
- (C) where both Parties agree that such meeting should be held.

OFFICIAL SENSITIVE - COMMERCIAL

6. **Role of the Joint Management Group**

6.1 The Joint Management Group shall:

- (A) be accountable to the Joint Strategic Group for comprehensive oversight of this Contract and for the senior management of the operational relationship between the Parties;
- (B) report to the Joint Strategic Group on significant issues requiring decision and resolution by the Joint Strategic Group and on progress against high level plans;
- (C) develop the operational/supplier relationship and implement the relationship development strategy defined by the Joint Strategic Group, monitoring its implementation as necessary through the Authority and Contractor service delivery teams;
- (D) develop plans for policy responses determined by the Joint Strategic Group in accordance with paragraph 4.3(E) and monitor the implementation of these plans;
- (E) establish and enforce operational priorities of the Services and ensure effective communication of these to the Authority and the Contractor delivery teams;
- (F) ensure effective implementation of the Transformation and any other relevant business change which does or may have an impact on the Services, including first instance resolution of delivery, commercial and financial risks;
- (G) resolve any disagreement or lack of clarity on operational priorities as escalated by the SPC Contract Review Meeting; and
- (H) consider and resolve Disputes (including Disputes as to the cause of a delay to or performance of the Services) which have been escalated to the Joint Management Group and if necessary escalate such Dispute to the Joint Strategic Group in accordance with schedule 13 (Dispute Resolution).

7. **Ad Hoc Joint Management Group Meetings**

7.1 Any member of the Joint Management Group may request the chairperson to call an unscheduled meeting (an “Ad Hoc Joint Management Group Meeting”) by serving a minimum of five (5) Business Days’ notice (an “Ad Hoc Joint Management Group Meeting Notice”) on all other

OFFICIAL SENSITIVE - COMMERCIAL

members, setting out the reasons why the Ad Hoc Joint Management Group has been called and the issues to be discussed or resolved in it.

7.2 An Ad Hoc Joint Management Group Meeting shall only be called in the following circumstances:

- (A) where the chairperson considers it necessary to address matters requiring urgent consideration; or
- (B) where both Parties agree that such a meeting should be held.

8. **Role of the Programme Operations Meetings**

8.1 Six Programme Operations Meetings shall be established to discuss day to day matters relating the Contractor's delivery of the Services (other than the Services within the scope of the Front Line Operating Meeting pursuant to paragraph 10) in accordance with the provisions of this Contract. Such Services as considered at the seven Programme Operations fall into the following seven areas:

(A) Artillery Systems

- (1) this meeting will determine performance of the Services against the artillery areas in schedule 2 (Statement of Requirements):

(B) In-Service Armoured Platforms

- (1) this meeting will determine performance of the Services against the following areas in schedule 2 (Statement of Requirements):

(a) A vehicles; and

(b) rarden

(C) Support Vehicles

- (1) this meeting will determine performance of the Services against the B vehicles areas in schedule 2 (Statement of Requirements):

(D) Infrastructure

OFFICIAL SENSITIVE - COMMERCIAL

(2) this meeting will determine performance of the Services against the following areas in schedule 2 (Statement of Requirements):

- (a) radios;
- (b) EOD Equipment; and
- (c) miscellaneous equipment

(D) Protected Mobility

(1) this meeting will determine performance of the Services against the protected mobility as set out in schedule 2 (Statement of Requirements)

(E) Soldier Systems Operations

(1) this meeting will determined performance of the Services against the following areas in schedule 2 (Statement of Requirements):

- (a) light weapons SSS; and
- (b) electro-optical

8.2 The Authority in its sole discretion shall determine the relevant parts of the Services to be discussed at each of the seven Programme Operations Meetings as set out above and shall ensure that at all times that however the scope of the Services is split across the seven Programme Operations Meetings, that consideration of the relevant Services by the Programme Operations Meetings in its totality shall equal all the Services required under this Contract.

8.3 If at any time during the Contract Period the Authority wishes to change the name, number or composition of any of the Programme Operations Meetings, then the Authority shall provide notice of such proposed change to the Contractor for their approval such approval not be unreasonably withheld or delayed. Such a change shall be dealt with as an Authority Change pursuant to schedule 24 (Change Procedure).

8.4 Each Programme Operations Meeting shall:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) be accountable to the Joint Management Group for oversight of the relevant Services as designated to it by the Authority and for the senior management of the operational relationships between the Parties;
- (B) escalate to the SPC Contract Review Meeting major issues requiring decision and resolution by the SPC Contract Review Meeting and report on progress against the Annual Plan and KPIs relating to the relevant Services as assigned to that particular Performance Operations Meeting in accordance with paragraph 8.2;
- (C) receive and consider reports from the Authority and the Contractor Representatives on matters such as issues relating to delivery of existing Services in relation to the relevant area of Services as assigned to that particular Performance Operations Meeting in accordance with paragraph 8.2;
- (D) determine qualification for the Monthly Reconciliation Amount and the Monthly Base Amount in accordance with schedule 25 (Performance Mechanism) relating to the relevant Services as assigned to that particular Performance Operations Meeting in accordance with paragraph 8.2 and advise the SPC Contract Review Meeting of proposed amounts to be paid in respect of the same;
- (E) consider the likely activity and volume requirements for the next Contract Month and reviewing any changes to the forecast demand for the remaining Contract Months in the Contract Year;
- (F) monitor the actual progress of delivery of the Services output against the Annual Plan;
- (G) monitor the capacity and capability of the Services and determine plans for their on-going sustainability and implement change if required. Any such a change shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure);
- (H) develop the Authority/Contractor relationship and implement the relationship development strategy defined by the Joint Strategic Group, monitoring its implementation as necessary through the Authority and Contractor service delivery teams; and

OFFICIAL SENSITIVE - COMMERCIAL

- (I) consider and resolve Disputes (including Disputes as to the cause of a delay to or the performance of the Services) in the first instance and if necessary escalate the Dispute to the SPC Contract Review Meeting.

9. **Ad Hoc Programme Operations Meetings**

9.1 Any member of any Programme Operations Meeting may request the chairperson to call an unscheduled meeting (an “Ad Hoc Programme Operations Meeting”) by serving a minimum of five (5) Business Days’ notice (an “Ad Hoc Programme Operations Meeting Notice”) on all other members, setting out the reasons why the Ad Hoc Programme Operations Meeting has been called and the issues to be discussed or resolved in it.

9.2 An Ad Hoc Programme Operations Meeting shall only be called in the following circumstances:

- (A) where the chairperson considers it necessary to address matters requiring urgent consideration; or
- (B) where both Parties agree that such a meeting should be held.

10. **Front Line Operating Meeting**

10.1 The Front Line Operating Meeting shall be established to discuss day to day matters relating the Contractor’s delivery of the Services relating directly to Army business including but not limited to MRO 1-3, Fleet Management, the Training Uplift Fleet, the Power Pack Regeneration Facility and aspects of RIIS (the “Army Services”).

10.2 The Front Line Operating Meeting shall:

- (A) be accountable to the Joint Management Group for oversight of the Army Services and for the senior management of the operational relationships between the Parties;
- (B) escalate to the SPC Contract Review Meeting major issues requiring decision and resolution by the SPC Contract Review Meeting and report on progress against the Annual Plan and KPIs relating to the Army Services;
- (C) receive and consider reports from the Authority and the Contractor Representatives on matters such as issues relating to delivery of existing Services in relation to the Army Services;

OFFICIAL SENSITIVE - COMMERCIAL

- (D) discuss qualification for the Monthly Reconciliation Amount and the Monthly Base Amount relating to the Army Services in accordance with schedule 25 (Performance Mechanism) and advise the SPC Contract Review Meeting of proposed amounts to be paid in respect of the same;
- (E) consider the likely activity and volume requirements for the next Contract Month and reviewing any changes to the forecast demand for the remaining Contract Months in the Contract Year;
- (F) monitor the actual progress of delivery of the Services output against the Annual Plan;
- (G) monitor the capacity and capability of the Services and determine plans for their on-going sustainability and implement change if required. Any such a change shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure);
- (H) develop the Authority/Contractor relationship and implement the relationship development strategy defined by the Joint Strategic Group, monitoring its implementation as necessary through the Authority and Contractor service delivery teams; and
- (I) consider and resolve Disputes (including Disputes as to the cause of a delay to or the performance of the Services) in the first instance and if necessary escalate the Dispute to the SPC Contract Review Meeting.

11. **Ad Hoc Front Line Operating Meeting**

- 11.1 Any member of the Front Line Operating Meeting may request the chairperson to call an unscheduled meeting (an "Ad Hoc Front Line Operating Meeting") by serving a minimum of five (5) Business Days' notice (an "Ad Hoc Front Line Operating Meeting Notice") on all other members, setting out the reasons why the Ad Hoc Front Line Operating Meeting has been called and the issues to be discussed or resolved in it.
- 11.2 An Ad Hoc Front Line Operating Meeting shall only be called in the following circumstances:
 - (A) where the chairperson considers it necessary to address matters requiring urgent consideration; or

OFFICIAL SENSITIVE - COMMERCIAL

- (B) where both Parties agree that such a meeting should be held.

12. **SPC Contract Review Meeting**

12.1 The SPC Contract Review Meeting shall:

- (A) be accountable to the Joint Management Group for oversight of all Services and managing this Contract in a coordinated manner across the areas of scope covered by the seven Programme Operations Meetings and the Front Line Operating Meeting and for the day-to-day management of the operational relationship between the Parties;
- (B) report to the Joint Management Group on significant issues requiring decision and resolution by the Joint Management Group which arise from the Programme Operations Meetings and Front Line Operating Meeting;
- (C) develop the Authority/Contractor relationship and implement the relationship development strategy defined by the Joint Strategic Group, monitoring its implementation as necessary through the Authority and Contractor service delivery teams;
- (D) assess performance based on a review of reports on the delivery of Services, performance against the KPIs and other measures as appropriate;
- (E) authorise payments of the Monthly Reconciliation Amount and the Monthly Base Amount in accordance with schedule 25 (Performance Mechanism) from the Authority to the Contractor;
- (F) consider the impact and implications of the aggregated activity and volume requirements determined by the Programme Operations Meetings and Front Line Operating Meeting pursuant to paragraphs 8.4(E) and 10.2(E) for the next Contract Month and review any changes to the forecast demand for the remaining Contract Months in the Contract Year;
- (G) monitor and report to the Joint Management Group the actual progress of the overall aggregated delivery of the Services output against the Annual Plan;
- (H) consider and resolve Disputes (including Disputes as to the cause of a delay to or the performance of the Services) which have been escalated to the SPC Contract Review Meeting by the Programme Operations Meetings and/or the Front Line Operating Meeting

OFFICIAL SENSITIVE - COMMERCIAL

in the first instance and if necessary escalate the Dispute to the Joint Management Group in accordance with paragraph 1 of schedule 13 (Dispute Procedure);

- (I) assemble and authorise the agenda of discussion items for the Joint Management Group, including collation of Disputes escalated by the Programme Operations Meetings and Front Line Operating Meeting; and
- (J) assess and allocate the overarching operational priorities identified by the Joint Management Group pursuant to paragraph 6.1(E) between areas of the Services across the Programme Operations Meetings.

13. **Ad Hoc SPC Contract Review Meeting**

13.1 Any member of any SPC Contract Review Meeting may request the chairperson to call an unscheduled meeting (an “Ad Hoc SPC Contract Review Meeting”) by serving a minimum of five (5) Business Days’ notice (an “Ad Hoc SPC Contract Review Meeting Notice”) on all other members, setting out the reasons why the Ad Hoc SPC Contract Review Meeting has been called and the issues to be discussed or resolved in it.

13.2 An Ad Hoc SPC Contract Review Meeting shall only be called in the following circumstances:

- (A) where the chairperson considers it necessary to address matters requiring urgent consideration; or
- (B) where both Parties agree that such a meeting should be held.

14A. **Transformation Review Meeting**

14A.1 The Transformation Review Meeting shall meet quarterly and shall:

- (E) assess how to implement effectively the Transformation Plan in accordance with schedule 7 (Transformation Plan) including how to achieve the Interim Milestones, Key Milestones and Final Key Milestones;
- (F) jointly assess how the services will transition to Strategic Support Supplier;
- (C) jointly review progress of achievement of Readiness Conditions associated with each Interim Milestone, Key Milestone and Final Key Milestone and whether such Readiness

OFFICIAL SENSITIVE - COMMERCIAL

Conditions have been completed in accordance with schedule 7 (Transformation Plan);
and

- (D) jointly review and assess the delivery of the actions required under the Dependencies which relate to and/or are required for the achievement of the programme set out in schedule 7 (Transformation Plan).

14B. **Ad Hoc Transformation Meetings**

14B.1 Any member of any Transformation Meeting may request the chairperson to call an unscheduled meeting (an “Ad Hoc Transformation Meeting”) by serving a minimum of five (5) Business Days’ notice (an “Ad Hoc Transformation Meeting Notice”) on all other members, setting out the reasons why the Ad Hoc Transformation Meeting has been called and the issues to be discussed or resolved in it.

14B.2 An Ad Hoc Transformation Meeting shall only be called in the following circumstances:

- (G) where the chairperson considers it necessary to address matters requiring urgent consideration; or
- (H) where both Parties agree that such a meeting should be held.

15. **Annual Review**

15.1 Annual review meetings shall be held, on a date to be agreed between the Parties, throughout the Contract Period.

15.2 The meetings will be attended by those representatives of the Authority and the Contractor as attend the meetings of the Joint Strategic Group and any other persons considered necessary by the Authority for the review.

16. **Additional Meetings**

The Contractor shall accommodate reasonable requests from the Authority for Contractor resource to support additional meetings between the Authority and Contractor held outside of the Group meetings set out within this schedule 8.

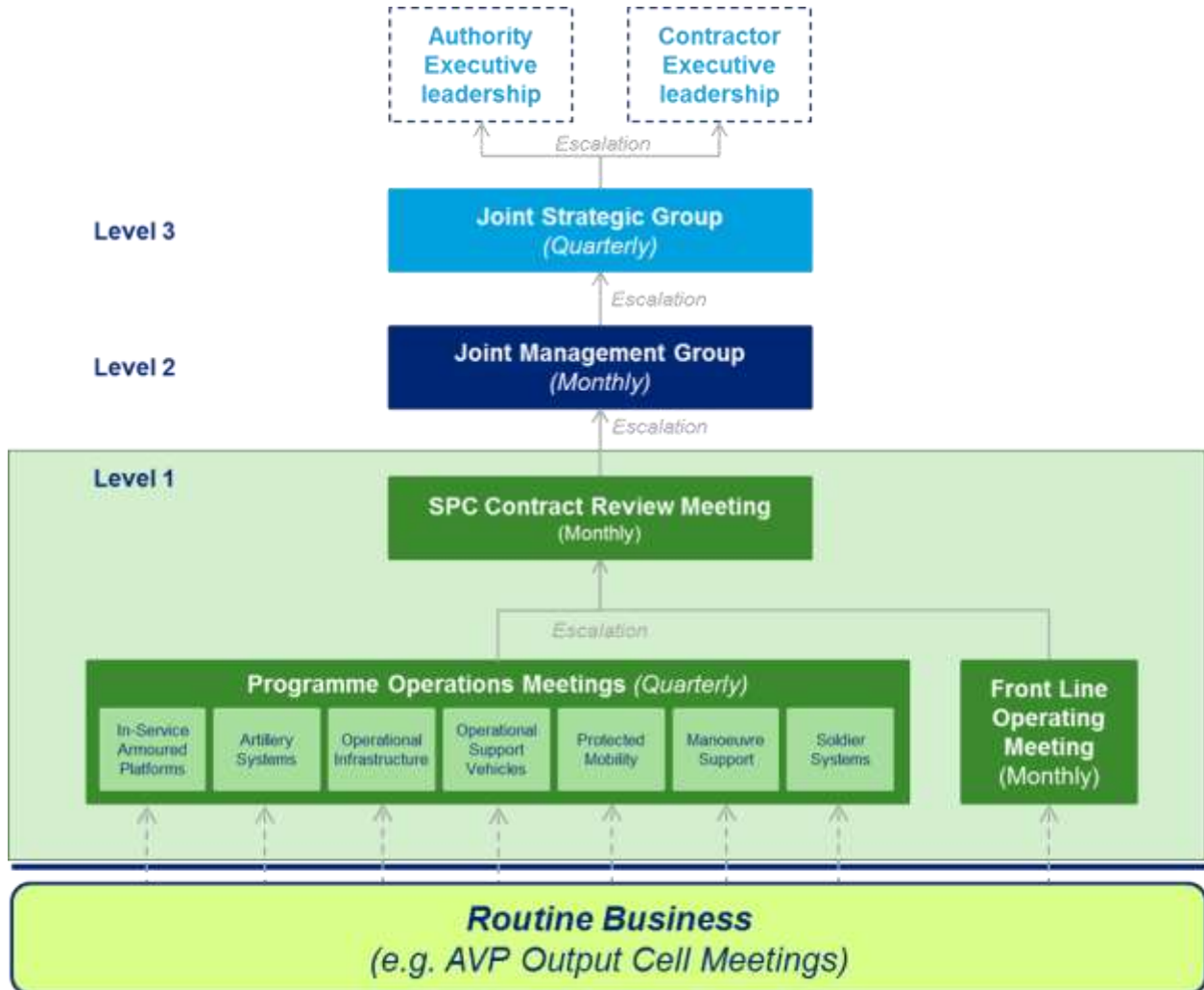
17. **Intangible Element Reward Fee Governance**

OFFICIAL SENSITIVE - COMMERCIAL

- 17.1 The process set out in this paragraph 16 is pursuant to clause 73 (Intangible Element Reward Fee) of the Contract.
- 17.2 The Intangible Element Reward Fee is a fixed amount set at 1% of the contract value.
- 17.3 The sum of each Reward Fee Assessment Period award is discretionary and unilateral and the decision of the Fee Determination Official (“FDO”) shall not be subject to dispute or reconsideration. It is intended as an incentive for the Contractor’s management team to satisfy the Authority’s requirements and expectations for an outstanding excellent contractor.
- 17.4 The Contract will be subject to monthly progress updates at the SPC Contract Review Meeting. At these monthly meetings the Authority will provide feedback to the Contractor on how the Authority views the Contractor’s performance against the Intangible Element Reward Fee criteria. The Contractor may discuss these points, and may offer its view of how it has satisfied the Intangible Element Reward Fee criteria. Any views of the Authority expressed at the CRM shall not predetermine the decision of awarding the Intangible Element Reward Fee.
- 17.5 The Contractor shall deliver to the Authority on or before the end of any Reward Fee Assessment Period a report in writing of no more than 1000 words setting out its assessment of the extent to which it has delivered the key performance evaluation standards and behavioural standards under the criteria. The Authority will consider the Contractor’s report and the FDO will determine whether to award the Intangible Element Reward Fee based on the Contractor’s submission.
- 17.6 The Deputy Head Service Provision Contract will advise the Contractor of the Intangible Element Reward Fee awarded in writing, reminding the Contractor that the decision is not subject to dispute or reconsideration. The DE&S SPC Contract Management Representative will then amend the Contract to increase the value of the Contract by the amount of the reward requiring the Contractor to submit an invoice and request for payment for the reward.
- 17.7 The Authority representatives of the Joint Strategic Group may guide the Contractor as to which criteria the Authority sees as particularly important for the forthcoming period and may expand the criteria at its discretion.

APPENDIX 1

OVERALL STRUCTURE OF THE GOVERNANCE BOARDS



OFFICIAL SENSITIVE - COMMERCIAL

TABLE 1 – JOINT STRATEGIC GROUP REPRESENTATION AND STRUCTURE

Authority attendees	Contractor attendees	Logistics
<ul style="list-style-type: none"> • Director Land Equipment (2*) - CHAIR • Director General Logistics Support and Equipment (2*) • Head of Portfolio Management Office (1*) • Director Equipment (1*) • Head of Commercial Land Equipment (1*) • Director Army Resources (1*) 	<ul style="list-style-type: none"> • Babcock CEO Defence and Security • Managing Director • Commercial Director • Transformation & Innovation Director • Fleets & Service Excellence Director 	<p>Frequency:</p> <ul style="list-style-type: none"> • Quarterly <p>Location:</p> <ul style="list-style-type: none"> • DE&S HQ or Army HQ or such other location as the parties may agree <p>Start Date:</p> <ul style="list-style-type: none"> • Within three months of SPC start date (April 2015)

OFFICIAL SENSITIVE - COMMERCIAL

TABLE 2 – JOINT MANAGEMENT GROUP REPRESENTATION AND STRUCTURE

Authority attendees	Contractor attendees	Logistics
<ul style="list-style-type: none"> • Head of Portfolio Management Office (1*) • - CHAIR • Director Equipment (1*) • Assistant Director Equipment Prog & Res • Assistant Director Equipment Ops • Assistant Director Corporate Equipment Finance Team • Deputy Head Service Provision Contract • DE&S SPC Commercial • Other individuals by exception 	<ul style="list-style-type: none"> • Executive Leadership Team • Transformation (TMO) Manager • Other individuals by exception 	<p>Frequency:</p> <ul style="list-style-type: none"> • Monthly <p>Location:</p> <ul style="list-style-type: none"> • DE&S HQ or Army HQ or such other location as the parties may agree <p>Start Date:</p> <ul style="list-style-type: none"> • Within one month of SPC start date (April 2015)

OFFICIAL SENSITIVE - COMMERCIAL

TABLE 3 – SPC CONTRACT REVIEW MEETING REPRESENTATION AND STRUCTURE

Authority attendees	Contractor attendees	Logistics
<ul style="list-style-type: none"> • Deputy Head Service Provision Contract - CHAIR • DE&S SPC Contract Management Representative • DE&S SPC Finance Management Representative <p>Other individuals by exception</p>	<ul style="list-style-type: none"> • Transformation & Innovation Director • Fleets & Service Excellence Director • Finance Director • I&RM Director • Operations Director • Commercial Director • Transformation (TMO) Manager • Senior Commercial Manager (SPC) • Other individuals by exception 	<p>Frequency:</p> <ul style="list-style-type: none"> • Monthly <p>Location:</p> <ul style="list-style-type: none"> • DE&S HQ or Army HQ or such other location as the parties may agree <p>Start Date:</p> <ul style="list-style-type: none"> • Within three weeks of SPC start date (April 2015) but following Programme Operations Meetings

OFFICIAL SENSITIVE - COMMERCIAL

TABLE 4 – FRONT LINE OPERATING MEETING REPRESENTATION AND STRUCTURE

Authority attendees	Contractor attendees	Logistics
<ul style="list-style-type: none"> • AD Eqpt Ops - CHAIR • SO1 Contractor Field Support • SO1 Fleet Management • SPC Business Partner Representative Army HQ <p>Other individuals by exception</p>	<ul style="list-style-type: none"> • Transformation & Innovation Director • Operations Director • Fleets & Service Excellence Director • Joint Planning & C2 Cell Manager • SSS Manager • The Hub Manager • Senior Commercial Manager (SPC) • Other individuals by exception 	<p>Frequency:</p> <ul style="list-style-type: none"> • Monthly <p>Location:</p> <ul style="list-style-type: none"> • Army HQ or such other location as the parties may agree <p>Start Date:</p> <ul style="list-style-type: none"> • Within three weeks of SPC start date (April 2015)

OFFICIAL SENSITIVE - COMMERCIAL

TABLE 5 – PROGRAMME OPERATIONS MEETING REPRESENTATION AND STRUCTURE

The following is a generic governance representation and structure for all Programme Operations Meetings.

Authority attendees	Contractor attendees	Logistics
<ul style="list-style-type: none"> • Deputy Head of Programme (B1) - CHAIR • SPC Business Partner Representative • DE&S SPC Commercial <p>Other individuals by exception.</p>	<p>To be agreed during Lead-in</p> <p>Other individuals by exception</p>	<p>Frequency:</p> <ul style="list-style-type: none"> • Quarterly <p>Location:</p> <ul style="list-style-type: none"> • DE&S HQ or Army HQ or such other location as the parties may agree <p>Start Date:</p> <ul style="list-style-type: none"> • Within three weeks of SPC start date (April 2015)

OFFICIAL SENSITIVE - COMMERCIAL

TABLE 6 – TRANSFORMATION REVIEW MEETING REPRESENTATION AND STRUCTURE

Authority attendees	Contractor attendees	Logistics
<ul style="list-style-type: none"> • Director Equipment (1*) • DE&S SPC Contract management • Director Army Resources (1*) • Programme Management Office (Army HQ / DE&S) 	<ul style="list-style-type: none"> • Transformation & Innovation Director • Commercial Director • Senior Commercial Manager (SPC) • SSS Manager • Transformation (TMO) Manager <p>Other individuals by exception</p>	<p>Frequency:</p> <ul style="list-style-type: none"> • Quarterly <p>Location:</p> <ul style="list-style-type: none"> • DE&S HQ or Army HQ or such other location as the parties may agree <p>Start Date:</p> <ul style="list-style-type: none"> • Within three weeks of SPC start date (April 2015)

APPENDIX 2

INFORMATION FOR BOARDS, MEETINGS AND ROUTINE BUSINESS

The Contractor shall provide the Authority with the relevant report from the Management Reporting Packs as per this Appendix 2, Table 1, to support the Joint Strategic Group, Joint Management Group, SPC Contract Review Meeting, Front Line Operating Meeting, Programme Operations Meetings, and I&RM routine business.

Each report shall be provided electronically to the Authority's Representative in accordance with the timelines and format specified in clause 7 and Appendix 1 of schedule 30 (Open Book Accounting, Records and Reporting).

The detailed content for all reports within the Management Reporting Pack is defined in schedule 30 (Open Book Accounting, Records and Reporting) Appendix 1.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

TABLE 1 – MANAGEMENT REPORTING PACK: REPORTS SUMMARY

Governance level	Report	Frequency	Number	High level content	
Governance Cell	JSG report	Quarterly	One	<ul style="list-style-type: none"> - Enterprise level overview of performance - Overview of partnering arrangements and efficiency gains 	<ul style="list-style-type: none"> - Disputes - KPI threshold breaches
	JMG report	Monthly	One	<ul style="list-style-type: none"> - Delivery of Contractor against transformation milestones - Major risks to performance - Failures to deliver on dependencies 	<ul style="list-style-type: none"> - Unresolved issues - Failures to deliver on KPIs - Fleet management forecast benefits
	SCRM report	Monthly	One	<ul style="list-style-type: none"> - Category level KPI performance to determine payment to NewCo - Issue management 	<ul style="list-style-type: none"> - Finance information - Areas at risk of underperforming
Governance Meetings	FLOM report	Monthly	One	<ul style="list-style-type: none"> - Individual KPI performance in MRO1-3, RIIS, TSF PPRF and TUF categories - Performance under IBES, MST and PPFRP arrangements 	<ul style="list-style-type: none"> - Dispute resolution - Dependency management - Pipeline of fleet management proposals
	POM reports	Monthly	Seven	<ul style="list-style-type: none"> - One monthly report to be provided to each of the Programme Teams; ISP, OSVP, MST, PM, OIP, Arty Sys, STSP 	<ul style="list-style-type: none"> - Dependency management - Risks to delivery of performance - Individual role KPI performance in relevant areas, specific to each PT
Routine Business	I&RM report	Monthly	One	<ul style="list-style-type: none"> - Individual KPI performance within the I&RM category, segregated into runners, repeaters, strangers and aliens 	<ul style="list-style-type: none"> - Purchase and repair plans - Report on obsolete and obsolescent stock

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 9: AUDIT

18. **Introduction**

18.1 This schedule 9 provides for Audit of the Contractor and the Key Sub-contractors and their activities in relation to this Contract.

18.2 The Audit Rights shall also be exercisable by the Authority Audit Agents.

18.3 Audits and any associated reports and courses of action arising therefrom shall not prejudice or constitute a waiver or exclusion of any:

(A) Contractor obligation or liability; and/or

(B) right or remedy of the Authority, under or in relation to this Contract.

19. **Audit Rights and Responsibilities**

19.1 The Contractor shall provide all reasonable assistance (and procure such assistance from the Key Sub-contractors) to enable the exercise of the Audit Rights.

19.2 The Authority Audit Agents who shall be entitled to exercise the Audit Rights shall include:

(A) internal and external auditors of the Authority;

(B) statutory or regulatory auditors of the Authority;

(C) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office;

(D) any person appointed by the Authority to carry out audit or similar review functions; and

(E) successors to any of the above.

19.3 The term "Audit Access" shall include the grant of the following to the Authority and the Authority Audit Agents:

(A) full access to the complete management accounts and information actually used by the Contractor in the day-to-day provision of the Services and any associated activities;

OFFICIAL SENSITIVE - COMMERCIAL

- (B) full access to the complete management accounts and information actually used by each of the Key Sub-contractors in the day-to-day provision of services to the Contractor in connection with this Contract and any associated activities;
- (C) full access to any information used by each of the Contractor and the Key Sub-contractors as a basis for calculating the amounts payable by the Authority under this Contract (including any proposed or actual variations to such payments);
- (D) access to hard and soft copies of all Management Information;
- (E) access to review, duplicate and remove copies of Management Information;
- (F) access to all the Contractor Sites and the Contractor Personnel;
- (G) access to and use of any equipment, systems and information used by each of the Contractor and the Key Sub-contractors in performing or facilitating the Services;
- (H) access to any assets belonging to, or leased or licensed to or by the Authority in the possession or control of each of the Contractor and the Key Sub-contractors;
- (I) the right to install and run audit software on the Contractor's and the Key Sub-contractors' systems (whether at the Contractor Sites or otherwise), subject to compliance with reasonable IT security procedures notified to the applicable Authority Audit Agent by the Contractor in a timely manner prior to the relevant Audit;
- (J) the provision by the Contractor and the Contractor Personnel of such oral and written information as required by the Authority Audit Agents for the purposes of the Audit;
- (K) access to and use of any documentation, plans or models developed by the Contractor and/or Key Sub-contractors under this Contract;
- (L) such other access to information, equipment, personnel and locations as reasonably required within the scope of an Audit; and
- (M) the use of such facilities as any Authority Audit Agent may require in relation to the exercise of the Audit Rights.

OFFICIAL SENSITIVE - COMMERCIAL

- 19.4 The Audit Access rights of the Authority and/or any Authority Audit Agent in relation to any Key Sub-contract shall not cease on expiry or termination of such Key Sub-contract and the Authority and/or any Authority Audit Agent shall continue to be entitled to Audit the Key Sub-contractor.
- 19.5 Audits may be carried out pursuant to this schedule 9 in order to:
- (A) conduct the Authority's internal and statutory audits;
 - (B) prepare, examine and/or certify the Authority's annual and interim reports and accounts;
 - (C) verify the calculations carried out in ascertaining any other amounts payable by the Authority under this Contract (including any proposed or actual variations to such payments), including reviewing the Financial Model and its application;
 - (D) verify the Contractor's and the Key Sub-contractors' compliance with the terms of this Contract and applicable Laws;
 - (E) review, verify and quality assess the Management Information and their maintenance;
 - (F) review, verify and quality assess any reports and management information provided in connection with this Contract;
 - (G) verify the integrity, confidentiality and security of the data being processed, stored and/or accessed by each of the Contractor and the Key Sub-contractors in connection with this Contract;
 - (H) identify or investigate actual or suspected fraud, impropriety or accounting mistakes, provided that the Authority will be under no obligation to inform the Contractor of the purpose or objective of its investigations;
 - (I) identify or investigate any circumstances which may impact upon the financial stability of each of the Contractor and the Key Sub-contractors or their ability to provide the Services;
 - (J) obtain such information as is necessary to fulfil the Authority's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes;
 - (K) inform any examination of the economy, efficiency and effectiveness of the Authority and the use of its resources;

OFFICIAL SENSITIVE - COMMERCIAL

- (L) assist, perform or satisfy any other audit that may be required by any of the Regulatory Bodies;
 - (M) verify the technical or financial aspects of any Change pursuant to schedule 24 (Change Procedure); and/or
 - (N) verify the Overhead Recovery Fee proposed by the Contractor pursuant to clause 81 (Commercial Work).
- 19.6 Save in the case of an Emergency Audit, the Authority shall provide at least ten (10) Business Days' notice of any Audit it intends to carry out, specifying the locations to be audited, the anticipated time of arrival and the names and titles of the attendees, together with the organisation(s) they represent.
- 19.7 Following notification of an Audit and subject to paragraph 19.2(D) the Contractor shall provide the Authority Audit Agents with such Audit Access as the Authority and/or the Authority Audit Agents request.
- 19.8 The Contractor shall provide the National Audit Office with such access to such information as the National Audit Office may require, and shall promptly comply with any request by the National Audit Office for copies of any such information to the extent allowed under the Data Protection Act 1998.
- 19.9 For the purpose of the examination and certification of the accounts of the Authority and/or any examination pursuant to Section 6(1) of the National Audit Act 1983 or any re-enactment thereof of the economy, efficiency and the effectiveness with which the Authority has used its resources, the Contractor shall and shall ensure that the Key Sub-contractors enable the National Audit Office and its representatives to examine such documents including records (whether or not on the Contractor's IT systems) as it may reasonably require which are owned, held or otherwise within the control of the Contractor, or the Key Sub-contractors, and the Contractor shall provide the National Audit Office with all oral or written explanations it may request.
- 19.10 Without prejudice to the generality of this paragraph 19, the Contractor shall provide the Comptroller and Auditor General and each of their authorised representatives with full access to, the right of inspection of, and extraction from all Data whether manual or on computer that relate to the Authority's property (both real and personal) leased to or otherwise made available to the

OFFICIAL SENSITIVE - COMMERCIAL

Contractor. All such Data shall be retained by the Contractor for a period of 6 years after the Contractor's responsibilities for such property have been discharged.

20. **Emergency Audit**

20.1 Where the Authority considers that an urgent Audit ("Emergency Audit") is required on the grounds that the Authority considers that:

- (A) there may be actual or suspected impropriety or fraud;
- (B) the Contractor may be in default under this Contract and/or suffering financial distress;
- (C) circumstances may have arisen which would give the Authority the right to terminate this Contract and/or any part of the Services;
- (D) a Security Breach has occurred in relation to the Services and/or this Contract;
- (E) unannounced security testing or inspections are required to establish compliance with the provisions of schedule 27 (Security);

it may notify the Contractor that it is conducting an Emergency Audit, and the Contractor shall provide any Authority Audit Agents with immediate Audit Access and facilitate the carrying out of the Emergency Audit.

20.2 In the event of an investigation into suspected fraudulent activity or other impropriety by the Contractor, the Contractor Personnel, the Authority's own personnel and/or any third party, the Authority and the Authority Audit Agents shall be given immediate access to the Management Information, the Contractor Sites and/or any the Contractor Personnel. The Contractor shall render all necessary assistance to the conduct of such investigation at all times during the continuation of this Contract and at any time after its expiry or termination.

20.3 Nothing in this Contract shall prevent or restrict the rights of the Comptroller and/or Auditor General and/or their representatives from carrying out an audit, examination or investigation of the Contractor and/or any Key Sub-contractor for the purposes of and pursuant to the National Audit Act 1983, the Government Resources and Accounts Act 2000, the Exchequer and Audit Act 1921 (each as amended or replaced from time to time) and/or any other applicable Laws.

OFFICIAL SENSITIVE - COMMERCIAL

21. **Response to Audits**

- 21.1 Following each Audit, the Authority may provide to the Contractor, within a reasonable time, a report indicating:
- (A) any specific issues of non-compliance with this Contract which the Contractor is required to rectify (without representation that this is a complete list of all areas of non-compliance); and
 - (B) any issues not concerning non-compliance but which the Authority may (without commitment by the Authority) wish to consider further with the Contractor, identified as a result of the Audit.
- 21.2 If the Contractor disputes an Audit report provided in accordance with paragraph 21.1, the Contractor shall within ten (10) Business Days of receiving the relevant report provide details of the basis for any such dispute together with documentation to support the Contractor's position to the Authority. In the event that the findings of the report remain disputed following the Contractor response, this shall be treated as a Dispute and dealt with in accordance with the Dispute Resolution Procedure (involving, where appropriate and possible, the applicable Authority Audit Agents).

22. **Audit Costs**

- 22.1 Subject to paragraph 22.2, the Parties shall bear their own costs and expenses incurred in complying with their obligations under this schedule 9 provided that where there is more than one Audit in any Contract Year, if the Contractor is able to demonstrate, to the reasonable satisfaction of the Authority, that the resources required to comply with such obligations could not reasonably be covered by the resources of the Contractor or (as relevant) the Key Sub-contractors at the time the Audit is carried out and that providing such resources has resulted in the Contractor incurring material incremental reasonably and properly incurred costs, such costs shall be borne by the Authority.
- 22.2 If an Audit identifies a breach of the Contract by the Contractor, and without prejudice to any other rights of the Authority under the Contract, the Contractor shall reimburse the Authority for all of the Authority's reasonable costs and expenses incurred in the course of performing or

OFFICIAL SENSITIVE - COMMERCIAL

facilitating the applicable Audit within 14 days of receipt of notice from the Authority and such Audit shall not be counted for the purpose of paragraph 22.1.

23. **Accommodation**

The Contractor shall provide such reasonable accommodation and facilities as the Authority or the Authority Audit Agents may require in connection with any Audit.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 11: ENVIRONMENTAL HEALTH AND SAFETY

1. Definitions

For the purposes of this schedule, the following provisions have the meanings set out below:

"Contamination" means Hazardous Substances at, on, in or under or migrating from the Authority Site;

"Environment" means any air (including air within natural or man-made structures above or below ground), water (including territorial, coastal and inland waters, ground water and water in drains and sewers and land (including surface land, sub-surface land, seabed and river bed under water) and any living organisms or eco-systems supported by those media;

"Environmental Laws" means all or any international, European, national, regional or local law or regulation arising through statute, statutory guidance having the force of law, subordinate legislation or common law in force and applicable in the United Kingdom as at the Commencement Date which regulate the protection of the Environment and, for the avoidance of doubt, includes all such laws that relate to the health and safety of employees and other persons in the workplace or as a result of workplace activities or which relate to town and country planning or Environmental Liabilities;

"Environmental Liabilities" has the meaning given to it in paragraph 2.4(A) below;

"Finds" means all materials and objects of any kind found on or at any Authority Site that are or appear to be:

- (A) fossils; or
- (B) antiquities; or
- (C) other objects having artistic, historic or monetary value; or
- (D) human remains; or
- (E) ordnance;

"Good Environmental Practice" means that the Contractor shall ensure that it shall at all times during the Contract Period:

- (A) comply with Environmental Law in relation to its performance of the Services or its occupation and use of the Authority Sites;
- (B) implement and comply with the Environmental Management Plan required under Paragraph 2.2 of this schedule 11 below;
- (C) retain for the duration of the Contract and provide access to the Authority to inspect:
 - (1) any records or assessments required to be kept by the Contractor under Environmental Law in respect of any Hazardous Substances used by the Contractor in the provision of the Services;
 - (2) details of the location in which any Hazardous Substances referred to in such records or assessments are stored; and
 - (3) the registers required to be kept by the Contractor under clause 3.5 of the Environmental Deed in respect of the Authority Leased Properties;

OFFICIAL SENSITIVE - COMMERCIAL

to provide the Authority with such copies of said information, records, registers and assessments which the Authority may reasonably request;

- (D) report promptly to the Authority with details of:
 - (1) any significant acts, events or circumstances which involve the deposit or spill of, mixing or inadvertent use of Hazardous Substances of which the Contractor is aware in quantities or circumstances which in the Contractor's reasonable opinion may at any time require remediation in order to prevent or minimise the harmful effects of the materials on the Environment, human health and property unless the said act event or circumstance has been fully contained or treated by the Contractor such that no harm or damage has or will occur to the Environment; and
 - (2) any indication or detection of Contamination of which the Contractor becomes aware including the location of such Contamination;
- (E) treat appropriately in accordance with Good Industry Practice any Contamination resulting from any spillage or other release of Hazardous Substances by the Contractor;
- (F) ensure in the execution of the Services that the effects on the Environment and human health of any Contamination are minimised and mitigated in accordance with Good Industry Practice;

"Hazardous Substances" means any natural or artificial substance (whether in solid or liquid form or in the form of a gas, vapour or ionising radiation and whether above or in combination or in reaction with any other substance) capable of causing harm to man or any other living organism supported by the Environment or damaging the Environment or public health or welfare including but not limited to, any controlled, special, hazardous, toxic or dangerous waste, biological, nuclear or radioactive material, fuel, munitions and/or explosives;

"Site Conditions" means the conditions of an Authority Site including (but not limited to) climatic, hydrological, hydrogeological, ecological, environmental, geotechnical and archaeological conditions.

2. Environment

2.1 Conduct

The Contractor shall at all times in the performance of the Services and at its expense implement, maintain and comply with Good Environmental Practice.

2.2 Environmental Management System

- (A) The Contractor shall prepare, maintain and update an environmental management plan (the "Environmental Management Plan") that shall detail the Contractor's environmental management system (including environmental management processes, procedures, practices, resources, and organisation structure for

OFFICIAL SENSITIVE - COMMERCIAL

ensuring compliance with its obligations) (the "Environmental Management System"). The Environmental Management System shall comply with the requirements and principles of the MoD Corporate Environmental Protection Manual (JSP 418) (or such other environmental management standard as may replace or supersede the same or, in the absence of a replacement or a superseding environmental management standard or equivalent, such other environmental management system as may be acceptable to the Authority's Representative (acting reasonably)). The Environmental Management Plan shall specify the circumstances in which it shall be reviewed, revised and updated and when the Authority shall be notified of the review, revision and update to the Environmental Management Plan.

- (B) The Contractor shall procure that at the date of execution of any subcontract (at any tier) the relevant sub-contractor delivers to the Contractor an environmental management plan that details the relevant subcontractor's environmental management system (including quality processes, procedures, practices, resources, and organisation structure for ensuring compliance with its obligations). The Contractor shall procure that the sub-contractor maintains and updates such environmental management plan and promptly after any modifications delivers a revised environmental management plan to the Contractor. The subcontractor's environmental management system shall comply with the requirements and principles of the MoD Corporate Environmental Protection Manual (JSP 418) (or such other environmental management standard as may replace or supersede the same or, in the absence of a replacement or a superseding environmental management standard or equivalent, such other environmental management system as may be acceptable to the Authority's Representative (acting reasonably)) and any other environmental management requirements that may be applicable. The Contractor shall procure that such sub-contractor performs its obligations in accordance with its environmental management plan as amended from time to time. At the date of the execution of any sub-contract (and promptly after any updating of such sub-contractor's environmental management plan) the Contractor shall review, revise and update the Environmental Management Plan to reflect the relevant sub-contractor's environmental management plan and shall notify the Authority of the same.

OFFICIAL SENSITIVE - COMMERCIAL

- (C) On the Commencement Date the Contractor shall deliver to the Authority a soft copy and a hard copy of the Environmental Management Plan. Prior to any amendment of the Environmental Management Plan the Contractor shall deliver to the Authority a soft copy of the draft changes to the Environmental Management Plan (and a hard copy within two Business Days of a written request by the Authority) for review, comment and agreement. Any comments provided by the Authority shall be deemed to be Disclosed Data. If requested in writing by the Authority the Contractor shall, and shall procure that sub-contractors shall, deliver to the Authority a soft copy of the Environmental Management Plan and/or sub-contractor's environmental management plan(s) (as applicable) within two Business Days of such request (and, if requested in writing, a hard copy within five Business Days of such request by the Authority).

2.3 Condition of Authority Sites

- (A) Except as otherwise expressly provided in this Contract any land or premises occupied by the Contractor in connection with the provision of Services and forming part of any Authority Site shall be accepted by the Contractor in their state and condition in all respects as at the Commencement Date and nothing in this Contract or otherwise shall constitute or imply a warranty by or on the part of the Authority as to the fitness and suitability of such land or premises for the Services or for any other purpose.
- (B) Without prejudice to the provisions of the Environmental Deed in respect of the Authority Lease Properties, the Contractor shall, in respect any land or premises occupied by the Contractor in connection with the provision of Services and forming part of any Authority Site, be deemed to have:
- (1) subject to paragraph 2.4, carried out a ground physical and geophysical investigation and to have inspected and examined the Authority Sites and their surroundings; and
 - (2) subject to paragraph 2.4, satisfied itself as to the nature of the Site Conditions at the Authority Sites, the ground and the subsoil, the nature of any materials (whether natural or otherwise) to be excavated.
- (C) Without prejudice to the provisions of Environmental Deed in respect of the Authority Lease Properties, the Contractor accepts full responsibility for all matters

OFFICIAL SENSITIVE - COMMERCIAL

referred to in paragraph 2.3(B) (Condition of Authority Sites) and the Contractor shall, subject to paragraph 2.4 below and clause 87 (Force Majeure Events), not be entitled to make any claim against the Authority of any nature whatsoever on any grounds including the fact that incorrect or insufficient information on any matter relating to the Authority Sites was given to it by any person, whether or not an Authority Related Party.

2.4 Finds, Ground Conditions and Contamination at Authority Sites

- (A) Upon the discovery of a Find and/or unforeseen ground conditions and/or Contamination ("Environmental Liabilities") on an Authority Site the Contractor's Representative shall immediately inform the Authority's Representative of such discovery and its location.
- (B) All Finds shall be, or shall become upon discovery, the absolute property of the Authority and:
 - (1) the Contractor shall not disturb the Find and, if necessary, cease any Services in so far as the carrying out of such works would endanger the Find and/or the Authority Site or prevent or impede excavation of the Find; and
 - (2) the Contractor shall take all necessary steps to preserve the Find in the same position and condition in which it was found; and
 - (3) if the Find is or appears to be ordnance, the Contractor shall in addition immediately contact the police and then proceed promptly and diligently as directed by them and/or as directed by the explosive ordnance team attending the Authority Site for the purpose of disposing of such ordnance.
- (C) Following notification pursuant to paragraph 2.4(A) the Authority's Representative shall promptly, and in any event within five Business Days, issue an instruction to the Contractor's Representative specifying what action the Authority's Representative requires to be taken in relation to such Find and/or unforeseen ground conditions and/or Contamination provided that if no such instruction is forthcoming within five Business Days the Contractor may continue to carry out the

OFFICIAL SENSITIVE - COMMERCIAL

Service unless there has been a Find of ordnance, in which case, the provisions of paragraph 2.4(B)(3) shall apply.

- (D) The Contractor shall promptly and diligently comply with any instruction issued by the Authority's Representative referred to in paragraph 2.4(C) (except and to the extent that compliance with the Authority's Representative's instruction requires a change to the Services, in which case the provisions of clause 80 (Change) and schedule 24 (Change Procedure) shall apply any such change shall be dealt with as a Contractor Change).
- (E) Without prejudice to the provisions of the Environmental Deed in respect of the Authority Lease Properties, the responsibility for the cost of cleaning up or otherwise dealing with an Environmental Liability and the relief from obligations to the extent Environmental Liabilities prevents or impedes the Services shall be allocated between the Authority and/or the Contractor in accordance with the Table below subject always to the Contractor having complied with its obligations under this schedule 11 and any Environmental Liabilities which are caused or contributed to by a failure to comply with this schedule 11 shall be at the cost of the Contractor and the provisions of paragraph 0 shall apply.

	Responsibility for the cost of cleaning up or otherwise dealing with the Environmental Liabilities	Relief from obligations to the extent the Environmental Liabilities prevents or impedes the Services
Finds of ordnance on an Authority Site	Compensation Event	Compensation Event
Environmental Liabilities other than ordnance arising or being discovered in any part of an Authority Site and/or migrating from an Authority Site and which was not caused by the act or omission of a Contractor or a Contractor Related Party	Force Majeure Event	Force Majeure Event
Environmental Liabilities other than ordnance arising or being discovered in any part of an Authority Site and/or migrating from an Authority Site and which was caused by the act or omission of a Contractor or	At the cost of the Contractor	None

OFFICIAL SENSITIVE - COMMERCIAL

a Contractor Related Party		
----------------------------	--	--

(F) If the Table above shows the cost of cleaning up or otherwise dealing with Environmental Liabilities to be at the Contractor's cost, the Contractor shall:

- (1) at its own cost, clean up or otherwise deal with any such Contamination so that it shall at all times comply with its obligations under this Contract including complying with any applicable Legislation and any Necessary Consents, orders, notices or directions of any regulatory body (whether made against the Authority or the Contractor); and
- (2) where applicable be the responsible person for the part of the Authority Site affected by Contamination as designated as Contaminated Land under Part IIa Environmental Protection Act 1990; and
- (3) indemnify and hold the Authority harmless from all liabilities incurred by the Authority resulting from such Contamination and in respect of which clause 20 (Conduct of Indemnity Claims) shall apply.

3. Health and Safety

3.1 The Contractor shall, and/or shall procure, that in carrying out the Services it and/or any Contractor Related Party shall take all necessary steps in accordance with Legislation and all relevant Authority Policies including DEFSTAN 00-56 with regard to ensuring that the health and safety of all:

- (A) occupants of the Authority Sites; and
- (B) individuals invited onto the Authority Sites; and
- (C) occupants of Adjoining Properties (as defined in schedule 37 (Property Licence to Occupy)),

is not adversely impacted upon.

OFFICIAL SENSITIVE - COMMERCIAL

- 3.2 In complying with paragraph 3.1 the Contractor shall ensure that the Contractor and Contractor Related Parties, comply with the Authority's 'Health and Safety' policies, including:
- (A) the Authority Sites 'Health and Safety at Work' policy; and
 - (B) Health and Safety at Work Notices to Contractors; and
 - (C) the requirements of schedule 19 (Contractor Personnel at Government Establishments); and
 - (D) working practices; and
 - (E) Authority Sites standing orders; and
 - (F) permits to work; and
 - (G) emergency and evacuation procedures; and
 - (H) Crown and Authority Fire regulations, and all Authority Fire Officer requirements where they are more onerous than building regulations.

SCHEDULE 12: MONTREAL PROTOCOL SUBSTANCES

As a signatory to the Montreal Protocol on Substances that deplete the Ozone Layer, Her Majesty's Government is committed to the reduction of the production and consumption of those substances controlled under the Protocol. The Contractor must therefore confirm whether its Bid will involve the use of any or all of the substances named in the attached Annex A (in which case the Contractor must also provide full details of such use, including where this relates to packaging) or submit a "NIL RETURN".

OFFICIAL SENSITIVE - COMMERCIAL

Annex A

Montreal Protocol Substances

CFCs - Production of controlled CFCs has stopped.

CFC-11(trichlorofluoromethane)	CFC-211
CFC-12(dichlorodifluoromethane)	CFC-212
CFC-13	CFC-213
CFC-111	CFC-214
CFC-112	CFC-215
CFC-113 (trichlorotrifluoroethane)	CFC-216
CFC-114 (dichlorotetrafluoroethane)	CFC-217
CFC-115 (chloropentafluoroethane)	

The above substances are also used in blends: e.g.

CFC-500 (CFC-12/HFC-152a)

CFC-502 (CFC-115/HCFC-22).

Halons - Production of controlled Halons has stopped.

Halon-1211 (bromochlorodifluoromethane - BFC)

Halon-1301 (bromotrifluoromethane - BTM)

Halon-2402

HBFCs - Production has stopped.

CHFBr ₂	C ₂ H ₂ F ₂ Br ₂	C ₃ HF ₄ Br ₃	C ₃ H ₃ F ₂ Br ₃
CHF ₂ Br	C ₂ H ₂ F ₃ Br	C ₃ HF ₅ Br ₂	C ₃ H ₃ F ₃ Br ₂
CH ₂ FBr	C ₂ H ₃ FBr ₂	C ₃ HF ₆ Br	C ₃ H ₃ F ₄ Br
C ₂ H ₃ F ₂ Br	C ₃ H ₂ FBr ₅	C ₃ H ₄ FBr ₃	

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

C2 HFBr4	C2 H4 FBr	C3 H2 F2 Br4	
C3 H4 F2 Br2	C2 HF2 Br3	C3 H2 F3 Br3	
C3 H 4F3 Br	C2 HF3 Br2	C3 HFBr6	
C3 H2 F4 Br2	C3 H5 FBr2		
C2 HF4 Br	C3 HF2 Br5	C3 H2 F5 Br	C3 H5 F2 Br
C2 H2 FBr3	C3 HF3 Br4	C3 H3 FBr4	C3 H6 FBr

HCFCs - Production to be run down and phased out by 2015.

Certain use controls apply.

HCFC-21	HCFC-141	HCFC-225ca	HCFC-243
HCFC-22	HCFC-141b	HCFC-225cb	HCFC-244
HCFC-31	HCFC-142	HCFC-226	HCFC-251
HCFC-121	HCFC-142b	HCFC-231	HCFC-252
HCFC-122	HCFC-151	HCFC-232	HCFC-253
HCFC-123	HCFC-221	HCFC-233	HCFC-261
HCFC-124	HCFC-222	HCFC-234	HCFC-262
HCFC-131	HCFC-223	HCFC-235	HCFC-271
HCFC-132	HCFC-224	HCFC-241	
HCFC-133	HCFC-225	HCFC-242	

CARBON TETRACHLORIDE (CCl₄) - Production has stopped.

1,1,1-TRICHLOROETHANE (C₂H₃Cl₃) - Production has stopped.

METHYL BROMIDE (CH₃Br) - Production limits apply.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 13: DISPUTE RESOLUTION

1. The Parties will attempt in good faith to resolve any Dispute through the SPC Contract Review Meeting referred to in Schedule 8 (Governance) between the respective representatives of the Parties having authority to settle the matter, which attempts may include the use of any Alternative Dispute Resolution (ADR) procedure on which the Parties may agree.
2. If the Dispute is not resolved by the commercial representatives of the Parties:
 - (A) such Dispute will be referred, by either or both Parties, to the first meeting of the Joint Management Group meeting taking place not less than one week after such referral; and
 - (B) if the Dispute is not resolved by the Joint Management Group at such meeting, then the Dispute will be referred, by either or both Parties, to the first meeting of the Joint Strategic Group taking place not less than one week after such meeting of the Joint Management Group.
3. Any Dispute which is not resolved pursuant to paragraphs 1 to 2 above shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration, which Rules are deemed to be incorporated by reference into this clause.
4. Neither Party shall, save with the other Party's prior written agreement, commence any proceedings under paragraph 3 above in respect of a Dispute unless and until the process set out under paragraph 2 has been followed in respect of such Dispute, but nothing in this paragraph 4 shall prevent either Party from seeking interim or interlocutory relief in any court of competent jurisdiction.
5. For the purposes of any arbitration under paragraph 3, the seat of the arbitration shall be London; the tribunal shall comprise a sole arbitrator to be appointed in accordance with the said Rules; the language of the arbitration shall be English and every order and award shall be in English; and the agreement to arbitrate shall be governed by and construed in accordance with English law.
6. 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 in so far as disclosure is

OFFICIAL SENSITIVE - COMMERCIAL

required by law or by any securities exchange or regulatory or governmental body having jurisdiction over the Party disclosing the information, whether or not the requirement has the force of law. Save as provided above, 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.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 16: REWARD FEE MANAGEMENT PLAN

1. Pursuant to and in accordance with clause 73 (Intangible Element Reward Fee), the Authority requires the Contractor to provide evidence of, but not limited to, the following behaviours in respect of each Reward Fee Assessment Period :
 - A. Resilience

The ability of the Contractor to demonstrate recovery from an issue (or issues) without having to seek the Authority's involvement;
 - B. Realism

The ability of the Contractor to demonstrate consistently that estimates, assumptions and planning is properly grounded and instils confidence;
 - C. Effort

The ability of the Contractor to demonstrate consistently that it is ensuring that appropriate resource is allocated to support the Authority;
 - D. Efficiency

The ability of the Contractor to identify savings for the Authority which have not already identified under the Contract;
 - E. Reliability

The ability of the Contractor to consistently deliver on its promises; and
 - F. Effective working relationships

The ability of the Contractor to deliver and maintain a no surprises culture.
2. The above criteria are applicable to the first Reward Fee Assessment Period (01 April 2015 to 30 September 2015) and the criteria for each Reward Fee Assessment Period may change prior to the commencement of the next Reward Fee Assessment Period in accordance with paragraph 3 below.
3. This schedule 16 (Reward Fee Management Plan) shall be updated by the Authority prior to the start of each new Reward Fee Assessment Period and shall deliver a copy of the updated Reward Fee Management Plan to the Contractor within 14 days of the start of each new Reward Fee Assessment Period.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 17: ITAR AND OTHER IMPORT AND EXPORT LICENCES

24. **ITAR**

24.1 The Contractor shall comply with all relevant requirements of the International Traffic in Arms Regulations (“ITAR”) in the provision of the Services. The Contractor shall maintain its currency with any subsequent iterations of ITAR and the responsibility for obtaining any required ITAR approval(s)/agreement(s) shall rest with the Contractor. The Authority shall provide to the Contractor all reasonable assistance in obtaining any necessary ITAR approval(s)/agreement(s) in relation to any defence or security issue that may arise during the Contract Period.

25. **Overseas Expenditure, Import and Export Licences**

25.1 The Contractor shall report to the Authority the details of any direct overseas expenditure likely to be incurred in the provision of the Services or immediately the possibility of such expenditure is known, if it has not previously furnished such details to the Authority.

25.2 The details to be provided are:

- (A) the contract number of this Contract;
- (B) the country in which the Key Sub-contract or Sub-contract is placed or is to be placed;
- (C) the name, division and full postal address of the Key Sub-contractor or Sub-contractor;
- (D) the value of the Key Sub-contract or Sub-contract in so far as applicable to this Contract; and
- (E) the date the Key Sub-contract or Sub-contract was placed or is to be placed.

25.3 For the purpose of this schedule “overseas expenditure” comprises only those direct payments made by the Contractor to overseas firms and to UK firms, including UK branches or subsidiaries of overseas firms, for the supply of finished or semi-finished manufactured products imported directly by the Contractor or by such UK firms.

OFFICIAL SENSITIVE - COMMERCIAL

25.4 If, in the provision of the Services, the Contractor needs to import material for which an import licence or an export licence is required, the responsibility for applying for such licence shall rest with the Contractor.

26. **Import Licence**

If, in the provision of the Services, the Contractor needs to import material into the UK for which an import licence or an export licence is required, the responsibility for applying for such licence shall rest with the Contractor. The Authority shall provide the Contractor will all reasonable assistance in obtaining any necessary import licence with regard to any defence or security issue that may arise.

27. **Export Licence**

27.1 The Contractor shall notify the Authority promptly if they become aware that all or part of the Services (including information and software) to be delivered under this Contract is or will be subject to:

- (A) a non-UK export licence, authorisation or exemption; or
- (B) any other related transfer control,

that imposes or will impose end use, end user or re-transfer or re-export restrictions, or restrictions on disclosure to individuals based on their nationality.

27.2 If requested by the Authority, the Contractor shall give the Authority a summary of every existing or expected licence and restriction referred to in this schedule 17 (and any related obligation or restriction to the extent that they place an obligation or restriction on the Authority with which the Authority must comply, including, to the extent applicable to such obligations or restrictions:

- (A) the exporting nation, including the export licence number (where known);
- (B) the Services (including information and software) affected;
- (C) the nature of the restriction and obligation;
- (D) the authorised end use and end users;

OFFICIAL SENSITIVE - COMMERCIAL

- (E) any specific restrictions on access by third parties, or by individuals based on their nationality, to anything delivered or used in the performance or fulfilment of the Services; and
- (F) any specific restrictions on the end use or on re-transfer or re-export to third parties of anything delivered or used in the performance or fulfilment of the Services,

the Contractor shall not be required to disclose any of the provisos to a licence (or even the existence of them) to the extent that they do not relate to an obligation or constraint with which the Authority must comply.

27.3 When an export licence is required from a foreign government for the performance of the Services, the Contractor shall promptly consult with the Authority on the licence requirements and, where the Contractor is the applicant for the licence:

- (A) ensure that when end use or user restrictions, or both, apply to all or any part of the Services to be delivered, the Contractor, unless otherwise agreed with the Authority, identifies in the licence application:
 - (1) the end user as: Her Britannic Majesty's Government of the United Kingdom of Great Britain and Northern Ireland ("Government"), and
 - (2) the end use as: For the Purposes of HM Government;
- (B) include in the submission for the licence a statement that "information on the status of processing this license application may be shared with the Ministry of Defence of the United Kingdom";
- (C) if the information required under paragraphs 27.2(A) and 27.2(B) has been provided previously to the Authority by the Contractor, the Contractor may satisfy these requirements by giving details of the previous notification and confirming they remain valid and satisfy the provisions of paragraphs 27.2(A) and 27.2(B);
- (D) if the Contractor becomes aware of any changes in the information notified previously under paragraphs 27.2(A), 27.2(B) and 27.2(D) that would affect the Authority's ability to use, disclose, re-transfer or re-export an item or part of it as is referred to in those clauses, the Contractor shall notify the Authority promptly of the change;

OFFICIAL SENSITIVE - COMMERCIAL

- (E) if the Contractor or any other Key Sub-contractor or Sub-contractor in the performance of the Services needs to export materiel for which an export licence from a foreign government is required, the responsibility for instituting expeditious action to apply for and obtain the licence shall rest with the Contractor or that S Key Sub-contractor or Sub-contractor. The Authority shall provide all reasonable assistance in obtaining and maintaining any export licence from the foreign government with regard to any defence or security issue that may arise;
- (F) where the performance the Services requires the export of items for which a foreign export licence is required, the Contractor shall include the dependencies for the export licence application, grant and maintenance in the Contract risk register and in the risk management plan for the Contract, with appropriate review points. Where there is no requirement under this Contract for a risk management plan the Contractor shall submit an export licence plan (the "Export Licence Plan") for Contract with the Authority;
- (G) the Authority may make a written request to the Contractor to seek a variation to the licence conditions to a foreign export licence to enable the Authority to re-export or re-transfer a licensed item or licensed information from the UK to a non-licensed third party. If the Authority makes such a request:
- (1) the Contractor shall procure that any Key Sub-contractors or Sub-contractors shall, expeditiously consider whether or not there is any reason why it should object to making the request and, where it has no objection, file and application to seek a variation of the applicable export licence in accordance with the procedures of the licensing authority;
 - (2) the Authority shall provide sufficient information, certification and other documentation necessary to support the application for the requested variation; and
 - (3) the Authority will pay the Contractor a fair and reasonable charge for this service based on the cost of providing it;
- (H) where the Authority provides materiel (information and items, including software) to enable the Contractor to perform the Services, and that materiel is subject to a non-UK export licence or other related technology transfer control as described in the provisions of paragraph 27.3(A) above:

OFFICIAL SENSITIVE - COMMERCIAL

- (1) the Authority may, or at the request of the Contractor undertakes to, give the Contractor a summary of every non-UK export licence or other related technology transfer control of which it is aware that would affect the Contractor's ability to perform the Services including, to the extent applicable, to the Contractor's performance of the Services:
 - (a) the exporting nation, including the export licence number (where known);
 - (b) the items or information affected;
 - (c) the nature of the restriction and obligation;
 - (d) the authorised end use and end users;
 - (e) any specific restrictions on access or use by third parties, or by individuals based upon their nationality, to the items or information affected; and
 - (f) any specific restrictions on re-transfer or re-export to third parties of the items or information affected;
 - (2) the Contractor and any Key Sub-contractors or Sub-contractors, where access by these restrictions is also authorised, shall abide by the lawful restrictions so notified by the Authority;
 - (3) the Contractor shall notify the Authority immediately if it is unable for whatever reason to abide by any restriction advised by the Authority to the Contractor under paragraph 27.3(I);
- (I) where restrictions are advised by the Authority to the Contractor under paragraph 27.3(H) the Authority and the Contractor shall act promptly to mitigate their impact; and
 - (J) without prejudice to the Government's position on the validity of any claim by a foreign government to extra-territoriality, the Authority undertakes to provide to the Contractor with all reasonable assistance to facilitate the granting of an export licence by a foreign government in respect of performance of the Services.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 19: CONTRACTOR PERSONNEL AT GOVERNMENT ESTABLISHMENTS

28. Definitions

28.1 The following terms only apply in relation to this schedule 19 and shall be defined as set out below:

'Government Establishment' or shall be deemed to include any of Her Majesty's Ships or Vessels and Service Stations;

'Officer in Charge' shall be deemed to include Officers Commanding Service Stations, Ships' Masters or Senior Officers, and Heads of Government Establishments.

28.2 Schedule 1 (Definitions) applies in respect of all other terms used in this Schedule 19.

29. General

29.1 The provisions of this schedule 19 shall not apply to Authority Lease Properties.

29.2 The Officer in Charge shall provide such available administrative and technical facilities for the Contractor's Representatives employed at Government Establishments for the purpose of the Contract as may be necessary for the effective and economical discharge of work under the Contract. These facilities will be provided free of charge unless otherwise stated in the Contract. The status to be accorded to the Contractor's Representatives for messing purposes will be at the discretion of the Officer in Charge.

29.3 Any land or premises (including temporary buildings) made available to the Contractor by the Authority in connection with the Contract shall be made available to the Contractor free of charge, unless otherwise stated in the Contract, and shall be used by the Contractor solely for the purposes of performing the Contract. The Contractor shall have the use of such land or premises as licensee and shall vacate the same upon completion of the Contract. Any utilities required by the Contractor shall be subject to the charges set out in the Contract.

29.4 The Contractor shall have no claim against the Authority for any additional cost or delay occasioned by the closure for holidays of Government Establishments, where this is made known to him prior to entering into the Contract.

OFFICIAL SENSITIVE - COMMERCIAL

30. **Liability In Respect Of Damage To Government Property**

- 30.1 Without prejudice to the provisions of DEFCON 611 (Issued Property) and of DEFCON 612 (Loss of or Damage to the Articles), where those conditions form part of the Contract, the Contractor shall, except as otherwise provided for in the Contract, make good or, at the option of the Authority, pay compensation for all damage occurring to any Government Property, which includes land or buildings, occasioned by the Contractor, or by any of his Representatives, arising from his or their presence on a Government Establishment in connection with the Contract, provided that this Condition shall not apply to the extent that the Contractor is able to show that any such damage was not caused or contributed to by any circumstances within his or their reasonable control.
- 30.2 The total liability of the Contractor under paragraph 30 herein shall be subject to any limitation specified in the Contract.

31. **Contractor's Property**

- 31.1 All property of the Contractor and his Representatives shall be at the risk of the Contractor whilst it is on any Government Establishment, and the Authority shall accept no liability for any loss or damage howsoever occurring thereto or caused thereby, except as follows:
- (A) where any such loss or damage was caused or contributed to by any act, neglect or default of any Government Servant, agent or the Contractor then the Authority shall accept liability therefor to the extent to which such loss or damage is so caused or contributed to as aforesaid; and
 - (B) where any property of the Contractor has been taken on charge by the Officer in Charge, and a proper receipt has been given therefor, then the Authority shall be liable for any loss or damage occurring to that property while held on such charge as aforesaid.

32. **Contractor's Representatives**

- 32.1 The Contractor shall submit in writing to the Authority for approval, initially and as necessary from time to time, a list of those of his Representatives who may need to enter a Government Establishment for the purpose of, or in connection with, work under the Contract, giving such particulars as the Authority may require, including full details of birthplace and parentage of any such Representative who:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) was not born in the United Kingdom; or
- (B) if he was born in the United Kingdom, was born of parents either or both of whom were not born in the United Kingdom.

32.2 The Authority shall issue passes for those Representatives who are approved by it in accordance with paragraph 33 herein for admission to a Government Establishment and a Representative shall not be admitted unless in possession of such a pass. Passes shall remain the property of the Authority and shall be surrendered on demand or on completion of the work.

32.3 Notwithstanding the provisions of paragraphs 33 and 34 hereof if, in the opinion of the Authority, any Representative of the Contractor shall misconduct himself, or it shall not be in the public interest for any person to be employed or engaged by the Contractor, the Contractor shall remove such person without delay on being required to do so and shall cause the work to be performed by such other person as may be necessary.

32.4 The decision of the Authority upon any matter arising under paragraphs 33 to 35 inclusive shall be final and conclusive.

33. **Observance of Regulations**

33.1 The following provisions apply:

- (A) The Contractor shall ensure that his Representatives have the necessary probity (by undertaking the Government's Baseline Personnel Security Standard) (the "Standard") and, where applicable, are cleared to the appropriate level of security when employed within the boundaries of a Government Establishment.
- (B) Where the Contractor requires information on the Standard or security clearance for his Representatives or is not in possession of the relevant rules, regulations or requires guidance on them, he shall apply in the first instance to the Authority's Representative.
- (C) On request, the Contractor shall be able to demonstrate to the Authority that the Contractor's processes to assure compliance with the standard have been carried out satisfactorily. Where that assurance is not already in place, the Contractor shall permit the Authority to inspect the processes being applied by the Contractor to comply with the Standard.

OFFICIAL SENSITIVE - COMMERCIAL

- (D) The Contractor shall comply and shall ensure that his Representatives comply with the rules, regulations and requirements that are in force whilst at that Government Establishment which shall be provided by the Authority on request.

34. **Transport Overseas**

Where the Contractor's Representatives are required by the Contract to join or visit a Government Establishment overseas, transport between the United Kingdom and the place of duty (but excluding transport within the United Kingdom) shall be provided free of charge by the Authority whenever possible, normally by Royal Air Force or by Authority chartered aircraft. The Contractor shall make such arrangements through the Authority's Representative. When such transport is not available within a reasonable time, or in circumstances where the Contractor wishes his Representatives to accompany materiel for installation which he is to arrange to be delivered, the Contractor shall make his own transport arrangements. The Authority shall reimburse the Contractor's costs for such transport of his Representatives on presentation of evidence supporting the use of alternative transport and of the costs involved. Transport of the Contractor's Representatives locally overseas which is necessary for the purposes of the Contract shall be provided wherever possible by the Authority and, where so provided, will be free of charge.

35. **Medical Treatment Overseas**

Out-patient medical treatment given to the Contractor's Representatives by a Service Medical Officer or other Government Medical Officer at a Government Establishment 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 Establishment, and transportation of the Contractor's Representatives back to the United Kingdom, or elsewhere, for medical reasons, shall be charged to the Contractor at the appropriate local rate.

36. **Injuries, Disease And Dangerous Occurrences**

The Contractor shall report any injury, disease or dangerous occurrence at any Government Establishment arising out of the performance of this Contract, which is required to be reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR) to the Officer in Charge of the relevant Government Establishment. This would be in addition to any report, which the Contractor

OFFICIAL SENSITIVE - COMMERCIAL

may be required to submit under RIDDOR to the relevant enforcing authority (e.g. Health and Safety Executive or Local Authority).

37. **Dependants Of The Contractor's Representatives**

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 Contractor's Representatives. Medical or necessary dental treatment may, however, be provided for dependants or members of families on repayment at current Authority rates.

38. **Provision Of Funds Overseas**

The Contractor shall, wherever possible, arrange for funds to be provided to his Representatives overseas through normal banking channels (e.g. by travellers cheques). If banking or other suitable facilities are not available, the Authority shall, upon request by the Contractor and subject to any reasonable limitation required by the Contractor, make arrangements for payments, converted at the prevailing rate of exchange (where applicable), to be made by the Government Establishment to which the Contractor's Representatives are attached. All such advances made by the Authority shall be recovered from the Contractor.

39. **Health And Safety Hazard Control**

39.1 Where the Contractor enters a Government Establishment for the purpose of performing work under the Contract:

(A) The Contractor shall notify the site project liaison officer or overseeing officer nominated in the Contract of:

- (1) any health and safety hazards associated with the work to be performed by him or any of his Representatives;
- (2) any foreseeable risks to the health and safety of all persons associated with such hazards; and

OFFICIAL SENSITIVE - COMMERCIAL

- (3) any precautions to be taken by him as well as any precautions which, in his opinion, ought to be taken by the Authority, in order to control such risks.
- (B) The Authority shall notify the Contractor of:
 - (1) any health and safety hazards which may be encountered by the Contractor or any of his Representatives on the Government Establishment;
 - (2) any foreseeable risks to the health and safety of the Contractor or any of his Representatives, associated with such hazards; and
 - (3) any precautions to be taken by the Authority as well as any precautions which, in its opinion, ought to be taken by the Contractor, in order to control such risks.
- (C) The Contractor shall notify his Representatives of and, where appropriate, provide adequate instruction in relation to:
 - (1) the hazards, risks and precautions notified by him to the Authority under paragraph (A);
 - (2) the hazards, risks and precautions notified by the Authority to the Contractor under paragraph (B); and
 - (3) the precautions which, in his opinion, ought to be taken by his Representatives in order to control those risks.
- (D) The Contractor shall provide the site project liaison officer or overseeing officer nominated in the Contract with:
 - (1) copies of those sections of his own and, where appropriate, his Representatives' Safety Policies which are relevant to the risks notified under paragraph (A);
 - (2) copies of any related risk assessments; and
 - (3) copies of any notifications and instructions issued by him to his Representatives.

- (E) The Authority shall provide the Contractor with:

OFFICIAL SENSITIVE - COMMERCIAL

- (1) copies of those sections of its own Safety Policies which are relevant to the risks notified under paragraph (B);
- (2) copies of any related risk assessments; and
- (3) copies of any notifications and instructions issued by it to its employees similar to those called for from the Contractor.

SCHEDULE 20: ANNUAL PLAN

This schedule 20 (Annual Plan) contains the latest version of the Annual Plan volumes. It is expected that an update to Part A is produced each Financial Year in line with the process detailed in clause 9 (Annual Plan).

Part A – VOLUME REQUIREMENTS

Annex A – ESTIMATED FORECAST OF SERVICE - ANNUAL LOAD BY SUB SYSTEM TYPE (BDSG REPAIRS)

OFFICIAL SENSITIVE - COMMERCIAL

PART A - VOLUME REQUIREMENTS

40. Table 20 (A) MRO 1-4 Committed Spend

	Year X	Year X+1
Authority minimum requirements £	N/A	N/A

This table will remain blank until Schedule of Rates pricing is in place.

41. MRO 1-3

Table 20 (B) MRO 1-3 Annual Plan

	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Authority minimum volume requirements (hours)	594,965	604,131	434,585	398,131	393,554

42. MRO 4

Table 20 (C) MRO 4 Annual Plan

Authority minimum volume requirements by equipment type	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
WARRIOR 510	1	24	24	0	0
WARRIOR 511	1	3	3	0	0
WARRIOR 512	1	7	7	0	0
WARRIOR 513	1	2	2	0	0
WARRIOR 514	1	4	4	0	0
WCSP 510 (Demo)	7	0	0	0	0
WCSP 511 (Demo)	2	0	0	0	0

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Authority minimum volume requirements by equipment type	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
WCSP 512 (Demo)	1	0	0	0	0
WCSP 513 (Demo)	1	0	0	0	0
WCSP 514 (Demo))	1	0	0	0	0
iLABG (TES) - WARRIOR 510	9	0	0	0	0
iLABG (TES) - WARRIOR 511	1	0	0	0	0
iLABG (TES) - WARRIOR 512	1	0	0	0	0
iLABG (TES) - WARRIOR 513	2	0	0	0	0
iLABG (TES) - WARRIOR 514	1	0	0	0	0
iLABG (TES) - WARRIOR 515	1	0	0	0	0
TITAN	1	2	2	2	2
TROJAN	1	2	2	2	2
CHALLENGER 2	4	7	7	7	7
BV 206	46	0	0	0	0
CRARRV	4	4	4	4	4
CVRT SPARTAN (MARK 1)	13	13	13	0	0
CVRT SULTAN (MARK 1)	2	2	2	0	0
CVRT SAMARITAN (MARK 1)	2	2	2	0	0
CVRT SCIMITAR (MARK 1)	17	17	17	0	0
CVRT SAMSON (MARK 1)	2	2	2	0	0
CVRT SPARTAN (MARK 2)	0	0	0	0	0
CVRT SULTAN (MARK 2)	0	0	0	0	0
CVRT SAMARITAN (MARK 2)	0	0	0	0	0

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Authority minimum volume requirements by equipment type	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
CVRT SCIMITAR (MARK 2)	0	0	0	0	0
CVRT SAMSON (MARK 2)	0	0	0	0	0
DTT	0	0	4	4	4
BULLDOG (ALL VARIANTS)	0	0	0	0	0
MLRS	3	3	3	3	3
105 Lt Gun BOH	6	6	6	6	6
105 Lt Gun BOH Ops	6	0	0	0	0
By sub-system					
Quadrant Cased	30	30	30	30	30
Telescope Elbow Cased	5	5	5	5	5
Fuse Setter	0	0	0	0	0
Gearbox Assy	12	12	12	12	12
Firing Mech	25	25	25	25	25
Recuperator	36	36	36	36	36
Buffer	20	20	20	20	20
Tester	0	0	0	0	0
Gear Assy	5	5	5	5	5
Cable Assy Special Purpose	0	0	0	0	0
CDA Combat Container (Canvas)	0	0	0	0	0
CDA Battlefield Container	5	5	0	0	0
MEA Battlefield Container	5	5	0	0	0
Telescope Straight Compass (Complete Assy)	1	1	0	0	0

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Authority minimum volume requirements by equipment type	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
AHA Battlefield Container	5	5	0	0	0
Cable Assy	10	10	0	0	0
Tripod Kit	12	12	0	0	0
Tripod	0	0	0	0	0
Case	0	0	0	0	0
Main Electronic Assembly (MEA) - Strip and Survey	12	12	0	0	0
Main Electronic Assembly (MEA) - Repair	12	12	0	0	0
Control Display Assembly (CDA) - Strip and Survey	12	12	0	0	0
Control Display Assembly (CDA) - Repair	12	12	0	0	0
Antenna Head Assembly (AHA) - Strip and Survey	12	12	0	0	0
Antenna Head Assembly (AHA) - Repair	12	12	0	0	0
Rail, Ordnance (RH)	20	20	20	20	20
Rail, Ordnance (LH)	10	10	10	10	10
Wheel & Tyre Comp Run Flt (AVRE Tlr)	5	5	5	5	5
Leg Support AVRE Tlr	2	2	2	2	2
Compressor	5	5	5	5	5
Harness Assy L9 (GVMLI)	3	3	3	3	3
Frnt Pro Jack L9	2	2	2	2	2
Hydraulic Jack (NCLSB)	5	5	5	5	5
Detector Special Purpose	0	0	0	0	0

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Authority minimum volume requirements by equipment type	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Detecting Set Metal L8 A1	0	0	0	0	0
Detector Special Purpose No 6	0	0	0	0	0
Detector Special Purpose No 10	0	0	0	0	0
SORCON	0	0	0	0	0
T SORCON	0	0	0	0	0
ICC	0	0	0	0	0
HPA	0	0	0	0	0
Cinnabar Frame	0	0	0	0	0
Cable (F/O Rx Light Source (DU))	0	0	0	0	0
TX4N	10	10	10	10	0
TX5N (PFFI)	20	20	20	20	0
TXIEY	10	10	10	10	0
TX1FJ	0	0	0	0	0
NBA 1	10	5	5	5	0
NBA 2	10	5	5	5	0
NBA 3	0	0	0	0	0
NBA 4	5	5	5	5	0
NBA 5	0	0	0	0	0
NBA 6	0	0	0	0	0
NBA 7	5	5	5	5	0
BBA	0	0	0	0	0
EST	0	0	0	0	0
TX4N - Inspection ONLY	20	20	20	20	0
TX5N (PFFI) - Inspection ONLY	129	129	129	129	0
TXIEY - Inspection/Calibration ONLY	12	12	12	12	0
TX1FJ - Inspection ONLY	0	0	0	0	0
NBA 9	0	0	0	0	0

OFFICIAL SENSITIVE - COMMERCIAL

Authority minimum volume requirements by equipment type	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
AM2 Matting F27 Pallet	60	60	5	5	5
CLASS 30 ROLLS	30	30	5	5	5
CLASS 70 ROLLS	0	15	1	1	1
Prefabricated Sheet Aluminium (PSA)	0	0	1	1	1

43. **Receipt, Inspection, Issue and Storage (RIIS)**

For detail of holdings at Ashchurch site as at March 2014 see RIIS Volumes (Ashchurch Holdings) in the Requirement Volumes set out in Schedule 2.

For detail of latest holdings at Ashchurch site consult the JAMES records.

Table 20 (D) Receipt, Inspection, Issue and Storage (RIIS) Annual Plan

	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Receipts - Ashchurch	6,359	5,360	5,160	4,493	4,593
Receipts - Lyneham	0	0	0	0	0
Receipts - Ayrshire	0	0	0	0	0
Issues – Ashchurch	4,389	4,089	3,889	3,889	3,989
Issues – Lyneham	0	0	0	0	0
Issues – Ayrshire	0	0	0	0	0

44. **Training Uplift Fleet (TUF)**

High Level Activity Plan

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Sites in scope: Bovington, Catterick, Longmoor Stirling, Warminster

Table 20 (F) Training Uplift Fleet (TUF) – Fleet size for Financial Year 1 (2015/16)

	Catterick	Longmoor	Stirling	Bovington	Warminster Core
4x4 PINZGAUER		4			
6 TON MAN TRUCK		1			
6 TON MAN TRUCK + seats		19			
6T MAN TRUCK FLAT BED	1				
AMB L/R B/Field	7	17			
AMB L/R B/Field Tropical		2			
CR 2 Command - Bowman + PBISA				3	
CR 2 Gun - Bowman + PBISA				15	
CRARRV				2	
CVR(T) SAMARITAN				3	
CVR(T) SAMSON				1	
CVR(T) SCIMITAR BGTI				7	
CVR(T) SPARTAN				2	
CVR(T) SULTAN				1	
FODEN DROPS		7	10		
FV432 Mk3 BULLDOG				29	
FV434 Mk2 BULLDOG				2	
KINGS TRAILER 15T			10		
L/ROVER 110 TD5 COUNTY		2			
LANDROVER GS			18		
LANDROVER TUM			81		

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

	Catterick	Longmoor	Stirling	Bovington	Warminster Core
FFR					
LAYLAND DAF DROPS			17		
LIGHT WEIGHT PEN TRAILER			15		
LR BFA					4
LR TUL FFR					1
LR TUL GS HT					4
LR TUM FFR					67
LR TUM GS HT					1
LR TUM GS ST					13
MAN SV 15T			5		
MAN SV 6T			50		
PANTHER				6	
SV 15T HVY 8x8 MAN TRUCK		1			
SV CARGO 15T 8X8 MAN TRUCK		1			
SV CARGO LT 6T 4x4 MAN TRUCK	20	1			
SV CARGO LT 6T 4x4 MAN TRUCK		30			
SV CARGO LT 6T 4x4 MAN TRUCK +seats		86			
SV CARGO LT 6T 4x4 MAN TRUCK With seats	45				
TK DROPS IMMLC					3
TK DROPS MMLC					7
TK MAN SV 6T					15
TLR 3 TON (2 WHEELS)	10	8			
TLR GENERAL SERVICE L/W	25	14			
TRL 3T					6
TRL LT WT					30

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

	Catterick	Longmoor	Stirling	Bovington	Warminster Core
TRUCK DROPS 15T MMLC	16	26			
TUL FFR	6	32			
TUM	30	42			
TUM BOWMAN		8			
TUM FFR	10	18			
TUM FFR Softtop		4			
TUM Winterised		1			
Vector		13			
Vector Amb		5			
Vixen		2			
WARRIOR COMD 511				6	
WARRIOR RECOVERY 513				1	
WARRIOR REPAIR 512				3	
WARRIOR SECT 510				28	
WOLF	3				
WVP/K 2 Snatch Rover Mk2 a		6			
WVP/K 2 Snatch Rover Mk2 b		31			
Total number of vehicles	173	381	206	109	151

OFFICIAL SENSITIVE - COMMERCIAL

45. **Inventory and Repair Management**

For complete list of DMCs to be managed see Schedule 2 (Statement of Requirement – Requirement Volumes).

46. **TSF Power pack Regeneration Facility**

See Schedule 2 (Statement of Requirements).

47. **Light Weapons SSS**

For complete list of DMCs to be managed see Schedule 2 (Statement of Requirement – Requirement Volumes).

Table 20 (G) Light Weapons SSS – MRO activity

	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
MRO 1-3 hours	23,000	22,000	21,000	20,000	19,000
MRO 4 hours	21,000	21,000	21,000	21,000	21,000
TOTAL hours	44,000	43,000	42,000	41,000	40,000

Table 20 (H) Light Weapons SSS - Issues

	Indicative Volumes				
	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Authority indicative volume of complete equipment issues	16,602	16,602	16,602	16,602	16,602

48. **Basic Fleet Management**

See Schedule 2 (Statement of Requirements).

49. **Incentivised Fleet Management**

See Schedule 2 (Statement of Requirements) and clause 70.7 (Incentivised Fleet Management) of the SPC.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX A

**ESTIMATED FORECAST OF SERVICE - ANNUAL LOAD BY SUB SYSTEM TYPE (BDSG
REPAIRS)**

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

NSN	DMC	Resp'	BU (ESM)	Short Item Name	15/16 Planned Qty	16/17 Planned Qty
2815990832739	4CR2A	DONN H&A	HA	ENGINE,DIESEL	55	60
2520992555015	9CVT	DONN H&A	HA	GEARBOX DIESEL TN15	72	70
1005997907421	N2	DONN T&W	TS	BODY ASSEMBLY	-	0
2520997965854	4CRR	BOVI H&A	HA	FINAL DRIVE,VEHICULAR	18	16
6115992534667	4CRR	BOVI H&A	HA	GENERATOR SET,DIESEL	19	18
1290999022395	4CR2T	BOVI OPT	TS	PANEL,CONTROL	-	0
2530999733565	4CRR	BOVI H&A	HA	ARM ASSY,PIVOT,TRACK SUS	8	21
2910990604097	4CR2A	BOVI H&A	HA	PUMP	26	24
2530994636025	4CRR	BOVI H&A	HA	HYDROGAS CR1 LH	8	18

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

2590998518154	4CR2T	BOVI OPT	TS	DISPLAY UNIT	-	0
5855999653604	4Z7	DONN OPT	TS	PERISCOPE	2	20
2510995170590	9CVT	DONN H&A	HA	SHOCK ABSOBR LH	6	54
5855999653613	9Z7	DONN OPT	TS	PERISCOPE,ARMOURED VEH	25	49
1240999404899	4CR2T	BOVI OPT	TS	RANGE FINDER,FIRE CONTRL	-	4
5975992827161	4CR2T	BOVI OPT	TS	DISTRIBUTION BOX	4	20
5855996627918	4CR2T	BOVI OPT	TS	SENSOR HEAD	-	12
1005999630048	N2	DONN T&W	TS	BODY SUBASSEMBLY	7	11
2920998181980	9CVT	DONN H&A	HA	REGULATOR, ENG GEN	29	49
2520997611142	9CVT	DONN H&A	HA	FINAL DRIVE,VEHICULAR	74	95
1220997014097	4CR2T	BOVI OPT	TS	GUNNERS DISPLAY MODULE	-	0
1240999718491	4CR2T	BOVI OPT	TS	SIGHT	-	0
2590992259103	9MCV	DONN T&W	TS	TURRET BOX	-	0
2540998256149	9CVT	DONN T&W	TS	SEAT ASSY COMMANDERS	-	15
5855999650449	9Z7	DONN OPT	TS	SIGHT UNIT	14	23
1240999939976	4CR2T	BOVI OPT	TS	ELECTRONICS UNIT	12	44
5855994512560	4CR2T	BOVI OPT	TS	PROCESSING UNIT	25	53
1240999647761	9Z7	DONN OPT	TS	SIGHT,BORE,OPTICAL	-	14
1240993747108	4CR2T	BOVI OPT	TS	SIGHT PERISCOPE	6	27
6130991257870	4CR2T	BOVI OPT	TS	POWER SUPPLY	6	12
1240997014096	4CR2T	BOVI OPT	TS	SIGHT HEAD	-	21
2530997861885	9MCV	DONN H&A	HA	SUSPENSION	71	140
6110999761641	4CR2T	BOVI OPT	TS	CONVERTER	-	33
5855999632920	9Z7	DONN OPT	TS	SIGHT	-	0
1005999643921	N2	DONN T&W	TS	BODY SUBASSY,LWR ORDNANC	-	4
6650991262307	4SPIRE	DONN OPT	TS	MOTOR ASSY,WIPER	-	0

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

5975998154051	9CVT	DONN T&W	TS	INTERCONNECTING BOX	-	16
5855999653614	4Z7	DONN OPT	TS	PERISCOPE	3	8
2530997757737	4CRR	BOVI H&A	HA	ROLLER ASSY,TRACK,VEH	-	8
2540998256577	9CVT	DONN T&W	TS	SEAT ASSY,GUNNERS	-	0
1290994207369	9CR2	BOVI OPT	TS	GYRO UNIT	-	0
1005998240728	9CVT	DONN T&W	TS	ELEVATING GEAR,GUN	-	0
1240995353518	4CR2T	BOVI OPT	TS	SIGHT	-	12
1005999641733	N2	DONN T&W	TS	BREECH BLOCK ASSY	-	8
2590998819389	9ACR	BOVI H&A	HA	DISTRIBUTION BOX	-	10
2520997466663	9CVT	DONN T&W	TS	TRANSMISSION	19	32
3040990519803	9MCV	DONN STR	ST	CYLINDER ASSY,ACTUATING	12	17
1005999630436	N2	DONN T&W	TS	BREECH RING ASSY	-	0
2590993959109	9MCV	DONN T&W	TS	BASE JUNCTION,ROTARY	-	0
1240999647775	9Z7	DONN OPT	TS	SIGHT	-	0
1240994775478	4CR2T	BOVI OPT	TS	DISPLAY UNIT	12	33
6110998286776	9CVT	DONN H&A	HA	DISTRIBUTION BOX	-	0
5855999653609	9Z7	DONN OPT	TS	PERISCOPE	-	3
2510996103849	9MCV	DONN H&A	HA	DOOR,HATCH,VEHICLE	-	1
2530997960387	9ACR	BOVI H&A	HA	ADJUSTER,TRACK	1	8
2590998721952	9MCV	DONN T&W	TS	GUNNER BOX	1	1
2520998307535	9MCV	DONN T&W	TS	TRANSMISSION,MECHANICAL	4	5
6130990206751	4CR2T	BOVI OPT	TS	POWER CONVERTER	1	10
2590997293970	9MCV	DONN T&W	TS	GUNNERS SERVICES BOX	1	5
5855999653610	4Z7	DONN OPT	TS	PERISCOPE	5	5
1240997811318	4CR2T	BOVI OPT	TS	PERISCOPE,ARMORED VEH	17	26
1290993834248	4CR2T	BOVI OPT	TS	PANEL,CONTROL	-	9
6650992009437	9Z7	DONN OPT	TS	PERISCOPE	6	9

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

2530997757735	4CRR	BOVI H&A	HA	TOP ROLLER SINGLE CR1	-	0
2590995810802	9MCV	DONN T&W	TS	TURRET BOX	-	0
1005999655848	N2	DONN T&W	TS	BUFFER ASSY,RECOIL MECH	-	10
2510995810687	9CVT	DONN H&A	HA	PANEL,VEH OPERATION	2	12
5975999356333	4CRR	BOVI H&A	HA	JUNCTION BOX	-	0
2910995134818	4CRR	BOVI H&A	HA	PUMP,FUEL,ELECTRICAL	-	0
2540998690263	9MCV	DONN T&W	TS	BOX,TURRET SERVICES	-	0
6110998024051	9ACR	BOVI H&A	HA	DISTRIBUTION BOX	-	0
2920991147507	9CVT	DONN H&A	HA	GENERATOR,ENG ACCESSORY	-	0
2590994776267	4CR2T	BOVI STR	ST	PANEL,CONTROL	-	0
2930991110161	4CRR	BOVI STR	ST	OIL COOLER	-	0
1240996104303	9Z7	DONN OPT	TS	PERISCOPE,ARMD VEH	-	0
4140998198323	9CVT	CARWOODS	ST	FAN ASSEMBLY NBC	-	0
1240994774979	4CR2T	BOVI OPT	TS	PERISCOPE,ARMORED VEH	-	0
5975997217217	9MCV	DONN H&A	HA	JUNCTION BOX	-	2
1005997689754	N2	DONN T&W	TS	COVER ASSY	-	0
1240999639277	4CR2T	DONN T&W	TS	SIGHT,BORE,OPTICAL	-	0
4210997347818	9ACR	BOVI STR	ST	CONTROL BOX,FIREWALL	-	0
5998998605074	9CR2	BOVI OPT	TS	CIRCUIT CARD ASSY	-	0
2590998819171	9ACR	BOVI H&A	HA	SWITCH,BEAM SELECTING	-	0
2520990564008	9CVT	DONN H&A	HA	HEAT EXCHANGER,DIESEL	-	0
6110998818338	9ACR	BOVI H&A	HA	BOX	-	0
1005999659071	N2	DONN T&W	TS	DRILL ORDNANCE,30MM GUN	-	0
1240251500458	9CR2	BOVI OPT	TS	CONTROL & RC ASSEMBLY	-	0
2520997983405	9MCV	DONN H&A	HA	PWR TAKE OFF	-	0
2510997347465	9MCV	DONN H&A	HA	DOOR,HATCH,VEHICLE	-	0
6110991257262	4CRR	BOVI STR	ST	DISTRIBUTION BOX	-	0

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

2910992266221	4CRR	BOVI H&A	HA	PUMP,FUEL,PRESSURISING	-	0
5980219115528	9CR2	BOVI OPT	TS	DISPLAY	-	0
1240999646874	9Z7	BOVI OPT	TS	SIGHT BORE	-	0
1240997402668	9Z7	DONN OPT	TS	EYEPiece ASY	-	0
1005997689755	N2	DONN T&W	TS	COVER,ORDNANCE UPPER BDY	-	0
1240990021007	9Z7	BOVI OPT	TS	SIGHT	-	0
1240996609640	9Z7	DONN OPT	TS	PERISCOPE,ARMD VEHICLE	-	0
1240999632559	9Z7	BOVI OPT	TS	WIPER MOTOR ASSEMBLY	-	0
2510994045513	9CVTEM	BOVI H&A	HA	PANEL,VEHICULAR OPERATIO	-	0
2540990613802	9MCV	DONN T&W	TS	PANEL,CONTROL,ELECT	-	0
2540991959881	9MCV	DONN T&W	TS	PANEL,CONTROL,ELECT-ELEC	-	0
2540994988989	9MCV	BOVI T&W	TS	TURRET SVS BX 3 MK4 RAVN	-	0
2540997862252	9Z7	BOVI OPT	TS	CONTROL BOX ASSY,SIGHT	-	0
2590991350859	9MCV	DONN T&W	TS	GUNNER BOX	-	0
2590993496423	9MCV	DONN T&W	TS	GEARBOX	-	0
2590997008980	9MCV	BOVI T&W	TS	GUNNERS SERVICES BOX	-	0
4210998814024	46MT4	LSAVP9 – Spare	HA	PANEL,CONTROL	-	0
5855999652660	9Z7	BOVI OPT	TS	EYEPiece ASSY	-	0
5998219116335	9CR2	BOVI OPT	TS	CIRCUIT CARD ASSY	-	0
5998992154103	9CR2	BOVI OPT	TS	CIRCUIT CARD ASSY	-	0
5998994414562	9CR2	BOVI OPT	TS	CIRCUIT CARD ASSY	-	0
6115999571906	4CR2A	BOVI H&A	HA	GENERATOR SET,DIESEL ENG	-	0
6680998020808	9ACR	BOVI H&A	HA	TRANSMITTER	-	0
6920998340645	9Z7	DONN OPT	TS	LASER	-	0
2990994775298	4CRR	BOVI STR	ST	POWER TAKEOFF,ENGINE	-	1
6110999223908	9CVTEM	BOVI H&A	HA	DISTRIBUTION BOX	-	2
2590992519574	9ACR	BOVI STR	ST	HOIST ASSY	-	2

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

2590998322849	9MCV	BOVI STR	ST	FAN	-	2
4810123189342	4CRR	BOVI STR	ST	VALVE	-	2
2510998043375	9ACR	BOVI H&A	HA	SHOCK ABSORBER	-	23
2590998029428	9ACR	BOVI H&A	HA	PANEL,CONTROL	-	4
1220999830085	4CR2T	BOVI OPT	TS	PANEL,FIRE CONTROL	9	14
2590998027340	9ACR	BOVI H&A	HA	SWITCHBOARD	-	5
2540998337455	9CVT	DONN H&A	HA	SEAT,VEHICULAR	21	74
2520997864869	9MCV	DONN H&A	HA	FINAL DRIVE	-	6
6650992013009	9Z7	DONN OPT	TS	CASE,OPTICAL INSTRUMENT	-	6
2510991796875	9CVT	DONN H&A	HA	SHOCK ABSORBR MESSIER RH	-	49
1220997334254	4CR2T	BOVI OPT	TS	COMPUTER	20	33
2540998666934	9ACR	BOVI H&A	HA	MOTOR-TRANSMISSION	24	25
2510998043427	9ACR	BOVI H&A	HA	SHOCK ABSORBER,	19	28
1290999632919	9Z7	DONN OPT	TS	TRIPOD,FIRE CONTROL INST	1	3
3040997540716	4CRR	BOVI STR	ST	CYLNDR ASSY,ACTTING,LNER	1	2
2530990757822	4CR2A	BOVI H&A	HA	ROLLER ASSEMBLY	169	117
5998999305688	4CRR	BOVI STR	ST	PANEL,CONTROL	5	9
3040992553296	9MCV	DONN STR	HA	CYLINDER ASSY,ACTUATING	1	3
6350998813954	9ACR	BOVI STR	ST	HORN,SIGNAL	14	23
2590997751527	9ACR	BOVI H&A	HA	TRACK ADJUSTER ASSY,LH	5	10
5930998287350	9CVT	DONN T&W	TS	SWITCH ASSY	12	13
5998998103067	9CR2	BOVI OPT	TS	CIRCUIT CARD ASY	1	2
2520998159342	9CVT	DONN H&A	HA	FINAL DRIVE,VEHICULAR	73	70
5930998261774	4CRR	BOVI H&A	HA	SWITCH ASSY	8	6
6110997947683	9MCV	DONN H&A	HA	DISTRIBUTION BIOX	8	7
6650999632501	9Z7	DONN OPT	TS	PERISCOPE	37	50
1005998205093	9CVT	DONN T&W	TS	MOUNTING MACHINE GUN	21	22

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

2815997988100	9MCV	Don H & A Additions	HA	OIL COOLER	2	4
2510997542489	9MCV	DONN H&A	HA	DOOR,HATCH,VEH	2	2
5945999630144	N2	DONN T&W	TS	SOLENOID,ELECTRICAL	8	27
2530997861865	9MCV	DONN H&A	HA	DAMPER,LH	40	87
2530999790327	9MCV	DONN H&A	HA	BRKT & SHAFT ASSY	14	38
5855999653612	9Z7	DONN OPT	TS	PERISCOPE	22	23
6110991477131	4CR2T	BOVI OPT	TS	DISTRIBUTION BOX	16	18
1005999668300	N2	DONN T&W	TS	RECUPERATOR,RECOIL SYSTM	77	69
6110998286471	9CVT	Don H & A Additions	HA	SWITCH BOX ASSEMBLY	3	2
2510994603219	9MCV	DONN H&A	HA	PANEL,VEHICULAR OPERATON	30	55
5930998815774	9ACR	Bov H & A Additions	HA	SWITCH,ROTARY	33	30
4140998023110	9ACR	CARWOODS	ST	FAN,CENTRIFUGAL	4	6
1240996604273	4CR2T	BOVI OPT	TS	CONTROLLER	28	30
4140998044011	9ACR	BOVI H&A	ST	FAN,CENTRIFUGAL	5	7
2590994137803	9MCV	CARWOODS	ST	FAN AND MOTOR ASSY,NBC	14	16
2520997864868	9MCV	DONN H&A	HA	FINAL DRIVE	12	17
2530151799833	9CLVNS	BOVI H&A	HA	COMPLETE WHEEL	96	123
2530997861864	9MCV	DONN H&A	HA	DAMPER,RH	42	73
6645996057880	9MBT5	BOVI OPT	TS	METER,TIME TOTALIZING	20	22
6105991257871	4CR2T	BOVI OPT	TS	MOTOR	11	11
2590992272602	9MCV	CARWOODS	ST	FAN MOTER ASSY	7	5
1290999305939	4CR2T	BOVI OPT	TS	PROCESSNG UNIT	68	99
5975995413234	9MCV	Don H & A Additions	ST	JUNCTION BOX ASSY	6	6
2520999581458	9ACR	BOVI H&A	HA	DRIVE,FINAL ASSEMBLY	21	33
1240995478026	4CR2T	BOVI OPT	TS	RANGE FINDER	18	20
2590997808659	9MCV	DONN T&W	TS	ELEVATING GEAR ASSEMBLY	20	18
2510998422058	9MCV	DONN H&A	HA	HATCH,ROOF ASSY	2	4

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

2530998326253	9MCV	DONN H&A	HA	TENSIONER ASSY,TRACK	10	44
6110993564110	9MCV	DONN H&A	HA	DISTRIBUTION BOX	57	66
1290999175998	4CR2T	BOVI OPT	TS	PANEL,CONTROL,ELECT-ELEC	10	10
2530998656162	9ACR	Bov H & A Additions	HA	ARM ASSEMBLY	40	36
2530998656161	9ACR	Bov H & A Additions	HA	ARM ASSEMBLY	44	39
2990999026395	9MCV	DONN H&A	HA	POWER TAKEOFF,ENGINE	9	9
2530998381152	9MCV	DONN H&A	HA	BRKT & SHAFT ASSY	54	55
2530999208574	4CR2A	BOVI H&A	HA	TOP ROLLER SINGLE CR2	36	36
2540990754816	9MCV	DONN H&A	HA	SEAT,VEHICULAR	40	44
1240998359326	4CR2T	BOVI OPT	TS	CONTROLLER	34	54
2350991781042	9MCV	Craig Doughty	TS	HATCH DRS ASSISTED MOD	6	6
2930999128375	9CVT	DONN H&A	HA	BLOWER,ENG COOLING SYSTM	28	67
2520998137959	9ACR	Craig Doughty	TS	FINAL DRIVE,VEHICULAR	35	37
2910992573131	9MCV	Don H & A Additions	HA	PUMP	13	7
2540992342547	9Z7	Don Opt Additions	TS	PERISCOPE,NO. 44, MK 4	37	39
2590998163769	9ACR	DONN H&A	HA	ADAPTOR,MORTOR	17	11
6110999582490	9MCV	LSAVP9 – Spare	HA	ELECTRIC PWR & DIST EQPT	25	26
2520995073102	9CVT	BOVI H&A	HA	PARTS KIT,CENTRIFUGAL CL	91	87
6110994223906	9MCV	LSAVP9 – Spare	HA	ELECTRIC PWR & DIST BOX	59	58
2520997983421	9MCV	Don H & A Additions	HA	GENERATOR	85	83

SCHEDULE 23: LATVIA PROGRAMME WORK

PART 1

CONTENTS

1.	Definitions	2
2.	Requirement.....	8
3.	Acceptance Testing	12
4.	Defects Reporting.....	13
5.	Input Standard.....	15
6.	Termination	15
7.	Pricing and Payment	17
8.	Latvia Programme Work Dependencies	19
9.	Disapplication and amendment of the Contract	20
ANNEX A: WARRANTY		22

OFFICIAL SENSITIVE - COMMERCIAL

1. Definitions

The following definitions in this paragraph 1 apply in this schedule 23 (Latvia Programme Work). Except as expressly stated in this schedule 23 (Latvia Programme Work), any defined terms used in this schedule 23 (Latvia Programme Work) are set out in schedule 1 (Definitions) of this Contract.

“AESP” means Army Equipment Support Publications;

“Authority Representative (LV MOD)” means an additional Authority Representative, being the individual authorised by the Authority and notified to the Contractor by the Authority from time to time to liaise with and obtain instructions from the LV MOD for the purposes of the Latvia Work Programme and to carry out certain functions set out in this schedule 23 (Latvia Programme Work);

“Ballistic Protection” means the modification packages embodied to improve armour protection against ballistic projectiles in accordance with [REDACTED];

“Base Overhaul Latvia (BOHL)” means the full refurbishment of a Platform by undertaking the systematic strip, inspection, repair and rebuild of the Platform and its associated systems, sub-systems and components to restore conformance to the Latvian Build Standard;

“Batch” means each group of Platforms to be delivered in batches in accordance with Appendix 1 (Delivery Schedule - Output);

“Bill of Materiel” means the current configuration status of a Platform, to define the build standard, as provided by BAE Systems direct to the Contractor;

“Certificate of Conformity” means the completed certificate for the relevant Platform in the form set out in schedule 34 (Certificate of Conformity);

“CES Checklist” means the checklist set out in the relevant Annex I of Appendix 2 (Technical Specifications by Platform);

“Complete Equipment Schedule (CES)” means the complete equipment schedule set out in Appendix 5 to this schedule 23 (Latvia Programme Work);

“Concessions” means the concessions agreed by the Parties having followed the process set out in Appendix 6 (Concessions) to this schedule 23 (Latvia Programme Work);

“Configuration Support Database” has the meaning given to it in paragraph 2.18 (Requirement);

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

“Corrective Action” means the rectification of any deficiency pursuant to paragraph 3 (Acceptance Testing) and any defect pursuant to paragraph 4 (Defects Reporting);

“CVR(T)” means the Samaritan, Samson, Scimitar, Spartan and Sultan Platforms;

“Delivery” means the delivery following the Vehicle Final Test in accordance with the Delivery Schedule of a refurbished Platform to BOHL, subject to any Concessions agreed by the Authority, Prepared for Transport and loaded into an ISO Container with the associated CES, ready for collection by the LV MOD at Donnington, and “Deliver” shall be construed accordingly;

“Delivery Schedule” means the schedule for delivery of the Platforms in accordance with the requirements of the Latvia Programme Work and as set out in column 6 (Batch of 4 Requested Collection Date - Output) of Appendix 1 (Delivery Schedule);

“Donnington” means the site set out in the Lease (as defined in the Business Transfer Agreement) for the site at Donnington;

“Final LPW Reconciliation” has the meaning given to it in paragraph 7.2(A) (Payment);

“HARRIS Radio Vehicle Adaptor Kit” means the modification kit installed to interface the radio to the platform;

“HARRIS Radio Qualification Specification” means the test used to demonstrate that the HARRIS Vehicle Adaptor Kit is fully functioning;

“Input Standard” has the meaning given to it in paragraph 5.1 (Input Standard);

“Inventory Receipt” means mean the receipt required to be delivered by the Contractor with Spares Pack 1 pursuant to paragraph 2.5 of this schedule 23 (Latvia Programme Work);

“ISO Container” means an intermodal shipping container to be provided by the LV MOD in accordance with paragraph 2.3 of this schedule 23 (Latvia Programme Work) that is compliant with ISO 6346 and of a size sufficient to accommodate the requirements of paragraph 2 of this schedule 23 (Latvia Programme Work), taking into account that vehicles will be partially stripped to fit into such containers;

“Latvia Build Standard” means, in relation to any Platform, the build standard specified in the relevant part of Appendix 2 (Technical Specifications by Platform);

OFFICIAL SENSITIVE - COMMERCIAL

“Latvia Programme” means the programme for the Latvia Programme Work to be agreed by the parties in accordance with paragraph 8.2 of this schedule 23 (Latvia Programme Work);

“Latvia Programme Work” means the services to be provided by the Contractor as set out in this schedule 23 (Latvia Programme Work);

“Latvia Programme Work Report” has the meaning given to it in paragraph 2.15 of this schedule 23 (Latvia Programme Work);

“LPW Donor Platforms” has the meaning given to in paragraph 2.14 of this schedule 23 (Latvia Programme Work);

“LPW Training Platforms” has the meaning given to in paragraph 2.13 of this schedule 23 (Latvia Programme Work);

“LV Contractor Default” means a breach by the Contractor of any of its obligations set out in this schedule 23 (Latvia Programme Work) which materially and adversely affects the performance of the Latvia Programme Work;

“LV Dependencies” means the dependencies which the Contractor is reliant upon the Authority to provide and/or procure for the purposes of carrying out the Latvia Programme Work, as set out in paragraph 8.1 of this schedule 23 (Latvia Programme Work);

“LV GFE” means:

- (A) the HARRIS Radio Vehicle Kits;
- (B) the HARRIS Installation Instruction;
- (C) the HARRIS Installation Kit and Test Schedule;
- (D) Golden Suite of HARRIS Radios;
- (E) ISO Containers (for the Platforms and Spares Pack 1);
- (F) Shipping Restraints/Tie Downs;
- (G) a representative of the LV MOD present for the delivery sign off in accordance with the Delivery Schedule;

OFFICIAL SENSITIVE - COMMERCIAL

(H) the Complete Equipment Schedule; and

(I) all repairables, equipment, special-to-type equipment ("STTE") and consumables relating to E-SPIRE,

to be provided by the LV MOD to the Contractor via the Authority pursuant to paragraph 2.3 (Requirement);

"LV MOD" has the meaning given to it in paragraph 2.1 (Requirement);

"LV Price" means the price to be paid by the Authority to the Contractor for the provision of the Latvia Programme Work excluding the price associated with the options to purchase Spares Pack 2 and the cost to bring a Platform up to Input Standard pursuant to paragraph 5.3 of this schedule 23 (Latvia Programme Work);

"LV Termination" has the meaning given to it in paragraph 6.1 (Termination);

"LV Termination Date" means the termination date stated in a LV Termination Notice served pursuant to paragraph 6.3 of this schedule 23 (Latvia Programme Work) which shall not be less than twenty (20) Business Days after the date of the LV Termination Notice;

"LV Termination Notice" means a notice served by the Authority pursuant to paragraph 6.4 of this this schedule 23 (Latvia Programme Work) terminating the provision of the Latvia Programme Work referred to in this schedule 23 (Latvia Programme Work) only;

"Mandatory Equipment Inspection" has the meaning given to it in schedule 2 (Statement of Requirements);

"Mine Blast Protection" means the modification packages embodied to improve armour protection against explosive strikes in accordance with [REDACTED];

"Modification No. 7 (Cold Start)" means the modification package embodied to improve the capability to start engines in cold climates in accordance with [REDACTED];

"NATO Stock Number" means the 13-digit numeric code identifying each item of spare consisting of the NATO Supply Class (NSC or FSC) and the National Item Identification Number recognised by all NATO countries;

OFFICIAL SENSITIVE - COMMERCIAL

“Out Inspection Pack” means the documentation produced during the final Platform checks as listed in Annex J of the relevant Part of Appendix 2 (Technical Specifications by Platform);

“Platform” has the meaning given to it in paragraph 2.1 (Requirement);

“Platform Discrepancy Report” means the report compiled by the Contractor following the receipt of the Platforms pursuant to paragraph 5.2 (Input Standard);

“Platform Input Standard” means the configuration state to which platforms shall be delivered to the Contractor;

“Prepared for Transport” means:

- (J) the disconnection of all batteries;
- (K) protection of sight systems from moisture with the use of desiccant within the Platform;
- (L) removal of equipment from the Platforms to facilitate the stowage of the Platform within the ISO Container;
- (M) packing and stowage of equipment removed from the Platform within the ISO Container; and
- (N) hand-held fire extinguishers to be removed and placed in box at the front of ISO Container for each Platform.

“Receipt Inspection” means an inspection carried out by the Contractor in accordance with paragraph 5.2 of this schedule 22 (Latvia Programme Work) during which the Contractor inspects any Platform delivered to the Contractor pursuant to paragraph 5.1 to check whether such Platform satisfies the Input Standard or not and if not, identifies any deficiencies;

“Record of Serialised Equipments” means the list of equipment set out in Appendix 7 of this schedule 23 (Latvia Programme Work);

“Requested Collection Date” has the meaning given to it in column 6 (Batch of 4 Requested Collection Date – Output) of Appendix 1 (Delivery Schedule);

OFFICIAL SENSITIVE - COMMERCIAL

“Samaritan” means the CVR(T) Ambulance variant as defined pursuant to [REDACTED];

“Samson” means the CVR(T) Recovery variant as defined pursuant to the [REDACTED];

“Scimitar” means the CVR(T) Reconnaissance variant as defined pursuant to the [REDACTED];

“Spartan” means the CVR(T) Armoured Personal Carrier variant as defined pursuant to the [REDACTED];

“Sultan” means the CVR(T) Command variant as defined pursuant to the [REDACTED];

“Spares Pack” means Spares Pack 1 and Spares Pack 2 collectively;

“Spares Pack 1” means the list of spares set out in Appendix 5 (Spares);

“Spares Pack 2” means the Spares Pack which the Contractor may be requested to Deliver pursuant to paragraph 2.7 (Requirement);

“Spares Pack 1 Delivery Date” means:

- (O) for all spares which are held in the SS3 and available for issue at the date of this Contract, no later than the first delivery date for Platforms under the Delivery Schedule; and
- (P) the remaining spares which shall be delivered as and when the ISO Containers are filled,

provided that Spares Pack 1 shall be delivered not later than 01 June 2016.

“Spares Pack 2 Price” has the meaning given to it in paragraph 2.7 of this schedule 23 (Latvia Programme Work);

“SS3” has the meaning given to it in paragraph 2.8 of this schedule 23 (Latvia Programme Work);

“Technical Query Note” means the form used by the Contractor to raise questions to the Authority concerning the technical specification of the relevant Platform as set out in Appendix 8 of this schedule 23 (Latvia Programme Work);

OFFICIAL SENSITIVE - COMMERCIAL

“Technical Specifications by Platform” are the technical specifications to which the Platforms (as applicable) are required to undergo BOHL as set out in Appendix 2 (Technical Specifications by Platform) to this schedule 23 (Latvia Programme Work), as updated and agreed between the Parties from time to time;

“UK Build Standard” means in relation to any Platform, the build standard specified in the relevant Bill of Materiel;

“Vehicle Acceptance Process Documentation” means the Certificate of Conformity, Out Inspection Pack, Record of Serialised Equipments and CES Checklist for each Platform;

“Vehicle Final Test” means the Vehicle Output Test and Inspection Pack set out in the relevant Annex J (Vehicle Output Test and Inspection Pack) of Appendix 2 (Technical Specifications by Platform); and

“Warranty Period” has the meaning given to it in paragraph 1 of Annex A (Warranty) of this schedule 23 (Latvia Programme Work).

2. Requirement

2.1 The Contractor is required to Deliver 116 refurbished CVR(T) platforms (together the “Platforms” and each a “Platform”) to Base Overhaul Latvia (“BOHL”) standard ready for collection by the Latvian Ministry of Defence (“LV MOD”) at Donnington in accordance with the Delivery Schedule set out in Appendix 1 (Delivery Schedule) to this schedule 23 (Latvia Programme Work), comprising:

- (A) 36 Scimitar;
- (B) 54 Spartan;
- (C) 18 Sultan;
- (D) 4 Samaritan; and
- (E) 4 Samson.

2.2 The Technical Specification by Platform for each type of Platform (set out in paragraph 2.1(A) to (E)) is set out in Appendix 2 (Technical Specifications by Platform) to this schedule 23 (Latvia Programme Work).

OFFICIAL SENSITIVE - COMMERCIAL

- 2.3 The Contractor shall provide that each of the refurbished Platforms shall be Delivered, Prepared for Transport and shall include the Complete Equipment Schedule ("CES") provided by the Authority for such Platform secured in an ISO Container (such ISO Container to be provided by the LV MOD to the Contractor as LV GFE), ready for collection in Batches of 4 (four) by the LV MOD from Donnington by the Requested Collection Date.
- 2.4 The Delivery of each Platform by the Contractor in accordance with paragraph 2.3 shall include the Vehicle Acceptance Process Documentation which is to be provided by the Contractor to the Authority upon Delivery of the Platform.
- 2.5 The Contractor shall deliver Spares Pack 1, including an Inventory Receipt of such spares, in ISO Containers by the relevant Spares Pack 1 Delivery Date.
- 2.6 Spares Pack 1 shall be checked by the Contractor for Nato Stock Number ("NSN") conformity and packaging damage. Where spares comprising Spares Pack 1 are being procured from the Authority, any discrepancies shall be reported to the Authority no later than one (1) month prior to the Spares Pack 1 Delivery Date set out in limb (a) of the definition of Spares Pack 1 Delivery Date.
- 2.7 The Authority shall have an option to purchase the full Spares Pack 2 from the Contractor at an agreed price calculated as the actual cost of the spares with no additional mark-up (the "Spares Pack 2 Price"). Where the Authority chooses to exercise this option, it shall provide the Contractor with no less than twelve (12) months' notice that Spares Pack 2 is required by the Authority and shall notify the Contractor of the date by which Spares Pack 2 is required to be Delivered in an ISO Container and ready for collection from Donnington. The Authority shall pay the Contractor the Spares Pack 2 Price as set out in paragraph 7.2(D).
- 2.8 The Contractor shall be solely responsible for the provision of all Spares required to support the Latvia Programme Work. The Contractor may request approval to purchase Spares from the Authority that are currently available in Store Systems 3 ("SS3"). The Contractor has an obligation to consider Front Line Commands' expected future usage of Spares ahead of requesting such Spares from SS3 for the purposes of carrying out the Latvia Programme Work.
- 2.9 No Spares that are purchased or repaired as part of the Latvia Programme Work shall be used for any purpose other than the delivery of the Latvia Programme Work by the Contractor, including not providing such Spares to the Logistic and Commodities Services

FINAL VERSION**OFFICIAL SENSITIVE - COMMERCIAL**

("LCS") warehousing or such Spares being recorded on SS3. Any Spares procured for the Latvia Programme Work, but which are not consumed, shall be issued to the LV MOD for collection at Donnington (in ISO Containers provided to the Contractor by the Authority) upon completion of Latvia Programme Work.

- 2.10 The Delivery of the Platforms by the Contractor shall be in accordance with the Delivery Schedule set out in Appendix 1 to this schedule 23 (Latvia Programme Work) and can be summarised as follows:

Delivery Calendar Year	Variant Quantity	Variant Type
2016	12 x Scimitar 17 x Spartan 6 x Sultan 1 x Samaritan 1 x Samson	12 x LAT_SCIM_1 17 x LAT_SPAR_1 6 x LAT_SULT_1 1 x LAT_SAMA_1 1 x LAT_SMSN_1
2017	8 x Scimitar 13 x Spartan 4 x Sultan 2 x Samaritan 1 x Samson	8 x LAT_SCIM_1 13 x LAT_SPAR_1 4 x LAT_SULT_1 2 x LAT_SAMA_1 1 x LAT_SMSN_1
2018	8 x Scimitar 13 x Spartan 6 x Sultan 1 x Samson	8 x LAT_SCIM_1 13 x LAT_SPAR_1 6 x LAT_SULT_1 1 x LAT_SMSN_1
2019	8 x Scimitar 11 x Spartan 2 x Sultan 1 x Samaritan 1 x Samson	8 x LAT_SCIM_2 11 x LAT_SPAR_2 2 x LAT_SULT_2 1 x LAT_SAMA_2 1 x LAT_SMSN_2

OFFICIAL SENSITIVE - COMMERCIAL

2.11 The Platforms shall be delivered to the Contractor in accordance with the relevant Technical Specifications by Platform set out in Appendix 2 (Technical Specifications by Platform) to this schedule 23 (Latvia Programme Work). For the avoidance of doubt, the difference between the UK Build Standard and the Latvia Build Standard for the purposes of the Latvia Programme Work is as follows:

- (A) there is no requirement to fit BOWMAN radio systems on any of the Platforms, as the Platforms are to be fitted with the HARRIS Radio Adaptor Kits to be provided by the LV MOD to the Contractor;
- (B) Modification No. 7 (Cold Start) shall be fitted to all of the Platforms;
- (C) Mine Blast Protection shall be fitted to all Scimitars;
- (D) Mine Blast Protection shall be fitted to all Platforms in the Delivery Schedule for 2019;
- (E) Ballistic Protection shall be fitted to all Platforms in the Delivery Schedule for 2019; and
- (F) all Platforms shall be fitted with a TN15D gearbox.

2.12 In addition to the 116 Platforms to be Delivered under paragraph 2.1, the Contractor shall also Prepare for Transport 7 CVR(T) training Platforms (the “LPW Training Platforms”) and associated Complete Equipment Schedules as follows, for collection by the LV MOD no later than:

- (A) 03 August 2015 in relation to 1 x Sultan (02GE31), 1 x Scimitar (04FD18) and 2 x Spartan (00FF73 and 00FF93), for collection from Ashchurch;
- (B) 02 November 2016 in relation to 1 x Scimitar (06FD01), for collection from Donnington;
- (C) 11 September 2017 in relation to 1 x Scimitar (05FD91), for collection from Donnington; and
- (D) 13 November 2017 in relation to 1 x Spartan (00FF65), for collection from Donnington.

2.13 The Preparation for Transport of the LPW Training Platforms listed in paragraph 2.12 shall be limited to:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) completion of a Mandatory Equipment Inspection (“MEI”) and the delivery of a report of deficiencies for each Platform;
- (B) removal of any remaining BOWMAN radio systems, with the exception of Platform interfaces; and
- (C) Platform wash-down.

2.14 The Authority shall also make available to the Contractor as Donnington as GFX and at no charge 30 donor platforms (the “LPW Donor Platforms”) for the provision of Spares and to support the Latvia Programme Work and Spares Pack 1 within fifteen (15) Business Days’ notice from the Contractor to the Authority. The LPW Donor Platforms shall comprise:

- (A) 13 x Scimitar;
- (B) 9 x Spartan;
- (C) 5 x Sultan;
- (D) 2 x Samaritan; and
- (E) 1 x Samson.

2.15 The Contractor shall provide a monthly progress report (the “Latvia Programme Work Report”) to the Authority, for discussion at a monthly meeting between the Authority and the Contractor, and which shall include the following information:

- (A) status of BOHL work in progress, including details of Platforms, its current positions in build line and concurrence to Delivery Schedule;
- (B) Spares Pack progress, including outstanding deliveries and completeness of the Spares Packs;
- (C) any outstanding Technical Query Notes and Concessions; and
- (D) any material risks and issues relating to the relevant Platforms identified to date.

2.16 The Contractor shall produce a Configuration Support Database (“CSD”) for the purpose of recording all serialised equipment fitted to each Platform and the CSD shall be updated on

OFFICIAL SENSITIVE - COMMERCIAL

completion of Delivery of each Platform and a copy of the updated CSD shall be delivered to the Authority on a quarterly basis.

- 2.17 If the Contractor requires the collection pick-up location for any Deliveries of Platforms to be changed, the Contractor shall notify the Authority of the change in location no later than six (6) months prior to the agreed collection date.

3. Acceptance Testing

- 3.1 The Contractor shall carry out a Vehicle Final Test on each Platform following completion of the BOHL for that individual Platform and upon completion of the Vehicle Final Test shall provide to the Authority the Vehicle Acceptance Process Documentation. The Vehicle Final Test shall be carried out on a pass/fail basis in accordance with the relevant Annex J (Vehicle Output Test and Inspection Pack) to Appendix 2 (Technical Specifications by Platform). In the event that a discrepancy is identified, the Contractor shall be required to rectify the discrepancy through carrying out the appropriate Corrective Action, or shall agree a Concession with the Authority prior to issuing the Vehicle Acceptance Process Documentation.
- 3.2 The Authority will have the right, upon reasonable notice to the Contractor, for a representative of the LV MOD to witness the Vehicle Final Test. If any discrepancies arise during the Vehicle Final Test, the Authority shall liaise with the Contractor to manage and rectify the issue.
- 3.3 The Authority may, upon reasonable notice to the Contractor, require its attendance at further tests to ensure that any discrepancy identified under the Vehicle Final Test carried out pursuant to paragraph 3.1 has been rectified. The Authority shall note any Corrective Action identified under the process set out in paragraph 3.1.
- 3.4 If no discrepancy is identified under the Vehicle Final Test carried out pursuant to paragraph 3.1 or upon the carrying out of any Corrective Action, the Authority Representative (LV MOD) accepts the completion of the Platform and shall sign the relevant Certificate of Conformity to confirm that the Platform is accepted. Where no discrepancy is identified under the Vehicle Final Test and the Authority Representative (LV MOD) does not sign the relevant Certificate of Conformity within forty five (45) Business Days of the Vehicle Final Test, the Platform will be deemed to have been accepted and risk for the Platform passes to LV MOD.

OFFICIAL SENSITIVE - COMMERCIAL

3.5 Unless otherwise specified in this schedule 23 (Latvia Programme Work), the Authority Representative (LV MOD) shall not have accepted a Platform:

(A) merely because the Authority Representative (LV MOD) asks for, or agrees to, its repair by or under an arrangement with the Contractor; or

(B) unless otherwise specified in this schedule 23 (Latvia Programme Work), merely because the Platform has been Delivered.

3.6 Acceptance shall be governed by this paragraph 3 (Acceptance Testing) to the exclusion of any common law or statutory provision relating to acceptance of goods.

4. Defects Reporting

4.1 Where, following Delivery and acceptance (in accordance with paragraph 3 (Acceptance Testing)) of a Platform, a defect is identified in accordance with and within the timescales set out in Annex A (Warranty) to this schedule 23 (Latvia Programme Work), such defect shall be processed and managed by the Contractor as follows:

(A) the Authority Representative (LV MOD) shall raise a Defect Reporting Form ("DRF") Part 1 as set out at Appendix 3 (Defect Reporting Form) of this schedule 23 (Latvia Programme Work) and forward a copy of this to the Contractor's Representative;

(B) the Contractor shall log the DRF and shall evaluate the details set out in the DRF against the relevant Platform and determine whether further investigation is required;

(C) in the event that further investigation is required, the Contractor shall return the DRF to the Authority Representative (LV MOD) with a request for further information, after which the process in paragraph 4.1(B) is repeated and paragraphs 4.1(D) to (G) shall then also apply;

(D) if further investigation is not required but Corrective Action is required or further investigation has been carried out in accordance with paragraph 4.1(C), it shall be determined whether the purported defect constitutes a valid warranty claim in accordance with Annex A (Warranty) and in the event such purported defect constitutes a valid warranty claim, the Contractor shall determine and agree the appropriate Corrective Action with the Authority Representative (LV MOD), following which the Corrective Action will be performed and on completion of the Corrective

OFFICIAL SENSITIVE - COMMERCIAL

Action, the Contractor shall complete a DRF and submit it to the Authority Representative (LV MOD);

- (E) if Corrective Action is not required, the Contractor shall return the DRF to the Authority Representative (LV MOD) with an explanation;
- (F) if the purported defect is not a valid warranty claim, the Contractor shall review its options with the Authority Representative (LV MOD) and if the parties agree that the Contractor shall rectify the purported defect, the Contractor shall determine and agree with the Authority Representative (LV MOD) whether Corrective Action is required and:
 - (1) if Corrective Action is required, agree such Corrective Action with the Authority Representative (LV MOD) following which the Corrective Action will be performed and on completion of the Corrective Action, the Contractor shall complete a DRF and submit it to the Authority Representative (LV MOD); or
 - (2) if Corrective Action is not required, the Contractor shall return the DRF to the Authority Representative (LV MOD) with an explanation; and
- (G) on completion of work or agreed Corrective Action, the Authority Representative (LV MOD) shall sign the DRF to acknowledge that the defect has been rectified, and shall provide a copy of the signed DRF to the Contractor and the Authority.

5. Input Standard

- 5.1 The Platforms shall be delivered to the Contractor in accordance with the relevant Technical Specifications by Platform set out in Appendix 2 (Technical Specifications by Platform) (the “Input Standard”).
- 5.2 Upon receipt of a Platform under paragraph 5.1, the Contractor shall carry out the Receipt Inspection of such Platform and where the Platform does not satisfy the Input Standard, the Contractor shall submit a Platform Discrepancy Report to the Authority setting out any deficiencies, within twenty eight (28) Business Days of completion of each Receipt Inspection of a Platform.
- 5.3 Where a Platform does not comply with the Input Standard, the Authority and the Contractor shall agree an additional package of work under a separate tasking to bring the Platform up to

OFFICIAL SENSITIVE - COMMERCIAL

the Input Standard, at an additional cost to the LV Price set out in this schedule 23 (Latvia Programme Work).

6. Termination

6.1 The Authority reserves the right to terminate the Latvia Programme Work ("LV Termination") at any time for any reason during the Latvia Programme Work on 15 months' written notice to the Contractor and DEFCON 656 (Break) (Edn 03/06) shall apply mutatis mutandis.

6.2 Subject to paragraph 6.8, the Authority may terminate the performance of the services as set out under this schedule 23 (Latvia Programme Work) at any time on or before the Expiry Date on the grounds of LV Contractor Default, pursuant to the provisions of this paragraph 6 (Termination).

6.3 If a LV Contractor Default has occurred and the Authority wishes to terminate this schedule 23 (Latvia Programme Work) pursuant to paragraph 6.2, it must serve a LV Termination Notice on the Contractor's Representative stating:

(A) that the Authority intends to terminate this schedule 23 (Latvia Programme Work) for the LV Contractor Default, unless the Contractor puts forward an Acceptable Rectification Programme in accordance with paragraph 6.4 or the Contractor rectifies the LV Contractor Default before the LV Termination Date; and

(B) the type and nature of the LV Contractor Default that has occurred, giving reasonable details.

6.4 This schedule 23 (Latvia Programme Work) shall terminate on the LV Termination Date, unless the Contractor puts forward an acceptable rectification programme to the Authority within twenty (20) Business Days after the date the Contractor receives the LV Termination Notice ("Acceptable Rectification Programme") and implements such programme in accordance with its terms and rectifies the LV Contractor Default in accordance with the Acceptable Rectification Programme.

6.5 If the Contractor either rectifies the LV Contractor Default by the date set out in the LV Termination Notice, or implements the Acceptable Rectification Programme, if applicable, in accordance with its terms, the LV Termination Notice shall be deemed to be revoked and this schedule 23 (Latvia Programme Work) shall continue.

OFFICIAL SENSITIVE - COMMERCIAL

- 6.6 If no Acceptable Rectification Programme has been put forward pursuant to paragraph 6.4 and the Contractor fails to rectify the LV Contractor Default within the time period specified in the LV Termination Notice, the Authority may give notice stating that this schedule 23 (Latvia Programme Work) will terminate on the LV Termination Date.
- 6.7 If the Contractor fails to implement any Acceptable Rectification Programme in accordance with its terms, this schedule 23 (Latvia Programme Work) will terminate upon twenty (20) Business Days' notice by the Authority to the Contractor of such failure to implement the Acceptable Rectification Programme in accordance with its terms.
- 6.8 Any LV Termination Event or LV Contractor Default shall only result in the termination of the Latvia Work Programme as set out under this schedule 23 (Latvia Work Programme) and shall not have the effect of terminating any other part of the Contract. Any act or omission by the Contractor in relation to the Services provided under this schedule 23 (Latvia Programme Work) shall not in itself constitute a Contractor Default under limbs (A) or (H) of the definition of Contractor Default.
- 6.9 Termination of the Contract pursuant to clauses 39 (Voluntary Termination by the Authority), 40 (Termination for Contractor Default), 41 (Persistent Breach), 42 (Termination for Force Majeure Event), 43 (Termination for Prohibited Acts) and 44 (Partial Termination) shall also result in the termination of this schedule 23 (Latvia Programme Work) and any amount payable by the Authority to the Contractor in relation to such termination shall factor in the termination of the provision of the Latvia Programme Work by the Contractor.
- 6.10 If this schedule 23 (Latvia Programme Work) is terminated for LV Contractor Default, the Authority shall be entitled to remove Exclusivity for the Latvia Programme Work.
- 6.11 For the avoidance of doubt, termination of this schedule 23 (Latvia Programme Work) pursuant to this paragraph 6 (Termination) shall not constitute a Partial Termination under clause 44 (Partial Termination) of the Contract.

7. Pricing and Payment

7.1 Pricing

- (A) This Latvia Programme Work is priced as follows:

OFFICIAL SENSITIVE - COMMERCIAL

- (1) the costs on an Exceptional Variable Costs ("EVCs") basis for the Contractor's costs set out in clause 70.1(B) (Capacity Based Pricing) to which is added a contract profit rate of [REDACTED] (or any other target fee as agreed by both Parties); and
- (2) the actual cost of Spares and direct sub-contract costs.

in so far as the costs for any item is directly attributable to the provision of the Latvia Programme Work by the Contractor.

(B) The LV Price is [REDACTED], comprising:

- (1) [REDACTED] (LV Price excluding Spares and direct sub-contracts) as calculated in accordance with paragraph 7.1(A)(1) above; and
- (2) Spares and direct sub-contract costs: [REDACTED] or such other amount as will be estimated, agreed and provided as set out in clause 70.5 (Spares and Direct Sub-contract Costs);

(C) Subject to clause 70.5(C) (Spares and Direct Sub-contract Costs), the Spares and direct sub-contract costs set out in paragraph 7.1(B)(2) represents the Authority's limit of liability in respect of the Spares and direct sub-contract costs within the LV Price, provided that when determining, as an Authority Change whether and to the extent to which the limit of liability shall be increased in accordance with clause 70.5(C) (Spares and Direct Sub-contract Costs), paragraph 3.2(D) of schedule 24 (Change Procedure) shall be deemed to be amended so that the reference to "The Authority may in its absolute discretion either" shall read "The Parties acting reasonably shall agree to either". The Parties acknowledge that this amendment to schedule 24 (Change Procedure) is on the basis that the treatment of Spares and direct sub-contract costs are to be on a different basis for the Latvia Programme Work only.

(D) Subject to paragraph 7.1(C), the LV Price:

- (1) shall be subject to variation in accordance with schedule 24 (Change Procedure) to take into account any changes or additional services or goods or to be provided under this schedule 23 (Latvia Programme Work); but

OFFICIAL SENSITIVE - COMMERCIAL

- (2) shall not be subject to variation in accordance with clause 70.6 (Indexation Mechanism).

7.2 Payment

- (A) Payment shall be made on Delivery of each Batch of Platforms in accordance with the Requested Delivery Dates set out in Appendix 1 (Delivery Schedule - Output) or in the other circumstances set out in paragraph 7.2(D).
- (B) A price, excluding the cost of Spares and direct sub-contract costs, shall be allocated to each Platform calculated as:
- (1) the LV Price excluding Spares and direct sub-contracts set out in paragraph 7.1(B)(1); divided by
 - (2) the number of Platforms that will be refurbished to BOHL standard as set out in this schedule 23 (Latvia Programme Work).
- (C) The payment made on Delivery of a Batch of Platforms shall be calculated as:
- (1) the Platform price calculated in accordance with paragraph 7.2(B);
 - (2) multiplied by the number of Platforms comprising the Batch; and
 - (3) the actual cost of Spares and direct sub-contract costs associated with the refurbishment to BOHL standard of the Batch, subject to the Authority's limit of liability in respect of the Latvia Programme Work Spares and direct sub-contract costs not being exceeded.
- (D) Invoices for:
- (1) each Batch completed for the BOHL Platforms shall be raised to the Authority upon Delivery of each completed Platform by the Authority;
 - (2) the exercise of the option by the Authority to purchase the full Spares Pack 2 pursuant to paragraph 2.7 shall be raised to the Authority upon the Spares Pack 2 being ready for collection at Donnington;

OFFICIAL SENSITIVE - COMMERCIAL

(3) any additional services or works to be provided pursuant to paragraph 5.3 shall be raised upon the completion of such additional works and/or services by the Contractor;

(4) any other additional services or works delivered under this schedule 23 (Latvia Programme Work) (including Annex A (Warranty)) shall be raised by the Authority upon completion of such additional works and/or services by the Contractor,

in accordance with the Delivery Label process set out in schedule 40 (Payment).

(E) The Delivery Label shall be delivered on the same day as either a Monthly Base Amount Delivery Label or a Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraphs 2(A) or 2(B) of schedule 40 (Payment), as applicable, no later than the thirty first (31st) day after the Delivery of a Batch of Platforms.

8. Latvia Programme Work Dependencies

8.1 The process set out in clause 85.2 (Procedure for Dependency Claims) shall apply to this schedule 23 (Latvia Programme Work) in relation to the Latvia Programme Work dependencies (the "LV Dependencies") which are as follows and relief shall be granted to the extent applicable to the Latvia Programme Work in accordance with clause 85 (Authority Dependencies and GFX) as if the LV Dependencies were Authority Dependencies and failure to provide such a LV Dependency was a Dependency Failure:

- (1) provision of the LPW Donor Platforms pursuant to paragraph 2.14 (Requirement) of this schedule 23 (Latvia Programme Work);
- (2) provision of LV GFE;
- (3) provision of the 116 CVR(T) Platforms at the Input Standard in accordance with paragraph 5; and
- (4) Authority response to Platform Discrepancy Reports issued in accordance with paragraph 5.2 (Input Standard),

to be provided by the Authority to the Contractor in accordance with the agreed Latvia Programme.

OFFICIAL SENSITIVE - COMMERCIAL

8.2 The Parties shall (acting reasonably) agree the Latvia Programme by 15 May 2015.

9. **Disapplication and amendment of the Contract**

9.1 Save as otherwise expressly stated in this schedule 23 (Latvia Programme Work), the following provisions of the Contract shall not apply in respect of the Latvia Programme Work:

- (A) clause 9 (Annual Plan);
- (B) clause 70 (Pricing);
- (C) clause 71 (Key Performance Indicators);
- (D) clause 72 (Tangible Element Reward Fee);
- (E) clause 81 (Commercial Work);
- (F) clause 82 (Financial Model);
- (G) clause 84.3 (Exclusivity);
- (H) clause 94 (Delivery, Acceptance and Rejection Procedures);
- (I) clause 96 (Warranty);
- (J) schedule 2 (Statement of Requirements);
- (K) schedule 4 (Service Delivery Plan);
- (L) schedule 6 (Payments on Termination);
- (M) schedule 7 (Transformation Plan);
- (N) schedule 20 (Annual Plan);
- (O) schedule 21 (Financial Model); and
- (P) schedule 25 (Performance Mechanism).

9.2 The Contractor is required to provide the following in relation to the clauses and schedules listed in this paragraph 8.2:

- (A) **Clause 8 and Schedule 4 (Service Delivery Plan)** – the Contractor shall provide its Programme Plan and Quality Plan in respect of the Latvia Programme Work.

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX A: WARRANTY

10. The Contractor's obligations under this warranty shall commence when acceptance has taken place pursuant to paragraph 3 (Acceptance Testing) and shall continue for a period of four (4) months from that date (the "Warranty Period").
11. Should the LV MOD wish the Warranty to commence upon unloading of the Platforms in Latvia, it shall request that a Contractor representative is available to inspect the Platforms and confirm that they have not suffered any damage or degradation in transit and prepare the Platforms for use. All costs associated with the provision of Contractor representatives will be the responsibility of the Authority and such costs shall be agreed between the parties and shall be in addition to the LV Price. In the case of Platforms being delivered in ISO Containers, the Contractor may, at its discretion, accept the LV MOD's photographic evidence of the security of the ISO locking mechanism and ISO Container, taken on arrival in Latvia. The Contractor shall assess the applicability of any warranty on workmanship for a damaged Platform on a case by case basis, taking into account the extent of the damage caused during transit. Any damage incurred during the transit of the Platforms by the shipping contractor will be for the LV MOD to resolve with their shipping contractor/insurer.
12. During the Warranty Period, the Contractor shall provide a warranty to the Authority solely for workmanship for each Platform and, where this requires defective items/parts to be replaced or repaired, will do so within the Warranty Period, unless otherwise agreed between the Parties. The Contractor shall not be liable for the cost of any items/parts to be replaced or repaired under the warranty.
13. To receive the benefit of this warranty, the Authority Representative shall notify the Contractor in writing during the Warranty Period, using the Defect Reporting Form at Appendix 3 (Defects Reporting Form) of this schedule 23 (Latvia Programme Work) as soon as the fault is discovered. The Authority Representative shall provide details of the nature of the defect and the circumstances of its discovery by the LV MOD/National Armed Forces. The Warranty Process Map set out below provides details of the process to be followed.

OFFICIAL SENSITIVE - COMMERCIAL

14. Where a warranty claim is accepted by the Contractor, the Contractor reserves the right to undertake repair or replacement activity at the Platform location, to require the Authority or the LV MOD to ship the faulty item to a specified location in UK or to direct the LV MOD to effect a repair or replacement in-country, using a Contractor nominated company. Any items that are subject to warranty claims shall be shipped to the UK (if that is the Contractor's requirement) at the LV MOD's own expense. In the case of a warranty claim accepted by the Contractor, after successful closure of the issue and signing the Defect Reporting Form (Part 3), the workmanship for the specific repaired or replaced item will be warranted for a further 4 month period.
15. The Contractor reserves the right to reject any warranty claim where it has not been proved beyond reasonable doubt that the failure has been directly caused by the workmanship of the Contractor.
16. Any costs expended by the Contractor in connection with what subsequently proves not to be a valid warranty claim shall be the responsibility of the Authority who will promptly reimburse the Contractor for all costs expended in connection with the claim.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 24: CHANGE PROCEDURE

4. General

- 4.1 Any Change proposed by the Contractor shall be subject to the Authority's agreement, which the Authority may refuse in its absolute discretion unless the Change is necessary to comply with a Change in Law. If the Parties cannot agree an Authority Change or a Contractor Change necessary to comply with a Change in Law, the Authority may refer it for determination under the Dispute Resolution Procedure.
- 4.2 Any refinement during the Contract Period of the detailed scope, terms or pricing of Schedule of Rates or Aspirational Pricing or any other aspect of Transformation shall be limited to matters which do not as a whole constitute a material change to the Contract under applicable procurement law.
- 4.3 If at any Review Point the Authority concludes that a Stage of Transformation cannot be achieved in respect of one or more of the Categories without negotiating a Change that would give rise to a material change to the Contract in scope and/or economic value, the Authority shall be entitled to:
- (A) direct that the Services for that Category continue under the relevant Capacity Based Pricing or Schedule of Rates or Aspirational Pricing arrangements on an "as is" basis; and/or
 - (B) withdraw Exclusivity in respect of such Services and initiate a tender process which may lead to a contract being placed with a third party or the Contractor; and/or
 - (C) in the event that the Contractor is not awarded the Contract, contract with a third party in respect of such Services.

5. Changes

- 5.1 Changes are categorised as Authority Change, Contractor Change and CL Change.
- 5.2 "**Authority Change**" means an Authority-initiated change to the Services due to:
- (A) a change in the scope and/or scale of the Services (other than in accordance with Schedule 20 (Annual Plan)); or

OFFICIAL SENSITIVE - COMMERCIAL

- (B) Partial Termination or withdrawal of Exclusivity pursuant to clause 84.3 (Exclusivity) in relation to any part or part of the Services.

5.3 “CL Change” means a change to the Services due to a Change in Law.

5.4 “Contractor Change” means a change to the Services proposed by the Contractor (other than in accordance with Schedule 20 (Annual Plan)).

6. Authority Changes

6.1 Change Notice

- (A) The Authority may at any time propose an Authority Change in accordance with this Schedule 24 by delivering a notice (a “Change Notice”) to that effect to the Contractor.
- (B) The Authority shall not propose a Change which would require the Services to be performed in a way that infringes the Law.
- (C) The Change Notice shall:
- (1) set out sufficient details of the Authority’s requirement for the Change to enable the Contractor to provide a written proposal for the change (a “Change Proposal”) in accordance with paragraph 3.2; and
 - (2) specify the number of Business Days from the date of the Change Notice within which the Contractor is required to deliver a Change Proposal to the Authority.

6.2 Change Proposal

- (A) Where the Authority delivers a Change Notice to the Contractor, the Contractor shall provide the Authority with a Change Proposal within the number of Business Days specified in the Change Notice, which shall include:
- (1) the Contractor’s detailed proposals for implementing the Change, including the proposed implementation programme;
 - (2) details of any impact the Change will have on the provision of the Services during and after implementation;
 - (3) a detailed breakdown of the costs, including any investment or long term

OFFICIAL SENSITIVE - COMMERCIAL

commitment being entered into, and savings due to the change;

- (4) details of any proposed amendments to this Contract (including Schedule 25 (Performance Mechanism), the Service Delivery Plan and any related documents which are necessary in order to implement the Change and/or provide the Services after the Change has been implemented; and
 - (5) details of any regulatory approvals which may be required.
- (B) If the Change Proposal is delivered to the Authority at least ten (10) Business Days before the next Joint Management Group meeting, it shall be considered at that meeting. If it is delivered less than ten (10) Business Days before the next Joint Management Group meeting it shall be considered at the Joint Management Group meeting for the following Contract Month. At the relevant Joint Management Group meeting the Parties shall discuss and seek to agree the issues set out in the Change Proposal.
- (C) Following consideration at the relevant Joint Management Group meeting, the Authority may request the Contractor to submit a revised Change Proposal within a specified number of Business Days.
- (D) The Authority may in its absolute discretion either:
- (1) confirm approval of the Change Proposal (or revised Change Proposal) in writing;
 - (2) withdraw the Change Notice; or
 - (3) refer for determination in accordance with the Dispute Resolution Procedure.

7. Contractor Changes

7.1 The Contractor may at any time request a Change by submitting to the Authority a written request (a "Contractor Change Request"), which shall include:

- (A) a description of the Change,
- (B) the Contractor's detailed proposals for implementing the Change, including the proposed implementation programme;

OFFICIAL SENSITIVE - COMMERCIAL

- (C) details of any impact the Change will have on the provision of the Services during and after implementation;
- (D) a detailed breakdown of the costs, including any investment or long term commitment being entered into, and savings due to the change;
- (E) details of any proposed amendments to this Contract, the Service Delivery Plan and any related documents which are necessary in order to implement the Change and/or provide the Services after the Change has been implemented; and
- (F) details of any regulatory approvals which may be required;
- (G) the likely effect of the proposed Change on the Annual Plan; and
- (H) a business case demonstrating the benefits that the Change will realise for the Authority and that implementing the Change represents value for money for the Authority,

in enough detail and accompanied by such supporting documentation as will enable the Authority to evaluate it fully and to assess the advantages and disadvantages of the requested Change.

7.2 If the Contractor Change Request is delivered to the Authority at least ten (10) Business Days before the next Joint Management Group meeting, it shall be considered at that meeting. If it is delivered less than ten (10) Business Days before the next Joint Management Group meeting it shall be considered at the Joint Management Group meeting for the following Contract Month. At the relevant Joint Management Group meeting the Parties shall discuss and seek to agree the issues set out in the Contractor Change Request.

7.3 Following consideration at the relevant Joint Management Group meeting, the Authority may request the Contractor to submit a revised Contractor Change Request within a specified number of Business Days.

7.4 The Authority may in its absolute discretion either:

- (A) confirm approval of the Contractor Change Request (or revised Contractor Change Request) in writing;
- (B) choose not to proceed with the Contractor Change Request (save as expressly

OFFICIAL SENSITIVE - COMMERCIAL

provided otherwise); or

- (C) or refer the Contractor Change Request for determination in accordance with the Dispute Resolution Procedure.

8. CL Changes

- 8.1 Either Party may give the other a notice in writing (a "CL Change Notice") of a Change in Law which is due to occur or has occurred and which in the opinion of that Party requires a Change.
- 8.2 As soon as practicable after the date of a CL Change Notice, the Contractor shall provide the Authority with a proposal (a "CL Change Proposal") which shall include:
 - (A) the Contractor's detailed proposals for implementing the CL Change, including the proposed implementation programme;
 - (B) details of any proposed amendments to this Contract (including Schedule 25 (Performance Mechanism), the Service Delivery Plan and/or any related documents which are necessary in order to implement the Change and/or provide the Services after the CL Change has been implemented;
 - (C) details of any impact the CL Change will have on the provision of the Services during and after implementation;
 - (D) (in the case of a Discriminatory Change in Law or Specific Change in Law only) details of the costs of implementing the CL Change and the effect it will have when implemented on the costs of providing the Services; and
 - (E) details of any regulatory approvals which may be required.
- 8.3 In the case of a Discriminatory Change in Law or Specific Change in Law only, the costs of implementing the CL Change and any increased cost of providing the Services as a result of the CL Change shall be payable by the Authority, subject to the Contractor demonstrating to the Authority's satisfaction that the CL Change cannot be implemented using the resources that the Contractor is expressly or impliedly required to provide in order to carry out the Services and that the additional resources it requires are necessary to implement the CL

OFFICIAL SENSITIVE - COMMERCIAL

Change.

- 8.4 If the CL Change Proposal is delivered to the Authority at least ten (10) Business Days before the next Joint Management Group meeting, it shall be considered at that meeting. If it is delivered less than ten (10) Business Days before the next Joint Management Group meeting, it shall be considered at the Joint Management Group meeting for the following Contract Month.
- 8.5 At the relevant Joint Management Group meeting, the Parties shall seek to agree the issues set out in the CL Change Proposal and any ways in which the Contractor can mitigate the effect of the Change in Law.
- 8.6 Following consideration at the relevant Joint Management Group meeting, the Authority may approve or reject the CL Change Proposal or propose amendments to it. Where a CL Change Proposal is approved, the Authority shall confirm the CL Change Proposal in writing.
- 8.7 If within twenty (20) Business Days of the Joint Management Group meeting at which the CL Change Proposal is considered the Parties cannot agree the Change required as a result of the Change in Law or the Authority does not accept the CL Change Proposal, the matter shall be resolved in accordance with clause 28 and schedule 13 (Dispute Resolution).

9. All Changes

- 9.1 Any amendments to this Contract required by a Change shall be effective only if made in writing and signed by the Authority Representative and the Contractor's Representative.
- 9.2 The obligations and constraints set out in clause 5 (Provision of the Services) shall apply to all works carried out and services provided in connection with the implementation of any Change.
- 9.3 In respect of a Change Proposal confirmed by the Authority in accordance with paragraph 3.2(D), a Contractor Change Request confirmed by the Authority in accordance with paragraph 4.4(A), or a CL Change Proposal confirmed by the Authority in accordance with paragraph 5.6 or which is confirmed as a result of the Dispute Resolution Procedure in accordance with paragraphs 4.4(C) or 5.7 (a "Confirmed Change Proposal"):

- (A) the Parties shall consult and agree the remaining details as soon as practicable and shall document such agreed details in writing;

OFFICIAL SENSITIVE - COMMERCIAL

- (B) the Parties shall enter into any documents to amend this Contract which are necessary to give effect to the Change;
 - (C) the Contractor shall implement the Change in accordance with the provisions and programme of the Confirmed Change Proposal; and
 - (D) on completion of the Change the Contractor shall demonstrate to the Authority that the Confirmed Change Proposal has been successfully implemented.
- 9.4 The Authority reserves the right to require the Contractor to provide a fully completed QMAC in agreed form for the purposes of pricing Changes.
- 9.5 The following DEFCONs shall apply in respect of the pricing of Changes under the Contract:
- (1) DEFCON 127 (Edn. 10/04) (Price Fixing for Contracts of Lesser Value);
 - (2) DEFCON 643 (Edn. 07/04) (Price Fixing);
 - (3) DEFCON 648A (Edn. 07/04) (Availability of Information); and
 - (4) DEFCON 695 (Edn. 12/14) (Contract Costs Statement – Post-Costing (Non-qualifying contract)).
- 9.6 The Financial Model shall be updated in relation to any Changes as appropriate. This should include, but should not be limited to, Changes in respect of the transition to new pricing arrangements as described in clause 70 (Pricing), Changes in respect of any partial or full termination, Changes to schedule 20 (Annual Plan), removal of Potential SSS Vehicles (as defined in clause 101 (Potential SSS Vehicles)) from the Requirement pursuant to clause 101 (Potential SSS Vehicles) and any payments made pursuant to schedule 35 (Profit Sharing).
10. For the avoidance of doubt, the Contractor shall not be entitled to refer to the Dispute Resolution Procedure any decision by the Authority in respect of paragraph 3.2(D) or paragraph 4.4 of this schedule 24.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 25: PERFORMANCE MECHANISM

“Army HQ Fleet Managers” means those Army personnel within the fleet management C2 cell within Army HQ;

“Hull Repair Scheme” means the repair scheme documentation produced by an OEM for repair of the hull section of a vehicle;

“JAMES Holding Unit” means the unit recorded in the relevant data field within JAMES as being the holding unit;

“Performance Failure Deduction” means a deduction to the Monthly Reconciliation Amount available to the Contractor due to performance of the Contractor in respect of a Category being assessed as Red Service Level for a Payment Period;

“Qualifying Reason” means any of the following reasons:

- (A) a faulty GFE repairable item that has undergone MRO 4 activity by a third party causes delay;
- (B) a demonstrable Dependency Failure causes delay;
- (C) the reprioritisation of work as directed by Army HQ Fleet Managers;
- (D) changes to the output specification for MRO activity;
- (E) emergent requirement for a bespoke Hull Repair Scheme;
- (F) the Article crossed the Contractor/Authority boundary after the agreed date as evidenced by the time stamp on the JAMES Holding Unit transfer (for MRO 4 activity only);
- (G) non-roadworthy or non-task worthy work is discovered that could not have been reasonably foreseen (for MRO1-3 activity only);

“Required Delivery Date (RDD)” is the date as defined in JAMES and agreed by the Parties in accordance with the RDD Process;

OFFICIAL SENSITIVE - COMMERCIAL

“RDD Process” means the high-level processes for agreeing the Required Delivery Dates set out in the "Notes" sections for each of the key performance indicators in Part C of this schedule 25 as shall be developed and agreed in accordance with section 9.2 of schedule 32 (Quality Plan);

“Withheld Payment” means the amount of the Monthly Reconciliation Amount withheld by the Authority where performance of the Contractor in respect of a Category is assessed as an Amber Service Level for a Payment Period.

OFFICIAL SENSITIVE - COMMERCIAL

Part A (Performance Mechanism)

50. **Application of Performance Failure Deductions and the withholding of payments**

- 1.1 The performance mechanism set out in this schedule shall come into effect on the Commencement Date and will be applicable to each of the Capacity Based Pricing regime, the Schedule of Rates pricing regime and the Aspirational Pricing regime.
- 1.2 The Contractor shall be provided with a bedding-in period of six (6) months, during which time neither Withheld Payments nor Performance Failure Deductions shall be applied. Notwithstanding the application of the bedding-in period, the Contractor shall be required to comply with the reporting requirements set out in part B (Reporting) of this schedule from the Commencement Date.
- 1.3 The enterprise performance indicators set out part C (Key Performance Indicators) of this schedule, numbers 10.1 to 10.10 (the "Enterprise PIs"), shall be subject to the requirements set out in part B (Reporting) from the Commencement Date.
- 1.4 Key performance indicators (KPIs) and Enterprise PIs, as set out in part C (Key Performance Indicators) and (Enterprise Performance Indicators (PIs)) (as applicable) of this schedule, will be monitored and measured on a continuous basis.
- 1.5 Any Monthly Reconciliation Payment to be paid to the Contractor shall be paid in accordance with schedule 40 (Payment).
- 1.6 KPI performance is assessed and measured at Category level as set out in paragraph 2 (Determining the overall performance level for each Category) albeit there will be a number of individual KPIs sitting within each Category.
- 1.7 Except for during in the initial bedding-in period as detailed in paragraph 1.2 above, if the required performance data for any KPI is not delivered in line with the Part B (Reporting) requirements, then the performance level for that KPI shall be recorded as "Amber", unless such failure to deliver the required information continues for three or more months in which case such months shall record a performance level of "Red" for that KPI.

OFFICIAL SENSITIVE - COMMERCIAL

51. **Determining the overall performance level for each Category**

2.1 Each Category includes several KPIs which are each individually assessed by the Authority.

2.2 The overall performance level of a Category and whether a:

(A) Monthly Reconciliation Payment is made;

(B) Withheld Payment is applied; or

(C) Performance Failure Deduction is applied;

is determined by the minimum level of performance of the individual KPIs within each Category.

2.3 The following principles shall apply to determine the overall performance of a Category following the assessment by the Authority of the performance standard achieved in relation to each individual KPI within a Category:

Green Service Level	All individual KPIs in a Category are assessed as Green Service Level.
Amber Service Level	One or more of the individual KPIs in a Category are assessed as Amber Service Level; and None of the individual KPIs in a Category are assessed as Red Service Level.
Red Service Level	One or more of the individual KPIs in a Category are assessed as Red Service Level; or The overall assessment of KPIs in a Category is assessed as Amber Service Level for three (3) consecutive Payment Periods; or The overall assessment of KPIs in a Category is assessed as a combination of both Red Service Level and Amber Service Level for three (3) consecutive Payment Periods.

52. **Application of the Performance Mechanism to the Monthly Reconciliation Payment:**

3.1 Payments are made on the basis of the overall KPI performance of a Category. The total of all weightings applied across all Categories equates to a sum equal to the Monthly Reconciliation Amount.

OFFICIAL SENSITIVE - COMMERCIAL

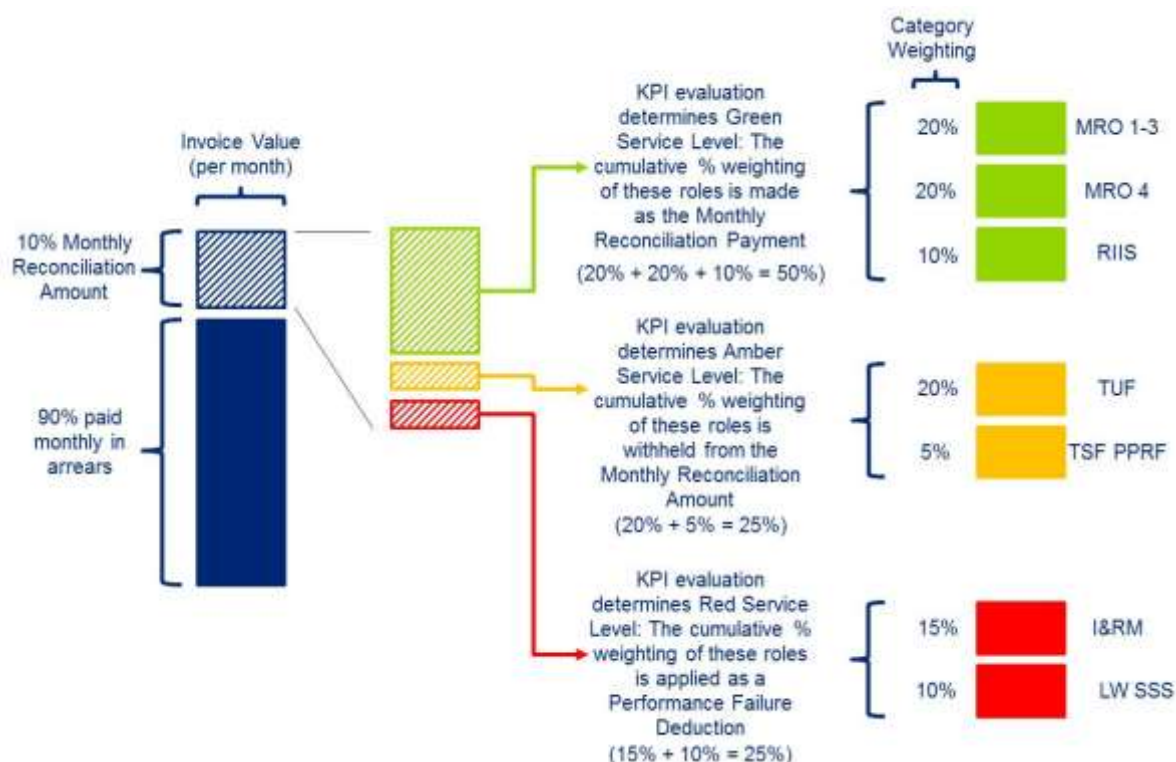
- 3.2 The weightings to be applied to the Monthly Reconciliation Amount in respect of each Category are set out below:

Category weightings	
Category	Weighting
MRO 1–3	20%
MRO 4	20%
RIIS	10%
TSF PPRF	5%
Inventory & Repair Management	15%
Training Uplift Fleet	20%
Light Weapons Strategic Support Contractor	10%

- 3.3 Where the Authority assesses, in accordance with the performance measures referenced in part C (Key Performance Indicators) of this schedule that the evaluation of each individual KPI within a Category results in an assessment at Category level of:

- (A) **Green Service Level**, then the total of the weightings of the Green Service Level Categories (expressed as a percentage of the Monthly Reconciliation Amount) shall become a due and payable element of the Monthly Reconciliation Amount and a Monthly Reconciliation Payment shall be paid to the Contractor in accordance with part A of schedule 40 (Payment);
- (B) **Amber Service Level**, then the total of the weightings of those Amber Service Level Categories (expressed as a percentage of the Monthly Reconciliation Amount) will be retained by the Authority as a Withheld Payment until released or forfeited in accordance with paragraph 5 (Release of Withheld Payment) below;
- (C) **Red Service Level**, then the total of the weightings of the Red Service Level Categories (expressed as a percentage of the Monthly Reconciliation Amount) will be applied as a Performance Failure Deduction.

OFFICIAL SENSITIVE - COMMERCIAL



53. **Improving Service Levels and consequences of failure to improve**

4.1 If the Contractor is assessed as providing:

(A)

- (1) an Amber Service Level; or
- (2) a combination of Red Service Level and Amber Service Level;

for a Category for three (3) consecutive Payment Periods, then the Contractor's performance of that Category shall be deemed to be assessed as Red Service Level until such time as the Contractor improves performance to meet the Green Service Level and the Authority assesses that the Contractor is performing at Green Service Level; or

- (B) a Red Service Level for a Category for three (3) consecutive Payment Periods, then subject to paragraph 4.4 below, the Authority may remove Exclusivity in respect of that Category or the relevant Sub-Category of that Category in accordance with clause 84.3 (Exclusivity).

OFFICIAL SENSITIVE - COMMERCIAL

- 4.2 Subject to paragraph 4.4 below, after recording any six (6) Payment Periods of Red Service Level for a Category in a rolling period of twelve (12) Payment Periods, the Authority may carry out a Partial Termination of the Contract in respect of that Category or any Sub-Category of the relevant Category in accordance with clause 40 (Termination for Contractor Default).
- 4.3 Subject to paragraph 4.5 below, the Authority may terminate the Contract in its entirety in accordance with clause 40 (Termination for Contractor Default) where the following circumstances arise:
- (A) either
- (1) any one (1) of (i) TSF PPRF, (ii) MRO4, (iii) I&RM or (iv) LW SSS together with one (1) additional Category; or
 - (2) two (2) of (i) TSF PPRF, (ii) MRO4, (iii) I&RM, or (iv) LW SSS Categories;
- have been recorded by the Authority as Red Service Level during any six (6) Payment Periods in a rolling period of twelve (12) Payment Periods; or
- (B) three (3) Categories have been recorded by the Authority as Red Service Level during any six (6) Payment Periods in a rolling period of twelve (12) Payment Periods.
- 4.4 The rights of the Authority set out in paragraphs 4.1(B) and 4.2 above shall be retained by the Authority until the Contractor has obtained and maintained a Green Service Level in relation to the relevant Category for three (3) consecutive Payment Periods. For the avoidance of doubt, if the Authority does not exercise its right to remove Exclusivity or Partially Terminate the Contract prior to the Contractor obtaining and maintaining three (3) consecutive Payment Periods of Green Service Level then such rights shall be lost. If the Authority does exercise its right to remove Exclusivity, then once the right has been exercised, the Contractor is not entitled to an automatic reinstatement of Exclusivity in relation to the relevant Category or Sub-Category once it obtains three (3) Payment Periods of Green Service Level. The Contractor may however apply for reinstatement of Exclusivity in accordance with clause 84.6 (Exclusivity).
- 4.5 If the Contractor obtains a Green Service Level for three (3) consecutive Payment Periods in relation to a Category recorded by the Authority as Red Service Level under paragraph 4.3

OFFICIAL SENSITIVE - COMMERCIAL

above, then previous Payment Periods of Red Service Level shall not be counted towards termination under paragraph 4.3 in respect of that Category.

- 4.6 In the event that the Contractor's performance of a Category is assessed as being Red Service Level, it shall provide a remedial plan to the Authority setting out the Contractor's proposals for returning the performance level to Green Service Level.

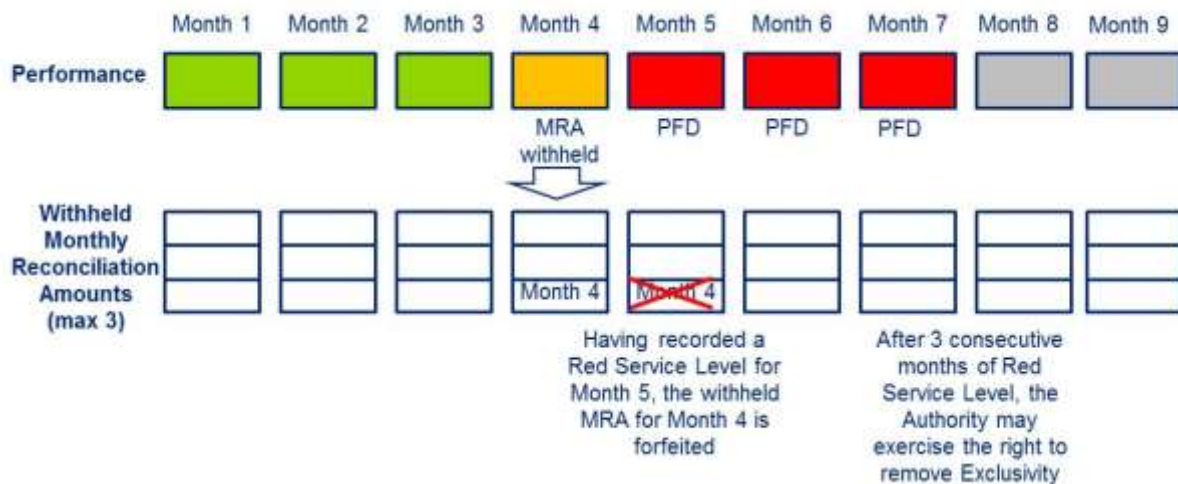
Illustration 5:

The Contractor has recorded 1 month of Amber Service Level performance (months 4), resulting in the withholding of the Monthly Reconciliation Amount (MRA).

The Contractor records a Red Service Level performance in month 5, resulting in a Performance Failure Deduction (PFD) being applied to month 5, and the forfeit of the withheld MRA from month 4.

The Contractor records a further 2 months of Red Service Level with Performance Failure Deduction applied to months 6&7.

The Contractor has now recorded 3 consecutive months of Red Service Level performance and the Authority may exercise the right to remove exclusivity for the Category



OFFICIAL SENSITIVE - COMMERCIAL

Illustration 6:

The Contractor records Red Service Level performance in months 1,2,4,5,7 & 8. Performance Failure Deductions (PFD) are applied to each of these months.

The Contractor has recorded a total of 6 months of Red Service Level in a rolling 12 month period, the Authority may exercise the right to terminate the contract for this category

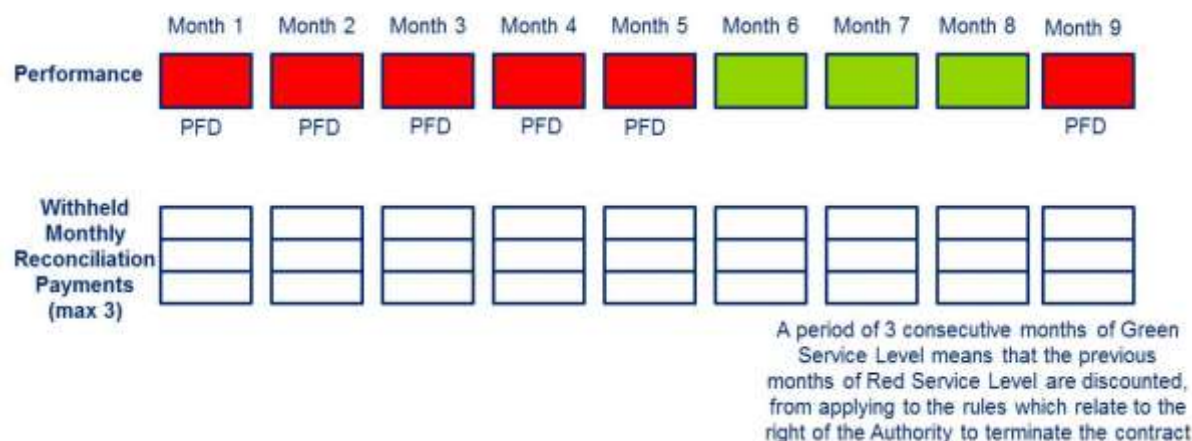


Illustration 7:

The Contractor records Red Service Level performance in months 1,2,3,4, & 5. Performance Failure Deductions (PFD) are applied to each of these months.

The Contractor then records 3 consecutive months of Green Service Level (months, 6,7 & 8). All previous Red Service Level performances (months 1,2,3,4 & 5) are discounted from applying to the rules relating to the right of the Authority to terminate the contract.

Therefore, when the contractor records a Red Service Level performance in month 9, they are deemed to have recorded only 1 month of Red Service Level in the rolling 12 month period (months 1,2,3,4 & 5 have been discounted).



54. **Release of Withheld Payment**

- 5.1 Where the Authority has Withheld Payment in respect of a Payment Period, any such Withheld Payment shall be paid to the Contractor once performance of the relevant Category has been assessed as Green Service Level.
- 5.2 Withheld Payments may be released by the Authority to the Contractor at a rate of one (1) Withheld Payment per Payment Period for each Payment Period that performance of the

OFFICIAL SENSITIVE - COMMERCIAL

relevant Category is assessed as Green Service Level following retention of a Withheld Payment by the Authority. Withheld Payments shall be released by the Authority in the sequence that they have been withheld.

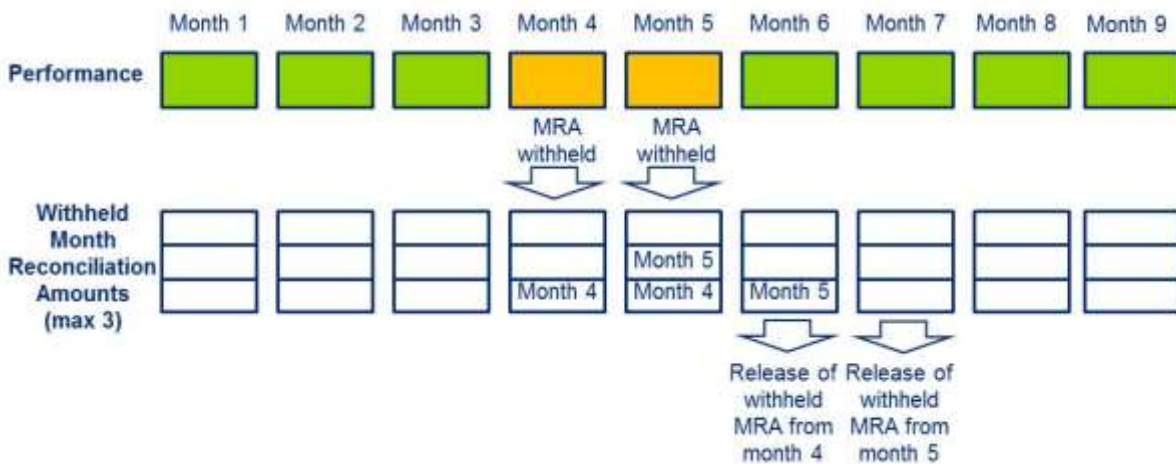
- 5.3 Where the Authority withholds three Withheld Payments in relation to a Category and the Contractor is assessed as providing an Amber Service Level in the following Payment Period, the earliest Withheld Payment is forfeited on a permanent basis and the Withheld Payment incurred in the relevant Payment Period is retained as the latest Withheld Payment.
- 5.4 An assessment of a Category as a Red Service Level shall permanently forfeit the right of the Contractor to payment of any Withheld Amounts in relation to the relevant Category which has accrued in any previous Payment Periods.

Illustration 1:

The Contractor has recorded 2 months of Amber Service Level performance (months 4 & 5), resulting in the withholding of the Monthly Reconciliation Amount (MRA) for these months.

Green Service Level performance is recorded in month 6. The withheld MRA from month 4 is released.

Green Service Level performance is recorded in month 7. The withheld MRA for month 5 is released.



OFFICIAL SENSITIVE - COMMERCIAL

Illustration 2:

The Contractor has recorded 2 months of Amber Service Level performance (months 1 & 2), resulting in the withholding of the Monthly Reconciliation Amount (MRA) for those months.

The Contractor records a Green Service Level in month 3. The oldest withheld MRA (Month 1) is released.

The Contractor records Amber Service Level in months 4 & 5, resulting in the withholding of the MRA for those months.

The Contractor records a Green Service Level in month 6. The oldest withheld MRA (Month 2) is released.

The Contractor records an Amber Service Level in month 7 resulting in the withholding of the MRA for that month. The limit of 3 withheld MRA has now been reached.

The Contractor records a further Amber Service Level in month 8. The maximum limit of withheld MRA of 3 has already been reached. Therefore the oldest withheld MRA (month 4) is forfeited. The MRA for month 8 is withheld.

The contractor records a Green Service Level in month 9, the oldest withheld MRA (month 5) is released.

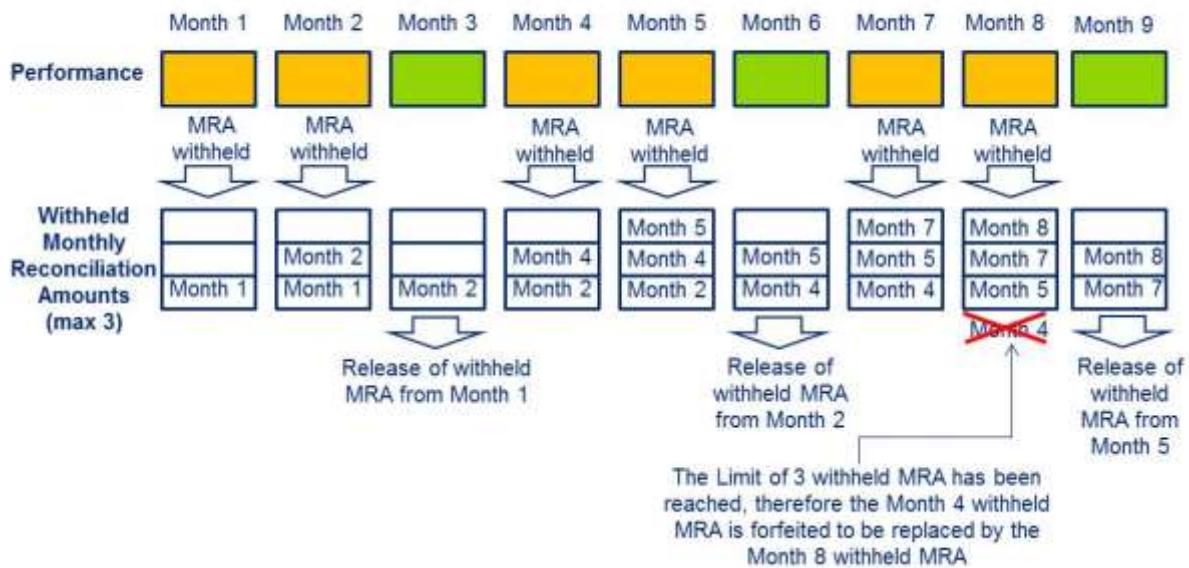


Illustration 3:

The Contractor has recorded 2 months of Amber Service Level performance (months 4 & 5), resulting in the withholding of the Monthly Reconciliation Amount (MRA) for these months.

The Contractor records a third consecutive month of Amber Service Level performance in month 6. The MRA for this month is withheld, however, the overall performance of the category is therefore downgraded to Red Service Level (3 consecutive months of Amber Service Level) performance. All withheld MRA (months 4, 5, 6) are forfeited.



After recording 3 consecutive months of Amber Service Level, overall performance is downgraded to Red Service Level, the withheld MRA for months 4, 5, 6 and 7 are forfeited.

OFFICIAL SENSITIVE - COMMERCIAL

Illustration 4:

The Contractor has recorded Red Service Level performance in month 4, resulting in a Performance Failure Deduction (PFD) being applied to this month.

The Contractor has recorded Amber Service level in month 5, resulting in the withholding of the Monthly Reconciliation Amount (MRA) for this month.

The Contractor records Amber Service Level in month 6, resulting in the withholding of the Monthly Reconciliation Amount for this month. However, the contractor has recorded a third consecutive month of a combination of Amber and Red Service Level performance, therefore the overall performance of the category is downgraded to Red Service Level performance. All withheld MRA (months 5 and 6) are forfeited.



55. **Relevant Events and application of Performance Mechanism**

If the Contractor requires the Authority to reconsider the categorisation of a Category due to the occurrence of a Force Majeure Event or a Compensation Event then the Contractor shall provide the Authority with detailed evidence to support its proposal for re-categorisation as part of the procedures set out in clause 86 (Compensation Events) and clause 87 (Force Majeure Events) and the Authority shall consider relevant evidence provided by the Contractor in accordance with those mechanisms in any claim by the Contractor that its performance should be re-categorised.

OFFICIAL SENSITIVE - COMMERCIAL

Part B (Reporting)

56. Reporting

- 56.1 The Contractor's Representative shall, as soon as reasonably practicable and in any event no later than the timelines defined in paragraph 7.2 of schedule 30 (Open Book Accounting, Records and Reporting) produce and submit to the Authority's Representative for discussion at the SPC Contract Review Meeting, a report providing information in respect of the KPIs Category as specified in schedule 30 (Open Book Accounting, Records and Reporting) Appendix 1 Table 3 (SCRM Report) ("KPI Performance Information").
- 56.2 The following provisions shall apply in respect of each Management Reporting Pack:
- (A) the Authority's Representative shall, if it disputes any aspect of the KPI Performance Information within the relevant month Management Reporting Pack, within five (5) Business Days after the SPC Contract Review Meeting, (the "Management Reporting Pack Consideration Period") issue to the Contractor's Representative a notice (the "Management Reporting Pack Dispute Notice") specifying those aspects of the KPI Performance Information which the Authority disputes; and
 - (B) the Parties shall use all reasonable endeavours to procure that:
 - (1) a meeting is held, within five Business Days after the receipt by the Contractor of the relevant Management Reporting Pack Dispute Notice, between the Contractor and the Authority for the purposes of agreeing a resolution to the disputed aspects of the KPI Performance Information; and
 - (2) a revised and agreed Management Reporting Pack (if necessary) is re-submitted by the Contractor to the Authority within five (5) Business Days after the meeting; and
 - (C) if the disputed aspects of the KPI Performance Information are not resolved in accordance with paragraph 7.2(B)(1), either Party shall be entitled to refer the matter for determination under schedule 13 (Dispute Resolution).
- 56.3 Without prejudice to the generality of this paragraph 7, the Contractor shall ensure that performance of the Services is monitored, measured and evaluated in respect of all Categories (whether rectified by the Contractor within the appropriate rectification period or

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

not) for each Payment Period in accordance with the provisions of this schedule 25 (Performance Mechanism).

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Part C (Key Performance Indicators)

KPI NUMBER	1.1					
CATEGORY	MRO 1-3					
SUB-CATEGORIES	All					
KPI	Schedule Adherence					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of Articles which are completed on time to the required standard					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles completed in accordance with the RDD (during the reporting period)			JAMES			
Total number of Articles expected to have been completed in accordance with the agreed RDD (during the reporting period)			JAMES			
CALCULATION						
(Total number of completed Articles that were due in month (as per the latest agreed RDD) and completed on or before their latest agreed RDD /Total number of Articles due (as per the latest agreed RDD) in month) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	>=98%					
Amber	>=94% and <98%					
Red	<94%					
Notes:	<div><div>1.</div><div>On completion of the work the Contractor must make an entry in JAMES to note that the work request is complete, and must notify the customer (usually the Article owning Unit) on the same date that the Article is ready for collection.</div></div> <div><div>2.</div><div>If the ready for collection notification is made to the Authority before, or on the date of the agreed RDD then for the purposes of this KPI 1.1 only the Article is deemed to have been completed in accordance with the RDD.</div></div> <div><div>3.</div><div>If at any point whilst the Article is ‘owned’ on JAMES by the Contractor it determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence required is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Once an RDD is missed, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted.</div></div> <div><div>4.</div><div>The scope of this KPI includes MRO 1-3 tasks for Light Weapons.</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

	5.	Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.
--	----	---

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	1.2					
CATEGORY	MRO 1-3					
SUB-CATEGORIES	All					
KPI	Inspection Failure Rate					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of Articles which are rejected by the Authority upon inspection following completion of the task by the Contractor					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles rejected in month			JAMES			
Total number of Articles accepted in month			JAMES			
CALCULATION						
(Total number of Articles rejected / (Total number of Articles rejected + Total number of Articles accepted)) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	=<2%					
Amber	>2% & =<5%					
Red	>5%					
Notes:	1. An Article shall be treated as “accepted” pursuant to clause 94.2. 2. An Article shall be treated as “rejected” pursuant to clause 94.3. 3. The scope of this KPI includes MRO 1-3 tasks for Light Weapons. 4. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	1.3					
CATEGORY	MRO 1-3					
SUB-CATEGORIES	All					
KPI	Unfulfilled Demands Backlog					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of Articles for which a demand is still unfulfilled 30 days after the latest agreed Required Delivery Date					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Number of Articles which have missed their agreed RDD			JAMES			
Number of Articles which have missed their agreed RDD by over 30 days at any point in month			JAMES			
CALCULATION						
(A count of those Articles which at any point in the month are >30 days missed agreed RDD / Number of Articles which at any point in month have an outstanding agreed RDD) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<5%					
Amber	>=5% & <20%					
Red	>=20%					
Notes:	<div><div>1.</div><div>For the avoidance of doubt, an ‘outstanding RDD’ means any work request that (i) has not been completed and the Authority informed it is ready for collection, and (ii) is past the latest agreed RDD.</div></div> <div><div>2.</div><div>If at any point whilst the Article is ‘owned’ on JAMES by the Contractor it determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence required is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Once an RDD is missed, as an Article is not ready for collection by the Authority no further reset of the RDD is permitted.</div></div> <div><div>3.</div><div>The scope of this KPI includes MRO 1-3 tasks for Light Weapons.</div></div> <div><div>4.</div><div>Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	2.1					
CATEGORY	MRO 4					
SUB-CATEGORIES	All					
KPI	Schedule Adherence – Platforms					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Articles which are not completed on time to the required standard					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles completed in accordance with the agreed RDD (during the reporting period)			JAMES			
Total number of Articles expected to have been completed in accordance with the agreed RDD (during the reporting period)			JAMES			
CALCULATION						
For all those Articles with the latest agreed RDD due in the reporting month, count the number that are not completed on or before their latest agreed RDD						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	0 missed RDD dates					
Amber	1 missed RDD date					
Red	2 or more missed RDD dates					
Notes:	<div>1. If at any point whilst the Article is ‘owned’ on JAMES by the Contractor it determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence required is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of a particular RDD . The number of RDD resets is to be monitored but not capped. Once an RDD is missed, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted.</div> <div>2. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	2.2					
CATEGORY	MRO 4					
SUB-CATEGORIES	All					
KPI	Defect Rate – Platforms					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of Articles which encounter faults following completion of work within an agreed period					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles for which a non-routine maintenance (as defined by the AESP) and non-user error work request is raised			JAMES			
Total number of Articles that have been through an MRO 4 base overhaul process within the previous 12 months			Contractor/Authority agreed MRO 4 overhaul ‘slot plan’			
CALCULATION						
(Total number of Articles for which a non-routine maintenance (as defined by the AESP) and non-user error work request is raised in the month that has been through an MRO 4 base overhaul process within the previous 12 months)						
/ Total number of Articles that have been through an MRO 4 base overhaul process within the previous 12 months						
x 100%						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	=<2%					
Amber	>2% & =<5%					
Red	>5%					
Notes:	1. The 12 month period aligns to the MRO 1-3 and MRO 4 Warranty provision timelines within clause 96 (Warranty).					
	2. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	2.3					
CTEGORY	MRO 4					
SUB-CATEGORIES	All					
KPI	Unfulfilled Demands Backlog – Platforms					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	The percentage of Articles for which an MRO 4 base overhaul demand is still unfulfilled 30 days after the extant agreed Required Delivery Date					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Number of Articles which have missed their agreed RDD by over 30 days			JAMES			
CALCULATION						
Count the number of MRO 4 base overhaul demands which at any point in the month are incomplete 30 or more days later than their agreed RDD						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	0 instances of agreed RDD dates missed by more than 30 days					
Amber	1 instance of agreed RDD date missed by more than 30 days					
Red	2 or more instances of agreed RDD dates missed by more than 30 days					
Notes:	<div><div>1.</div><div>If at any point whilst the Article is ‘owned’ on JAMES by the Contractor it determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting required is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Once an RDD is missed, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted.</div></div> <div><div>2.</div><div>Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	2.4					
CATEGORY	MRO 4					
SUB-CATEGORIES	All					
KPI	Inspection Failure Rate – Platforms					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Volume of Articles which are rejected by the Authority upon inspection following completion of the base overhaul by the Contractor					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles rejected in month			JAMES			
CALCULATION						
Total number of Articles rejected by the Authority upon inspection following base overhaul						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	0 rejections					
Amber	1 rejection					
Red	2 or more rejections					
Notes:	1. An Article shall be treated as “accepted” pursuant to clause 94.2. 2. An Article shall be treated as “rejected” pursuant to clause 94.3. 3. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER		2.5				
CATEGORY		MRO 4				
SUB-CATEGORIES		All				
KPI	Schedule Adherence – Subsystems					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of Articles which are not completed on time to the required standard					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles completed in accordance with the agreed RDD (during the reporting period)			JAMES			
Total number of Articles expected to have been completed in accordance with the agreed RDD (during the reporting period)			JAMES			
CALCULATION						
(Number of Articles with an agreed RDD in month which at any point have missed that RDD / Number of Articles with an agreed RDD in month) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<=2%					
Amber	>2% & <=6%					
Red	>6%					
Notes:	1. Actual delivery date is only achieved once an Article has passed the out inspection as achieving the required output standard. 2. If at any point whilst the Article is 'owned' on JAMES by the Contractor it determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence required is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Once an RDD is missed, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted. 3. For the avoidance of doubt, this KPI 2.5 is only in relation to those subsystems which fall under the schedule 2 Requirement 4A. 4. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	2.6					
CATEGORY	MRO 4					
SUB-CATEGORIES	All					
KPI	Unfulfilled Demands Backlog – Subsystems					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	The percentage of unfulfilled demands which are still unfulfilled 30 days after the extant agreed Required Delivery Date					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Number of Articles which have missed their agreed RDD			JAMES			
Number of Articles which have missed their agreed RDD by over 30 days at any point in month			JAMES			
CALCULATION						
(A count of those Articles which at any point in the month are >30 days missed agreed RDD / Number of Articles which at any point in month have an outstanding agreed RDD) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<5%					
Amber	>=5 & <20%					
Red	>=20%					
Notes:	<div><div>1.</div><div>For the avoidance of doubt, an ‘outstanding RDD’ means any work request that (i) has not been completed and the Authority informed it is ready for collection, and (ii) is past the latest agreed RDD.</div></div> <div><div>2.</div><div>For the avoidance of doubt, this KPI 2.6 is only in relation to those subsystems which fall under the schedule 2 Requirement 4A and Requirement 4B.</div></div> <div><div>3.</div><div>Unsatisfied demands are identified as part of the calculation for KPI 2.5.</div></div> <div><div>4.</div><div>If at any point whilst the Article is ‘owned’ on JAMES by the Contractor it determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence required is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Once an RDD is missed, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted.</div></div> <div><div>5.</div><div>Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	3.1					
CATEGORY	RIIS					
SUB-CATEGORIES	All					
KPI	Assured Article Provision					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of required Articles which have an assured availability					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements				Source of Measurement		
Number of Articles (by platform and readiness category) that are required to be available				Army HQ articulated requirement		
Number of Articles (by platform and readiness category) that are assured to be available				JAMES		
CALCULATION						
$\frac{\text{Number of Articles (by platform and readiness category) that are assured to be available}}{\text{Number Of Articles (by platform and readiness category) required to be available}} \times 100$						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	100%					
Amber	>=98% & <100%					
Red	<98%					
Notes:	<div>1. This KPI covers the Stored Fleet. (Comprising approximately 8,600 vehicles held at varying level of readiness).</div> <div>2. The Contractor should provide a status report for all Articles indicating the state in which they are held, and therefore readiness availability that can be achieved. This will be subject to verification by the Authority which may include periodic audit by the Authority or its agents.</div> <div>3. There is an assumption of the status of condition, at the Commencement Date, that Articles are maintained in a standard to enable an assured availability. Articles not at JAMES Fully Fit state at Commencement Date shall not be subject to this KPI 3.1 until such time as they first reach JAMES Fully-Fit status post-Commencement Date.</div> <div>4. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	3.2					
CATEGORY	RIIS					
SUB-CATEGORIES	All					
KPI	Demand Fulfilment					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of the required demands which have been fulfilled					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Number of Article demands expected to be satisfied			JAMES			
Number of Article demands satisfied			JAMES			
CALCULATION						
<div><div>Number of Article demands satisfied</div><div>Number of Article demands expected to be satisfied</div><div>× 100</div></div>						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	100%					
Amber	>=98 & <100%					
Red	<98%					
Notes:	<div><div>1. For the purposes of this KPI 3.2 a 'demand' is defined at the individual Article level.</div><div>2. A demand is deemed to be satisfied when the requesting unit is satisfied that the Article has been provided at the right time, and in the right configuration, and as such the demander has accepted ownership of the Article on JAMES.</div><div>3. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div><div>4. Meeting the required demands may require a change in priority to be agreed with the Authority. Where this re-prioritisation causes a demand date to be missed such missed demand shall not form part or be included in any assessment or calculation as the performance levels of this KPI .</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	4.1					
CATEGORY	TSF PPRF					
SUB-CATEGORIES	All					
KPI	Assured Personnel Availability					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of required SQEP availability that is assured					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Number of personnel required to be available for deployment			Army HQ requirement (as per schedule 2 Requirement 6A and Requirement 6B)			
Number of required personnel the Contractor has demonstrated to the Authority can be available for deployment (having completed Phase 1 and Phase 2 Military training and where applicable annual military training requirements) within the required notice period			Personnel status report			
CALCULATION						
$\frac{\text{Number of required personnel assured as available for deployment}}{\text{Number of personnel required to be available for deployment}} \times 100$						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	100%					
Amber	>95% & <100%					
Red	=<95%					
Notes:	<div><div>1.</div><div>The Contractor should provide a status report which details the assured availability of personnel. This will be subject to a form of verification by the Authority. This measure may record a 100%+ measurement, i.e. the Contractor can assure a greater number of personnel are available to deploy than the stated requirement. No additional payment will be made for exceeding 100%.</div></div> <div><div>2.</div><div>It is the responsibility of the Contractor to demonstrate to the Authority's reasonable satisfaction, through the data contained within the 'Personnel status report', that the required personnel could be ready for deployment within the required notice period.</div></div> <div><div>3.</div><div>It is recognised that on day one, the Contractor will not be able to be meet this requirement, as personnel will require training. A trajectory should be agreed with the Contractor to grow the population of available personnel.</div></div> <div><div>4.</div><div>This KPI only becomes active from the 7th month of Financial Year 2 in accordance with Schedule 2 (Statement of Requirement).</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	4.2					
CATEGORY	TSF PPRF					
SUB-CATEGORIES	All					
KPI	Demand Fulfilment					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of demands that have been fulfilled					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Number of personnel demanded to be deployed			Army HQ demand request			
Number of personnel deployed			Deployment records			
CALCULATION						
$\frac{\text{Number of personnel deployed}}{\text{Number of personnel demanded to be deployed}} \times 100$						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	100%					
Amber	N/A					
Red	<100%					
Notes:	1. This KPI 4.2 only becomes active during the period of a required deployment. Outside of this period this KPI is neither reported nor plays any role in determining the overall KPI performance level for TSF PPRF.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	5.1					
CATEGORY	Inventory & Repair Management					
SUB-CATEGORIES	All					
KPI	Immediate Availability					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Percentage of demands showing free stock available, validated as being issued within two calendar days of being placed on Store System 3					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of demands in month			Store System 3 (Validation Date)			
Number of demands satisfied within required timelines in month			Store System 3 (Issue Date) & Store System 3 (Validation Date)			
CALCULATION						
(Total number of demands in month that are satisfied within the required timelines / Total number of demands in month) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	>=90%					
Amber	>=80 & <90%					
Red	<80%					
Notes:	<div><div>1.</div><div>Dependency on LCS to maintain accurate inventory records, receipt materiel within five (5) working days, provide delivery slots to suppliers and correctly store inventory</div></div> <div><div>2.</div><div>For a demand to be satisfied solely in relation to this KPI 5.1 there must be a difference of no more than two calendar days between the Store System 3 'Validation' and 'Issue' date stamps (which do not specify time of day)</div></div> <div><div>3.</div><div>The scope of this KPI 5.1 does not include those Light Weapons DMCs detailed in schedule 2 (Statement of Requirements)</div></div> <div><div>4.</div><div>During the 6 (six) month bedding-in period following the Commencement Date, the Parties shall consider the impact of including strangers, aliens and new/non-moving (x) parts in calculating this KPI. If the Contractor incurs or is reasonably likely to incur additional cost in order to satisfy this KPI in relation to strangers, aliens and x parts and the Authority does not agree to reimburse the Contractor for such costs, the Contractor shall be entitled to exclude the relevant data items from the calculation of performance for this KPI to the extent any shortcoming in performance is in relation to such strangers, aliens and/or x parts.</div></div> <div><div>5.</div><div>The Contractor shall exclude the relevant NSNs (as defined in Schedule 2) from the calculation of performance for this KPI to the extent that Authority action has caused a dues out position in relation to an NSN against which a ban or earmark is in place or an NSN which forms part of the war reserves.</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	5.2				
CATEGORY	Inventory & Repair Management				
SUB-CATEGORIES	All				
KPI	Consumables Stock to Issue Ratio				
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2				
Incidence Measure	Ratio of total stock holding to value of issues (for Consumables only)				
Monitoring Frequency	Monthly				
Reporting Period	Monthly				
PERFORMANCE MEASUREMENT					
Performance Measurements			Source of Measurement		
Total inventory value (stock position plus Dues in, less Dues out)			Store System 3, Inventory Accounting Enabling Team		
Total value of issues			Store System 3, Inventory Accounting Enabling Team		
CALCULATION					
$\frac{\text{Total stock position (£) + Dues in (£) – A1 Dues out (£)}}{\text{Total value of issues (£) in the previous 12 months}}$					
PERFORMANCE LEVELS					
Level		Runner	Repeater	Stranger	Alien
Green		<2:1	<2:1	<3:1	<3:1
Amber		N/A	N/A	N/A	N/A
Red		N/A	N/A	N/A	N/A
Notes:	<div>1. Inventory has been segmented into Runner, Repeater, Stranger and Alien segments: Runners – High Frequency, has been issued within 10 – 12 months out of the last 12 Repeaters – High Frequency, has been issued in 7 – 9 months out of the last 12 Strangers – Low Frequency, has been issued in 4 – 6 months out of the last 12 Aliens – has been issued in 0 – 3 months out of the last 12</div> <div>2. Total value of issues is a rolling calculation of total value of issues over the previous 12 months</div> <div>3. To record a ‘Green’ level of performance all of the four segment categorisations (Runner, Repeater, Stranger and Alien) must be within the ‘Green’ performance levels. There is a grace period of 3 reporting months where no payments are lost or withheld if performance levels remain below ‘Green’ at the overall KPI 5.2 level. After 3 consecutive months of non-‘Green’ performance at the KPI 5.2 level subsequent months of non-‘Green’ performance are then subject to Withheld Payments (in accordance with this schedule 25) until ‘Green’ performance levels are restored. Upon the sixth, and any subsequent consecutive months of non-‘Green’ performance at the KPI 5.2 level payments are deducted.</div> <div>4. This continues until such time as all segments are recorded as ‘Green’ once more. At this point the next occurrence of any non-‘Green’ performance is subject to the same grace period described in Note 3 above.</div> <div>5. The Authority notes the Dependency the Contractor has on the Authority around approval for disposals and that failure to satisfy this Dependency shall entitle the Contractor to relief from this KPI in accordance with clause 85 and schedule 26 (Authority Dependencies and GFX).</div>				

OFFICIAL SENSITIVE - COMMERCIAL

	<p>The Authority also notes the lack of control the Contractor has over any material declining issue rate, unscheduled non trade (unit) receipts and Authority purchases other than through the Contractor (each an "External Factor") and, consequently, the Contractor shall be entitled to relief from this KPI and in assessing or calculating the performance levels for this KPI in relation to such External Factors to the extent they have an effect upon the SIR (Stock to Issue Ratio). For the avoidance of doubt, relief (in the form of the relevant data items being removed from the calculation of performance for this KPI) shall only be granted in relation to unscheduled non trade (unit) receipts and Authority purchases. Such relief shall be provided in all months where an adverse impact of the External Factor is demonstrated up to a maximum of six continuous (6) months for in-service items of supply or up to a maximum of twelve (12) continuous months for new to service items of supply.</p>
6.	<p>During the 6 (six) month bedding-in period following the Commencement Date, the Parties shall consider the impact of including strangers, aliens and new/non-moving (x) parts in calculating this KPI. If the Contractor incurs or is reasonably likely to incur additional cost in order to satisfy this KPI in relation to strangers, aliens and x parts and the Authority does not agree to reimburse the Contractor for such costs, the Contractor shall be entitled to exclude the relevant data items from the calculation of performance for this KPI to the extent any shortcoming in performance is in relation to such strangers, aliens and/or x parts.</p>
7.	<p>The Authority shall within the six (6) month bedding-in period review the levels of earmarks, war reserves and bans and consult the Contractor to define "Agreed Levels", giving due consideration to contingent operations. If Authority action results in stock levels against war reserves, earmarks or ban NSNs exceeding the Agreed Levels at any time during the Contract Period, save for directly as a result of Contractor actions, such NSN data may be excluded from the calculation of performance in relation to this KPI.</p>
8.	<p>The use and operation of the P2P system (i.e. a purchase to payment system to carry out all billing and invoicing processes) shall be provided by the Authority and shall be an Authority Dependency for a period of no longer than six (6) months after the Commencement Date.</p>

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	5.3					
CATEGORY	Inventory & Repair Management					
SUB-CATEGORIES	All					
KPI	Consumables committed spend against budget (Forecast Accuracy)					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Comparison of committed spend with forecast spend					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Forecast spend (£)			Annual Inventory Purchase Repair and Disposal Plan			
Committed spend (£)			Forecast of outturns from PTs provided by cost coherence			
CALCULATION						
(((Consumables Forecast spend (£) – Consumables Committed spend (£))/Consumables Forecast spend (£)) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<10%					
Amber	>=10% & <25%					
Red	>=25%					
Notes:	<div>1. Consumables – as defined by Store System 3 inventory classification codes.</div> <div>2. The Contractor will annually propose, for approval by the Authority, an Inventory Purchase, Repair and Disposal Plan which will include the Consumables forecast spend.</div> <div>3. Each month the Contractor shall inform the Authority via the KPI report of any factors outside of its control that it determines have resulted in a material variance against forecast spend.</div> <div>4. "Committed" as used above shall mean actual receipts.</div> <div>5. The "Forecast Spend" as referenced above will be re-baselined quarterly in order that any major variances which have been attributed to occurrences outside the control of the Contractor including without limitation returns of items from the Front Line Commands, recalculated forecast spend recommendations following change in demand activity and stock balance movements can be incorporated into the calculation of "Forecast Spend".</div> <div>6. The use and operation of the P2P system (i.e. a purchase to payment system to carry out all billing and invoicing processes) shall be provided by the Authority and shall be an Authority Dependency for a period of no longer than six (6) months after the Commencement Date.</div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	5.4					
CATEGORY	Inventory & Repair Management					
SUB-CATEGORIES	All					
KPI	Repairables committed spend against budget (Forecast Accuracy)					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Comparison of committed spend with forecast spend					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Forecast spend (£)			Annual Inventory Purchase Repair and Disposal Plan			
Committed spend (£)			Forecast of outturns from PTs provided by cost coherence			
CALCULATION						
((Repairables Forecast spend (£) – Repairables Committed spend (£))/Repairables Forecast spend (£)) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<10%					
Amber	>=10% & <25%					
Red	>=25%					
Notes:	<div><div>1.</div><div>Repairables—as defined by Store System 3 inventory classification codes.</div></div> <div><div>2.</div><div>The Contractor will annually propose, for approval by the Authority, an Inventory Purchase, Repair and Disposal Plan which will include the CS forecast spend.</div></div> <div><div>3.</div><div>Each month the Contractor shall inform the Authority in advance of submitting the KPI report of any factors outside of its control that it determines have resulted in a material variance against forecast spend.</div></div> <div><div>4.</div><div>The "Forecast Spend" as referenced above will be re-baselined quarterly in order that any major variances which have been attributed to occurrences outside the control of the Contractor including without limitation returns of items from the Front Line Commands, recalculated forecast spend recommendations following change in demand activity and stock balance movements can be incorporated into the calculation for "Forecast Spend".</div></div> <div><div>5.</div><div>The use and operation of the P2P system i.e. a purchase to payment system to carry out all billing and invoicing processes) shall be provided by the Authority and shall be an Authority Dependency for a period of no longer than six (6) months after the Commencement Date.</div></div> <div><div>6.</div><div>"Committed" as above shall mean actual receipts.</div></div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	5.5					
CATEGORY	Inventory and Repair Management					
SUB-CATEGORIES	All					
KPI	Unfulfilled Demands Backlog					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	The percentage of dues out which are still outstanding 30 days after moving to a dues out position					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of demands that have been in a dues in position in month			Store System 3 (Validation Date)			
Total number of demands which at any point in month have been in a dues out position for 30 days or more			Store System 3 (Issue Date)			
CALCULATION						
(Total number of demands which at any point in month have been in a dues out position for 30 days or more / Total number of demands that have been in a dues out position in month) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<10%					
Amber	>=10% & <25%					
Red	>=25%					
Notes:	<div>1. The scope of this KPI 5.5 does not include those Light Weapons DMCs detailed in schedule 2 (Statement of Requirements).</div> <div>2. During the 6 (six) month bedding-in period following the Commencement Date, the Parties shall consider the impact of including strangers, aliens and new/non-moving (x) parts in calculating this KPI. If the Contractor incurs or is reasonably likely to incur additional cost in order to satisfy this KPI in relation to strangers, aliens and x parts and the Authority does not agree to reimburse the Contractor for such costs, the Contractor shall be entitled to exclude the relevant data items from the calculation of performance for this KPI to the extent any shortcoming in performance is in relation to such strangers, aliens and/or x parts.</div> <div>The Contractor shall exclude the relevant NSNs from the calculation of performance for this KPI to the extent that Authority action has caused a dues out position in relation to an NSN against which a ban or earmark is in place or an NSN which forms part of the war reserves.</div> <div>3. Dependency on LCS to maintain accurate inventory records, receipt materiel within five (5) working days, correctly store inventory and provide the Contractor's suppliers with timely notification of delivery slots.</div> <div>For the purposes of calculating the Performance Measurement in relation to this KPI, "dues out" shall be deemed to be satisfied when the relevant stock is available on Stores System 3.</div> <div>4. The use and operation of the P2P system i.e. a purchase to payment system to carry out all</div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

	billing and invoicing processes) shall be provided by the Authority and shall be an Authority Dependency for a period of no longer than six (6) months after the Commencement Date.
--	---

KPI NUMBER	6.1					
CATEGORY	Training Uplift Fleet					
SUB-CATEGORIES	All					
KPI	Demand Fulfilment					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	The ability to provide Articles to the required standard when needed in the right location					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of demands with a delivery date in month			Army HQ Annex B documents on MOSS			
Number of those demands with a delivery date in month that are satisfied			JAMES			
CALCULATION						
(Number of demands with a delivery date in month / Number of demands with a delivery date in month that are satisfied) x 100						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	100%					
Amber	>=98% & =<100%					
Red	<98%					
Notes:	<div>1. For the purposes of this KPI a 'demand' is defined at the individual Article level.</div> <div>2. It is deemed to be satisfied when the training unit is satisfied that the Article has been provided to the right location, at the right time, and in the right configuration, and as such the demander has accepted ownership of the Article on JAMES.</div> <div>3. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div> <div>4. The Contractor may request relief against this KPI should a demand be received with less than 30 calendar days' notice.</div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	6.2					
CATEGORY	Training Uplift Fleet					
SUB-CATEGORIES	All					
KPI	Total Fleet Size					
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2					
Incidence Measure	Total number of Articles comprising the Training Uplift Fleet					
Monitoring Frequency	Monthly					
Reporting Period	Monthly					
PERFORMANCE MEASUREMENT						
Performance Measurements			Source of Measurement			
Total number of Articles comprising the Training Uplift Fleet at the end of the month (should also be reported by platform type)			JAMES / Army HQ			
CALCULATION						
$\frac{\text{Current Fleet Size} - \text{Fleet Size (previous month)}}{\text{Fleet Size (previous month)}} \times 100\%$						
PERFORMANCE LEVELS						
Level	Degree Of Performance					
Green	<=0%					
Amber	>0% & <=2%					
Red	>2%					
Notes:	<div>1. Increases in fleet size shall not be counted for the purposes of this KPI where an increase in fleet size is imposed by the Authority (rather than requested by the Contractor).</div> <div>2. Increases in fleet size shall not be counted for the purposes of this KPI where such increase is as a result of the Annual Plan process as described in clause 9 (Annual Plan).</div> <div>3. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.</div>					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	7.1
CATEGORY	Light Weapons Strategic Support Supplier
SUB-CATEGORIES	All
KPI	Schedule Adherence–MRO 4
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2
Incidence Measure	Articles which are delivered on time to the required standard
Monitoring Frequency	Monthly
Reporting Period	Monthly
PERFORMANCE MEASUREMENT	
Performance Measurements	Source of Measurement
Total number of Articles delivered in accordance with the agreed RDD (during the reporting period)	Store System 3
Total number of Articles expected to have been delivered in accordance with the agreed RDD (during the reporting period)	Agreed MRO 4 Light Weapons repair plan
CALCULATION	
(Total number of Articles delivered in accordance with the agreed RDD (during the reporting period) / Total number of Articles expected to have been delivered in accordance with the agreed RDD (during the reporting period)) x 100	
PERFORMANCE LEVELS	
Level	Degree Of Performance
Green	>=98%
Amber	>=94% & <98%
Red	<94%
Notes:	<ol style="list-style-type: none"> Delivery is completed once the Article/s has been delivered to LCS by the Contractor. If the Contractor determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Subject to the foregoing once an RDD is missed other than for a Qualifying Reason, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	7.2	
CATEGORY	Light Weapons Strategic Support Supplier	
SUB-CATEGORIES	All	
KPI	Unfulfilled Demands Backlog – MRO 4	
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2	
Incidence Measure	The percentage of Articles for which an MRO 4 demand is still unfulfilled 30 days after the extant agreed Required Delivery Date	
Monitoring Frequency	Monthly	
Reporting Period	Monthly	
PERFORMANCE MEASUREMENT		
Performance Measurements		Source of Measurement
Number of Articles which have missed their agreed RDD in month		Store System 3 & agreed MRO 4 Light Weapons repair plan
Number of Articles which have missed their agreed RDD by over 30 days at any point in month		Store System 3 & agreed MRO 4 Light Weapons repair plan
CALCULATION		
(A count of those Articles which at any point in the month are >30 days missed agreed RDD / Number of Articles which at any point in month have an outstanding agreed RDD) x 100		
PERFORMANCE LEVELS		
Level	Degree Of Performance	
Green	<5%	
Amber	≥5% & <20%	
Red	≥20%	
Notes:	1. Delivery is completed once the Article/s has been delivered to LCS by the Contractor. 2. If the Contractor determines that an Article requires a change to the RDD, it may raise a request to the Authority to reset the RDD so long as the reason is a Qualifying Reason (as defined in this schedule 25) and appropriate supporting evidence is included. If it is reasonable to do so in light of the Qualifying Reason, the Authority shall reset the particular RDD, or engage in further conversation with the Contractor as how to proceed and agree the reset of the particular RDD. The number of RDD resets is to be monitored but not capped. Subject to the foregoing, once an RDD is missed other than for a Qualifying Reason, as an Article is not ready for collection by the Authority, no further reset of the RDD is permitted.	

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	7.3
CATEGORY	Light Weapons Strategic Support Supplier
SUB-CATEGORIES	All
KPI	Immediate Availability
Status at contract award	Shadowing for the bedding-in period as set out in schedule 25 Part A paragraph 1.2
Incidence Measure	Percentage of demands showing free stock available, validated as being issued within two calendar days of being placed on Store System 3
Monitoring Frequency	Monthly
Reporting Period	Monthly
PERFORMANCE MEASUREMENT	
Performance Measurements	Source of Measurement
Total number of demands in month	Store System 3 (Validation Date)
Number of demands satisfied within required timelines in month	Store System 3 (Issue Date)
CALCULATION	
(Total number of demands in month that are delivered in line with required timescale / Total number of demands in month) x 100	
PERFORMANCE LEVELS	
Level	Degree Of Performance
Green	$\geq 85\%$
Amber	$\geq 80\% \text{ \& } < 85\%$
Red	$< 80\%$
Notes:	<ol style="list-style-type: none"> Dependency on LCS to maintain accurate inventory records, receipt materiel within five (5) working days, correctly store inventory and provide the Contractor's suppliers with timely notification of delivery slots. For a demand to be satisfied solely in relation to this KPI 7.3 there must be a difference of no more than two calendar days between the Store System 3 'Validation' and 'Issue' date stamps (which do not specify time of day). <ol style="list-style-type: none"> The scope of this KPI 7.3 is solely in respect of those Light Weapons DMCs detailed in schedule 2 (Statement of Requirements) which includes both spares and complete weapons. During the 6 (six) month bedding-in period following the Commencement Date, the Parties shall consider the impact of including strangers, aliens and new/non-moving (x) parts in calculating this KPI. If the Contractor incurs or is reasonably likely to incur additional cost in order to satisfy this KPI in relation to strangers, aliens and x parts and the Authority does not agree to reimburse the Contractor for such costs, the Contractor shall be entitled to exclude the relevant data items from the calculation of performance from this KPI to the extent any shortcoming in performance is in relation to such strangers, aliens and/or x parts. The Contractor shall exclude the relevant NSNs from the calculation of performance for this KPI to the extent that Authority action has caused a dues out position in relation to an NSN against which a ban or earmark is in place or an NSN which forms part of the war reserves

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Part C (Enterprise Performance Indicators (PI's))

KPI NUMBER	10.1						
CATEGORY	Enterprise PI (Delivery)						
SUB-CATEGORIES	All						
KPI	Demand Fulfilment						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled When payment may become linked – dependent on Contractor’s transformation plan to SSS.						
Incidence Measure	The percentage of demands which are satisfied to the right quantity and in the required timelines						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Schedule Adherence				As per MRO 1-3, KPI 1.1			
Schedule Adherence				As per MRO 4, KPI 2.1 and KPI 2.5			
Demand Fulfilment				As per RIIS, KPI 3.2			
Demand Fulfilment				As per TSF PPRF, KPI 4.2			
Immediate Availability				As per Inventory & Repair Management, KPI 5.1			
Demand Fulfilment				As per TUF, KPI 6.1			
Schedule Adherence				As per LW SSS, KPI 7.1 and KPI 7.3			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1. Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipment.						

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.2						
CATEGORY	Enterprise PI (Delivery)						
SUB-CATEGORIES	All						
KPI	Availability Provision						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor’s transformation plan to SSS.						
Incidence Measure	The percentage of the availability requirement which is satisfied						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Percentage of the fleet requirement which is fulfilled				New process required			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1.	Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipments.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.3						
CATEGORY	Enterprise PI (Quality)						
SUB-CATEGORIES	All						
KPI	Output Defect Rate						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	The percentage of Articles which suffer a repeat defect rate						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Defect Rate				As per MRO 1-3, KPI 1.2			
Defect Rate				As per MRO 4, KPI 2.2 and KPI 2.4			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1.	Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipment.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.4						
CATEGORY	Enterprise PI (Quality)						
SUB-CATEGORIES	All						
KPI	Output Defect Wastage						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	The quantity of time spent rectifying repeat defect rates						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Hours consumed rectifying a defect				JAMES			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1. Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipment. 2. Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.						

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.5						
CATEGORY	Enterprise PI (Quality)						
SUB-CATEGORIES	All						
KPI	Input Defect Rate						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	The percentage of Articles which are rejected as not meeting the required input standard						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Number of Articles rejected at in inspection				New process required: Recorded when the Contractor contacts the Authority to report failures			
Total number of Articles inspected				JAMES			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1.	Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipments.					
	2.	Only in relation to MRO 4 Platform base overhauls.					
	3.	Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.6						
CATEGORY	Enterprise PI (Quality)						
SUB-CATEGORIES	All						
KPI	Input Defect Wastage						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	The quantity of time resulting from recalculated RDDs dues to Articles failing input standard						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Original In inspection date				New process required: Recorded when the Contractor contacts the Authority to discuss delivery date reset			
Date in inspection passed				JAMES			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1.	Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipment.					
	2.	Where the Source of Measurement as referenced above, does not provide the required information, the Contractor shall use Contractor Information Systems to enable the KPI to be measured.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.7						
CATEGORY	Enterprise PI (Cost)						
SUB-CATEGORIES	All						
KPI	Gross inventory value						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	The total value of the inventory holding						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Total inventory value (stock position plus dues in, less dues out)				Store System 3			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1.	Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipments.					

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.8						
CATEGORY	Enterprise PI (Cost)						
SUB-CATEGORIES	All						
KPI	Inventory turnover						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor’s transformation plan to SSS.						
Incidence Measure	The inventory turnover ratio						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Total inventory value (stock position plus Dues in, less Dues out)				Store System 3, Inventory Accounting Enabling Team			
Total value of issues				Store System 3, Inventory Accounting Enabling Team			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1. Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipments.						

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.9						
CATEGORY	Enterprise PI (Cost)						
SUB-CATEGORIES	All						
KPI	Direct Labour Utilisation						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	Standard DLU calculation						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Total labour productive time				New process required			
Total direct labour time				New process required			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1. Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipments.						

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

KPI NUMBER	10.10						
CATEGORY	Enterprise PI (Cost)						
SUB-CATEGORIES	All						
KPI	Overheads						
Status at contract award	Shadowing – utilised for strategic management only – until SSS enabled. When payment may become linked – dependent on Contractor's transformation plan to SSS.						
Incidence Measure	Overhead costs						
Monitoring Frequency	Monthly						
Reporting Period	Monthly						
PERFORMANCE MEASUREMENT							
Performance Measurements				Source of Measurement			
Overhead costs				New process required			
PERFORMANCE LEVELS							
Level							
Green	N/A Enterprise PI support the Governance and are not part linked to payment						
Amber							
Red							
Notes:	1.	Measure the performance of the Contractor in achieving the aim of providing and maintaining availability of Army equipment.					

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 26 : AUTHORITY DEPENDENCIES AND GFX

57. **General**

- 57.1 The Authority shall make GFX available to the Contractor on loan and free of charge and ensure that the GFX complies with relevant specifications, are in a serviceable condition and have been maintained in accordance with relevant maintenance schedules.
- 57.2 The Contractor shall be responsible for the safe custody and due return of the GFX and all loss or damage until re-delivered to the Authority or disposed of in accordance with the Authority's instructions.
- 57.3 All GFX shall remain the property of the Authority. It shall be used in the execution of the Contract and for no other purpose, without the prior approval in writing of the Authority.
- 57.4 Neither the Contractor, nor any subcontractor, nor any other person, shall have a lien on GFX, for any sum due to the Contractor, subcontractor or other person, and the Contractor shall take all such steps as may be necessary to ensure that the title of the Authority, and the exclusion of any such lien, are brought to the notice of all subcontractors and other persons dealing with any GFX.

58. **Receipt**

- 58.1 Subject to paragraphs 4 and 7 below, within 10 Business Days of receipt of GFX, or such other longer period as may be specified in the Contract, the Contractor shall:
- (A) check the GFX to verify that it corresponds with the GFX specified in the Contract; conduct a reasonable visual inspection; and conduct any additional inspection and testing as may be necessary and practicable to check that the GFX is not defective or deficient for the purpose for which it has been provided; and
 - (B) notify the Authority of any defects, deficiencies or discrepancies discovered.
- 58.2 Where GFX is packaged it shall not be unpacked earlier than is necessary. The period identified at paragraph 2.1 above shall count from the date on which packages are opened.
- 58.3 The Authority shall within a reasonable time after receipt of any notice under paragraph 2.1 of this paragraph replace, re-issue or authorise repair of GFX agreed to be defective or deficient.

OFFICIAL SENSITIVE - COMMERCIAL

If appropriate, it shall also issue written instructions for the return or disposal of the defective or deficient GFX.

58.4 In the event that the Authority fails to provide, replace, or authorise repair of defective or deficient GFX within a reasonable time of receipt of a notice in accordance with paragraph 2.1, fair and reasonable revisions of the delivery schedule shall be made as may be appropriate provided that the Contractor has taken all reasonable measures to mitigate the consequences of any such delay, including taking all reasonable steps to procure such alternative equipment in place of that item of GFX in order to mitigate the impact on the provision of the Services. Any costs incurred by the Contractor in procuring such alternative equipment as a result of a failure by the Authority to provide GFX shall be charged back to the Authority.

58.5 Paragraphs 2.1 - 2.4 do not apply in the following circumstances:

- (A) where GFX is issued for the purpose of repair, overhaul, conversion or other work to be performed on the GFX, inspection of such property shall be as specified in the Contract;
- (B) where the Contractor can show that the GFX cannot be fully tested until it has been integrated with other items, inspection of such property shall be as specified in the Contract;
- (C) where Special Jigs and Tools etc. become GFX under DEFCON 23 (Special Jigs, Tooling and Test Equipment).

59. **Custody**

59.1 Subject to paragraph 3.4 below and any limitation or exclusion of liability as may be specified in the Contract, the Contractor shall be responsible for the safe custody and due return of GFX and any Articles issued to the Contractor enabling the performance of the Services, whether or not incorporated into the Articles, and shall be responsible for all loss or damage thereto, until re-delivered in accordance with the Authority's instructions or until the expiry of the period specified in paragraph 4.3.

59.2 The Contractor shall be responsible for such calibration and maintenance of the GFX as is specified in Annex B to this Schedule 26.

OFFICIAL SENSITIVE - COMMERCIAL

59.3 If requested, the Authority, within a reasonable time, and where practicable before delivery of the GFX, shall notify the Contractor of the value of the GFX.

59.4 The Contractor shall not be liable in respect of:

- (A) defects or deficiencies notified to the Authority in accordance with paragraph 2.1 of this Schedule 26 or latent defects which the Contractor can show could not reasonably have been discovered by means of the activities described at paragraph 2.1 of this Condition;
- (B) fair wear and tear in GFX resulting from its normal and proper use in the execution of the Contract (except insofar as the deterioration is contributed to by any misuse, lack of care or want of maintenance by the Contractor);
- (C) GFX rendered unserviceable as a direct result of ordinary performance of the Contract; and
- (D) any loss or damage to GFX arising from:
 - (1) aircraft or other aerial devices or objects dropped from them, including pressure waves caused by aircraft or such devices whether travelling at sonic or supersonic speeds;
 - (2) ionising radiation or contamination by radioactivity from any nuclear fuel or from nuclear waste from the combustion of nuclear fuel;
 - (3) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof;
 - (4) riot, civil commotion, civil war, rebellion, revolution, insurrection, military or usurped power or acts of the Queen's enemies.

59.5 For the avoidance of doubt, the Contractor shall bear any costs incurred in relation to the moving of any fixed tooling and/or GFX.

60. Accounting and Return of GFX

60.1 The Contractor shall:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) open and maintain a Public Store Account (PSA) in accordance with DEF STAN 05-99 (Managing Government Furnished Equipment in Industry).
- (B) ensure that all property of the Authority recorded in the PSA, including but not limited to GFX, is available for inspection by the Authority at any reasonable time;
- (C) on being given two months' notice or such other period as has been stated in the Contract permit, and co-operate with, the Authority to conduct audits of the property of the Authority recorded in the PSA in a manner to be determined by the Authority; where the Authority has reasonable grounds to believe that the property of the Authority has not been used in accordance with the terms of issue then these audits may be conducted without notice.

60.2 Once title in Special Jigs, Tools etc has passed to the Authority in accordance with paragraph 6 of DEFCON 23 (Special Jigs, Tooling and Test Equipment) the Contractor shall record that equipment in the PSA in accordance with DEF STAN 05-99 (Managing Government Furnished Equipment in Industry).

60.3 At Contract completion the Contractor shall forward a list of GFX still held to the Authority's Commercial Officer named in the Contract. Return or disposal of such GFX will be as specified in the Contract, or as instructed by the Authority at Contract completion. If no disposal instructions are specified in the Contract the Authority shall provide such instructions within two months of the Contractor's written request to do so.

61. **Exit Arrangements for GFX**

61.1 At any time after the Exit Period Commencement Date (provided that this does not adversely affect the Contractor's performance of the Services and the Exit Obligations and its compliance with the other provisions of this Schedule 5), the Contractor shall deliver all GFX to the Authority or a Replacement Contractor, as directed by the Authority.

61.2 All GFX delivered to the Authority or a Replacement Contractor must meet the maintenance standards set out in clause 89 (Security) for GFX.

61.3 Subject to paragraph 5.5, at any point during the exit period the Authority may notify to the Contractor the required date and location of delivery for the return of GFX further to paragraph 5.1. Such date and location may be different for different government furnished assets.

OFFICIAL SENSITIVE - COMMERCIAL

61.4 A notice given under paragraph 5.3 shall set out:

- (A) the item or items to which the notice applies (including reference to their identification number in the asset register);
- (B) the required date of transfer and location of delivery; and
- (C) the required recipient,

provided that the Authority may subsequently amend any of the details of such notice by further notice to the Contractor.

61.5 The Authority must give the Contractor instructions for return and delivery further to paragraph 5.1 in respect of each item of GFX.

61.6 On the date and at the location notified the contractor shall deliver such GFX in accordance with paragraph 5.1 and comply with the Authority's delivery, accounting and asset return instructions and procedures (including as set out in DEFSTAN 05-99 (Managing Government Furnished Equipment in Industry)).

62. DEFCON 23 (Special Jigs, Tooling and Test Equipment) and DEFCON 694 (Accounting for Property of the Authority) shall apply in respect of GFX.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX A

List of Authority Dependencies

OFFICIAL SENSITIVE - COMMERCIAL

63. General

- 63.1 This Annex A to Schedule 26 (Authority Dependencies and GFX) lists all known areas of Dependency the Contractor will require in order to deliver the Contract.
- 63.2 The Authority has identified areas of Dependency which are required by the Contractor for continued service delivery.
- 63.3 The following Dependencies will not be subject to clause 85.1 or clause 85.2 (Authority Dependencies and GFX):
- (A) Authority Disposals Services Agency (DSA); and
 - (B) Ammunition Disposal.

OFFICIAL SENSITIVE - COMMERCIAL

64. Authority Dependencies

	Title	Dependency Requirement	Dependency Delivery
1	Timely Return of Vehicles to Training Uplift Fleet (TUF)	Army Units will return vehicles to the TUF following exercises within the acceptable timescale agreed with Units prior to issue of vehicles, along with a corresponding order for any repair work which is required.	Vehicles will be returned to the TUF on completion of training within the timescale agreed with Units before the issue of the vehicles. The timescale for return of vehicles will be dependent upon various factors (fleet size, mix, location, etc.) and therefore are negotiable for each training commitment. Vehicles should be returned along with any requirement for repair or uplift.
2	Prompt response to Discrepancy Reports	Where, on receipt of equipment, the Contractor identifies and reports discrepancies as per JSP 886: Volume 4 Part 10: Receipt Discrepancies – see Schedule 3 (Compliance, Codes and Standards) of the Contract in configuration or condition of any vehicle or equipment, the Authority will be required to acknowledge and respond within suitable timescales. Categories relevant to this Dependency are as follows: <ul style="list-style-type: none"> ○ Level 1-3 MRO ○ Level 4 MRO ○ Receipt, Inspection, Issue & Storage (RIIS) ○ Training Uplift Fleet Management (TUF) ○ Repair and Inventory Management 	The Authority shall ensure that Discrepancy Reports (produced by the Contractor on in-inspections) have a response from the Authority within 10 working days. For complex requests which cannot be processed within this timescale, the Authority will inform the Contractor as to when it will respond within 5 working days of receipt of the request. If a request is urgent and it is essential that a more rapid response is provided in order to maintain required outputs, the Contractor should indicate the reason and required timescale with the approval request.
3	Office accommodation and infrastructure for Fleet Management support at Army HQ	The Contractor will require sufficient office accommodation and services at Army HQ to provide a fleet management capability.	The Authority will provide appropriate office facilities and DII access (or equivalent) to appropriate applications in Army HQ as agreed with the Contractor, in accordance with its proposals to meet the Fleet Management requirement. Three workstations will be made available for the duration of the SPC, recognising that the Fleet Management requirement may change, subject to further agreement by Army.
4	Service Delivery: Approvals	The Contractor will require Authority approval ahead of undertaking certain activities under the scope of the Contract. These include but are not limited to requests for technical advice, major engineering decisions, deviation from the agreed scope of work and LSBU contracting.	The Authority will respond to routine requests for approval from The Contractor within 10 working days. For complex requests which cannot be processed within this timescale, the Authority will inform the Contractor as to when it will respond within 5 working days of receipt of the request. If a request is urgent and it is essential that a more rapid response is provided in order to maintain required outputs, the Contractor should indicate the reason and required timescale with the approval request.

OFFICIAL SENSITIVE - COMMERCIAL

	Title	Dependency Requirement	Dependency Delivery
5	Drawings Required for Spares Procurement	The Contractor requires access to technical drawings to support the procurement of spares provided by Original Equipment Manufacturers (OEM's) via the Project Teams (PT's) and Information Resource Centre (IRC).	The Authority will work together with the Contractor to identify future provision of appropriate technical drawings as necessary. All drawings will be current and qualified and provided by the IRC (or its future replacement) within the following target timescales; <ul style="list-style-type: none"> - routine tasks within 56 days - urgent priority tasks within 28 days
6	Project Team (PT) Design and Engineering Support	Where the Contractor requires technical advice and support from Design Authorities* and Engineering Authorities** this will be provided through the DE&S Project Teams. *Design Authorities are the body empowered to authorise and action changes to equipment design. This is usually the OEM. **The Engineering Authority is the body empowered to authorised and action changes to the performance envelope of the equipment. This is usually the MOD Project Team.	Project Teams will facilitate Design Authority and Engineering Authority, technical advice and support, as reasonably requested by the Contractor. This is a key part of the interface between the Contractor and the Authority.
7	Repair Schemes	On occasion, the Contractor will require Repair Schemes* from the Authority on a platform by platform basis in order to carry out its obligations under the Contract. <i>*The process and repair required to bring a damaged, delaminated or corroded aluminium or steel hull back into condition where it regains its originally designed ballistic integrity.</i>	Once the Contractor has inspected the equipment and proposed a plan of work which requires a Repair Scheme, it should notify the Authority. The Authority will provide the Contractor with the relevant Repair Scheme within 10 business days, unless notified by day 5 that a new Repair Scheme needs to be procured. In these instances, the Authority shall procure the necessary Repair Scheme from the OEM [via a PDS tasking] in a timely manner and agree a delivery date with the Contractor.
8	Foreign Military Sales (FMS)	In some cases, parts may be required to be purchased from the United States through a FMS contracting route. It is anticipated that the Contractor will not be permitted to do this, and hence will rely on the procurement being undertaken by the relevant DE&S team.	DE&S Project Teams will initiate provisioning of these activities within 5 working days of a request from the Contractor.
9	Authority Updates to Technical Documents	The Contractor will require the most up-to-date technical documentation available for each platform on which it is to be tasked.	The Authority Project Teams shall enable appropriate access to the most up-to-date technical documentation available including AESPs.
10	Authority Information Systems (IS)	The Authority shall enable the	The Contractor will be able to access Authority IS

OFFICIAL SENSITIVE - COMMERCIAL

	Title	Dependency Requirement	Dependency Delivery
		<p>Contractor to access those Authority IS and applications, or the data held within those applications, that are set out as being required under the Contract (Appendix 1 to Schedule 31). The form that the access will take will depend on the Contractor's IS Compliance Plan and future solution; for example it could be a direct log in via SMI or a data interface via Assured Messaging.</p> <p>The Authority will work with the Contractor and interface with other parts of the Authority to aid the Contractor in gaining accreditation of its network. The Contractor is required to engage with Authority departments in pursuit of accreditation of its network.</p>	<p>applications from the Commencement Date, via DSG systems (DSG Net).</p> <p>Some of these applications will not be required by the Contractor for the duration of the Contract. The Contractor will provide a compliance plan to migrate away from a dependency on Authority IS.</p>
11	Internal Commitment Control Regime (iCCR)	The future LSBU will be required to obtain iCCR approval prior to committing MOD expenditure on RMC (Raw Materials & Consumables). Timely returns of iCCRs by Authority to avoid delay in contract placement in accordance with the specified timescales.	<p>Requests for iCCR approvals will be made by the Contractor to the relevant Project Team. The Authority will respond to the Contractor within the following timescales;</p> <ul style="list-style-type: none"> - £100k – 10 working days of submission - £250k – 15 working days of submission - Over £500k – 20 working days of submission
12	Transportation, Storage & Distribution	The Authority shall provide Transportation, Storage & Distribution services to the Contractor, with the exception of instances specifically mentioned within the Requirement (for example: Schedule 2, Section 2A, Requirements 4.2.2 and 4.7.1). The Contractor will be responsible for transporting equipment between the Contractor Sites as necessary, unless tasked by the Authority.	<p>The Authority will provide to the Contractor storage and distribution services (including transportation enabling contracts). In the future, this may be via another private MoD partner.</p> <p>The use of these services by the Contractor is mandated and will be provided in accordance with JSP886 (see Schedule 3 (Compliance, Codes and Standards)).</p> <p>Any changes to current utilisation of these services as a result of the Contractor business transformation (including geographical footprint) must demonstrably consider enterprise costs - including storage and distribution - and demonstrate VFM for Defence. This should be agreed on a case by case basis with the Authority.</p>
13	Authority Disposals Services Agency (DSA)	Where Authority-owned assets are identified for disposal, the Contractor will be reliant upon the Authority to organise removal of this equipment within agreed timescales via DSA.	<p>When tasked by the Authority, DSA will remove vehicles for disposal from the Contractor Sites. The Contractor may have been involved in identifying vehicles for disposal, but it will always be the Authority that tasks the DSA. An outline of the timescales is as follows;</p> <ul style="list-style-type: none"> - The DSA has 3 working days to process the request.

OFFICIAL SENSITIVE - COMMERCIAL

	Title	Dependency Requirement	Dependency Delivery
			<ul style="list-style-type: none"> - Uplift should be completed within 14 working days. - All disposals will need to be sanctioned by the budget holder. - Project Teams may arrange with the Contractor for the undertaking of preparatory work before disposal of some equipment. <p>The Contractor will not have access to the services provided by DSA for the disposal of non-government assets and equipment. Private arrangements should be made for the disposal of any Contractor-owned assets.</p>
14	Ammunition Supply & Disposal	The Contractor will require Authority ammunition for weapons testing. Following testing, spent casing and unused ammunition will require disposal or removal. Where the Contractor make "finds" (known as "Free From Explosive Violations" (FFEV)) of ammunition, removal of such FFEV is also required.	<p>Ammunition required for weapons testing (tested repairables) will be supplied by the Authority to the appropriate locations (currently Donnington and Sennybridge). If the footprint of the Estate is changed by the Contractor, this will need to be taken into account. The supplying units will also recover spent or unused ammunition from the Contractor in accordance with JSP 886 Vol 3 Part 13 (see Schedule 3 (Compliance, Codes and Standards) of the Contract). It should be noted that any change of location will require prior arrangement / agreement between the supplying unit and the Contractor.</p> <p>For FFEV incidents, the process currently outlined in JSP 886 Vol 3 Part 13 remains extant (see Schedule 3 (Compliance, Codes and Standards)).</p>
15	Military Training for Sponsored Reserves (SR's)	The Contractor is required to maintain a contingent of SR's in fulfilment of PPRF activity and therefore the Contractor will be provided with access to Sponsored Reserves training, which is not available from anywhere other than the Authority.	The military are the only acceptable provider of this training and hence this dependency will be met as far as SR's as required of the Contractor. The military component of SR training will continue to be delivered by the Authority.
16	Site Services	The Authority will make provision for a range of local services (site specific) across the existing DSG footprint.	Where services are defined in the relevant lease/licence agreements, these will remain Dependencies to be delivered by the Authority under the Contract and will be listed in the Shared Services Agreement, and defined within the Leases and Licences.

ANNEX B

OFFICIAL SENSITIVE - COMMERCIAL

List of GFX

Definitions and Interpretation:

“Contract Embodiment Items” (CEI) – items provided by the Authority to be fitted on/into vehicles.

“Government Furnished Equipment” (GFE) - Authority provided equipment, including Special To Type Test Equipment (STTE), which due to its uniqueness/inability to be replaced within reasonable cost and timescale, is required to support the Contractor under the Contract, including any future potential Maintenance, Repair & Overhaul (MRO) competition.

“Land Contract Support Items” (CSI) - Authority provided material, spares or supporting items (such as tools and adaptors), previously issued to the DSG Trading Fund in support MRO activities and which are considered invaluable in order for the Contractor to continue to support MRO activities.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 27: SECURITY

65. **Security Measures**

65.1 Definitions

In this Condition:

- (A) “Secret Matter” means any matter connected with the Contract, or its performance which is designated in writing by the Authority as 'Top Secret', 'Secret', or 'Confidential', and shall include any information concerning the content of such matter and anything which contains or may reveal that matter;
- (B) “Employee” shall include any person who is an employee or director of the Contractor or who occupies the position of a director of the Contractor, by whatever title given.

66. **The Official Secrets Acts**

66.1 The Contractor shall:

- (A) take all reasonable steps to ensure that all Employees engaged on any work in connection with the Contract have notice that the Official Secrets Acts 1911-1989 apply to them and will continue so to apply after the completion or termination of the Contract; and
- (B) if directed by the Authority, ensure that any Employee shall sign a statement acknowledging that, both during the term of the Contract and after its completion or termination, he is bound by the Official Secrets Acts 1911-1989 (and where applicable by any other legislation).

67. **Security Measures**

- 67.1 Unless it has the written authorisation of the Authority to do otherwise, neither the Contractor nor any of its Employees shall, either before or after the completion or termination of the Contract, do or permit to be done anything which they know or ought reasonably to know may result in Secret Matter being disclosed to or acquired by a person in any of the following categories:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) who is not a British citizen;
- (B) who does not hold the appropriate authority for access to the protected matter;
- (C) in respect of whom the Authority has notified the Contractor in writing that the Secret Matter shall not be disclosed to or acquired by that person;
- (D) who is not an Employee of the Contractor;
- (E) who is an Employee of the Contractor and has no need to know the information for the proper performance of the Contract.

67.2 Unless it has the written permission of the Authority to do otherwise, the Contractor and its Employees shall, both before and after the completion or termination of the Contract, take all reasonable steps to ensure that:

- (A) no photograph of, or pertaining to, any Secret Matter shall be taken and no copy of or extract from any Secret Matter shall be made except to the extent necessary for the proper performance of the Contract;
- (B) any Secret Matter is at all times strictly safeguarded in accordance with the Security Policy Framework and upon request, is delivered up to the Authority who shall be entitled to retain it.

67.3 A decision of the Authority on the question of whether the Contractor has taken or is taking reasonable steps as required by this Clause, shall be final and conclusive.

67.4 The Contractor shall:

- (A) provide to the Authority:
 - (1) upon request, such records giving particulars of those Employees who have had at any time, access to any Secret Matter that is required to be kept in accordance with paragraph 3.2(B));
 - (2) upon request, such information as the Authority may from time to time require so as to be satisfied that the Contractor and its Employees are complying with his obligations under this Condition, including the measures taken or

OFFICIAL SENSITIVE - COMMERCIAL

proposed by the Contractor so as to comply with his obligations and to prevent any breach of them;

- (3) full particulars of any failure by the Contractor and its Employees to comply with any obligations relating to Secret Matter arising under this Condition immediately upon such failure becoming apparent;

- (B) ensure that, for the purpose of checking the Contractor's compliance with the obligation in paragraph 3.2(B)), a representative of the Authority shall be entitled at any time to enter and inspect any premises used by the Contractor which are in any way connected with the Contract and inspect any document or thing in any such premises, which is being used or made for the purposes of the Contract. Such representative shall be entitled to all such information as he may reasonably require.

67.5 If at any time either before or after the completion or termination of the Contract, the Contractor or any of his Employees discovers or suspects that an unauthorised person is seeking or has sought to obtain information directly or indirectly concerning any Secret Matter, the Contractor shall forthwith inform the Authority of the matter with full particulars thereof.

68. **Sub-contracts**

68.1 If the Contractor proposes to make a sub-contract which will involve the disclosure of Secret Matter to the sub-contractor, the Contractor shall:

- (A) submit for approval of the Authority the name of the proposed sub-contractor, a statement of the work to be carried out and any other details known to the Contractor which the Authority shall reasonably require;
- (B) incorporate into the sub-contract the terms of Annex B to this schedule 27 and such secrecy and security obligations as the Authority shall direct. In Annex B "Agreement" shall mean the "Sub-contract", "First Party" shall mean the "Contractor" and "Second Party" shall mean the "Sub-contractor";
- (C) inform the Authority immediately he becomes aware of any breach by the sub-contractor of any secrecy or security obligation and, if requested to do so by the Authority, terminate the sub-contract.

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX B

SECURITY MEASURES PROVISIONS TO BE INCLUDED IN RELEVANT SUB-CONTRACTS

69. **Definitions**

69.1 In this Annex B:

- (A) “Secret Matter” means any matter connected with the Agreement, or its performance which the First Party informs the Second Party in writing has been designated by the Authority as 'Top Secret', 'Secret', or 'Confidential', and shall include any information concerning the content of such matter and anything which contains or may reveal that matter;
- (B) “Employee” shall include any person who is an employee or director of the Second Party or who occupies the position of a director of the Second Party, by whatever title given;
- (C) the “Authority” means the Secretary of State for Defence.

70. **The Official Secrets Acts**

70.1 The Second Party shall:

- (A) take all reasonable steps to ensure that all Employees engaged on any work in connection with the Agreement have notice that the Official Secrets Acts 1911-1989 apply to them and will continue so to apply after the completion or termination of the Agreement; and
- (B) if directed by the First Party or the Authority, ensure that any Employee shall sign a statement acknowledging that, both during the term of the Agreement and after its completion or termination, he is bound by the Official Secrets Acts 1911-1989 (and where applicable by any other legislation).

71. **Security Measures**

71.1 Unless it has the written authorisation of the Authority to do otherwise, neither the Second Party nor any of its Employees shall, either before or after the completion or termination of the Agreement, do or permit to be done anything which they know or ought reasonably to

OFFICIAL SENSITIVE - COMMERCIAL

know may result in Secret Matter being disclosed to or acquired by a person in any of the following categories:

- (A) who is not a British citizen;
- (B) who does not hold the appropriate authority for access to the protected matter;
- (C) in respect of whom the Authority has notified the Second Party in writing that the Secret Matter shall not be disclosed to or acquired by that person;
- (D) who is not an Employee of the Second Party;
- (E) who is an Employee of the Second Party and has no need to know the information for the proper performance of the Agreement.

71.2 Unless it has the written permission of the Authority to do otherwise, the Second Party and its Employees shall, both before and after the completion or termination of the Agreement, take all reasonable steps to ensure that:

- (A) no photograph of, or pertaining to, any Secret Matter shall be taken and no copy of or extract from any Secret Matter shall be made except to the extent necessary for the proper performance of the Agreement;
- (B) any Secret Matter is at all times strictly safeguarded in accordance with the Security Policy Framework and upon request, is delivered up to the Authority who shall be entitled to retain it.

A decision of the Authority on the question of whether the Second Party has taken or is taking reasonable steps as required by this Clause, shall be final and conclusive.

71.3 The Second Party shall:

- (A) provide to the Authority:
 - (1) upon request, such records giving particulars of those Employees who have had at any time, access to any Secret Matter that is required to be kept in accordance with paragraph 3.2(B));
 - (2) upon request, such information as the Authority may from time to time require so as to be satisfied that the Second Party and its Employees are complying

OFFICIAL SENSITIVE - COMMERCIAL

with his obligations under this Condition, including the measures taken or proposed by the Second Party so as to comply with his obligations and to prevent any breach of them;

(3) full particulars of any failure by the Second Party and its Employees to comply with any obligations relating to Secret Matter arising under this Condition immediately upon such failure becoming apparent;

(B) ensure that, for the purpose of checking the Second Party's compliance with the obligation in sub-Clause 3.2(B), a representative of the First Party or the Authority shall be entitled at any time to enter and inspect any premises used by the Second Party which are in any way connected with the Agreement and inspect any document or thing in any such premises, which is being used or made for the purposes of the Agreement. Such representative shall be entitled to all such information as he may reasonably require.

71.4 If at any time either before or after the completion or termination of the Agreement, the Second Party or any of its Employees discovers or suspects that an unauthorised person is seeking or has sought to obtain information directly or indirectly concerning any Secret Matter, the Second Party shall forthwith inform the Authority of the matter with full particulars thereof.

72. **Sub-contracts**

If the Second Party proposes to make a sub-contract which will involve the disclosure of Secret Matter to the sub-contractor, the Second Party shall:

- (A) submit for approval of the Authority the name of the proposed sub-contractor, a statement of the work to be carried out and any other details known to the Second Party which the Authority shall reasonably require;
- (B) incorporate into the sub-contract the terms of this Annex B and such secrecy and security obligations as the Authority shall direct;
- (C) inform the Authority immediately it becomes aware of any breach by the sub-contractor of any secrecy or security obligation and, if requested to do so by the Authority, terminate the Agreement.

SCHEDULE 28: KEY SUB-CONTRACTORS

BAE Systems Global Combat Systems Limited incorporated and registered in England with company number 00414948 whose registered office is at Warwick House, PO Box 87, Farnborough Aerospace Centre, Hampshire GU14 6YU

Simpler Consulting Limited incorporated and registered in England with company number 04007160 whose registered office is at 20-22 Bedford Row, London WC1R 4JS

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 29: TRANSPARENCY

73. The Contractor shall comply with the provisions of schedule 8 (Governance).
74. Notwithstanding any other term of the Contract, including clauses 36 (Confidentiality) and 38 (Freedom of Information) where applicable, the Contractor understands that the Authority may publish the content of this Contract in its entirety, including from time to time agreed changes to this Contract, and details of any payments made by the Authority to the Contractor under this Contract (the "Transparency Information") to the general public. The Contractor shall assist and cooperate with the Authority to enable the Authority to publish the Transparency Information.
75. Before publishing the Transparency Information to the general public in accordance with clause 36 (Confidentiality), the Authority shall redact any information that would be exempt from disclosure if it was the subject of a request for information under the FOIA or the Environmental Information Regulations 2004 (the "Regulations"), including any information acknowledged by the Authority as Commercially Sensitive Information and recorded as such in schedule 15 (Commercially Sensitive Information).
76. The Authority may consult with the Contractor before redacting any information from the Transparency Information in accordance with clause 36 (Confidentiality). The Contractor acknowledges and accepts that its representations on redactions during consultation may not be determinative and that the decision whether to redact information is a matter in which the Authority shall exercise its own discretion, subject always to the provisions of the FOIA or the Regulations.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 30: OPEN BOOK ACCOUNTING, RECORDS AND REPORTING

1. General

1.1 The Contractor shall (and shall procure that its Key Sub-contractors) at all times:

- (A) at all times maintain a full record of particulars of the costs of performing the Services, including those relating to maintenance, operation and finance;
- (B) when requested by the Authority, provide details of any of the costs referred to in paragraph (A), including details of any funds held by the Contractor specifically to cover such costs, in such form and detail as the Authority may require;
- (C) provide such facilities as the Authority may reasonably require for its representatives to visit any place where the records are held and examine the records maintained under this schedule 30;
- (D) within twenty Business Days following signature of this Contract, provide to the Authority a summary of the Contractor's operating procedures written in plain English to aid the Authority's management of the Contract (the "Operating Manual").
- (E) update the Operating Manual within twenty Business Days of:
 - (1) any Change to the Contract made under the Change Mechanism;
 - (2) any change to its operating procedures; and
 - (3) the Commencement Date.

1.2 The Contractor shall provide such routine or special written or oral reports as the Authority reasonably considers necessary in respect of a part or the whole of the Contractor's activities under this Contract at no additional cost to the Authority.

2. Records Relating to the Services

2.1 The Contractor shall (and where appropriate to procure that the Key Sub-contractors shall) at all times in accordance with Good Industry Practice, maintain information, documents, records and the like in the possession of, or available to, the Contractor relating to the Project including information, documents, and records of:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) hazardous substances pursuant to clause 25.2 (Montreal Protocol Substances); and
 - (B) the Contractor's performance monitoring pursuant to clause 71 (Key Performance Indicators); and
 - (C) a full record of all incidents relating to health, safety and security which occur during the Contract Period; and
 - (D) a full record of all maintenance procedures carried out during the Contract Period; and
 - (E) all claims notified pursuant to clause 20 (Conduct of Indemnity Claims),
- (together the "Project Records").

2.2 The Authority shall be entitled to disclose the Project Records to any potential Replacement Contractor for the purposes of recompetition and for any other Government purpose.

3. **Open Book Accounting**

3.1 The Contractor shall keep (and procure that the Key Sub-contractors shall keep) books of account in accordance with clause 12.1 (Auditing) with respect to the Contract showing in detail:

- (A) administrative overheads;
- (B) payments made or received from Key Sub-contractors or sub-contractors and any other operating costs;
- (C) capital and revenue expenditure;
- (D) such other items as the Authority may require to conduct cost audits for verification of cost expenditure or estimated expenditure, for the purpose of this Contract;
- (E) the Contractor's consolidated income statement and audited financial statements for each of its annual financial periods.

(together the "Financial Records")

OFFICIAL SENSITIVE - COMMERCIAL

and the Contractor shall have (and procure that the Key Sub-contractors shall have) the books of account evidencing the items listed in paragraphs (A) to (E) available for inspection by the Authority (and any expert) upon reasonable notice, and shall provide a copy of these to the Authority as and when requested.

3.2 The system of open-book accounting adopted by the Contractor shall permit all cost components, cost levels and profit margins relating to the Contract to be calculated.

3.3 The Contractor shall at all times upon request by the Authority's Representative, provide a written summary of any of the Financial Records, including details of any funds held by the Contractor specifically to cover such costs, in such other form and detail as the Authority may reasonably require, to enable the Authority to monitor the performance by the Contractor of its obligations under this Contract.

3.4 The Contractor shall:

- (A) provide to the Authority copies of its annual report and accounts within 30 days of publication;
- (B) use all reasonable endeavours to assist the Authority in its preparation of any report required by a government department, from time to time;
- (C) provide to the Authority upon request any information relating to the Services or the Contract that the Authority may reasonably require; and
- (D) provide all information required by the Authority in connection with Changes in accordance with the provisions of the Change Mechanism.

3.5 The Authority may, in the circumstances referred to in paragraph 3.4(B) above require the Contractor to attend such meetings as the Authority may convene to discuss such report and the circumstances giving rise to it.

4. Updating the Records

4.1 The Contractor shall ensure that the Project Records and Financial Records are kept up to date at all times and/or are updated when reasonably requested by the Authority's Representative and shall deliver a copy of any updated Project Records and Financial Records to the Authority's Representative:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) in respect of Project Records within twenty Business Days from the later of their creation or updating (as applicable) or the Authority Representative's request; and
- (B) in respect of Financial Records within twenty Business Days from the Authority's Representative's request.

4.2 The Contractor shall keep the Authority fully informed as to the procedures in place for ensuring that the Project Records and Financial Records are at all times fully up to date, and at the Authority's reasonable request provide the Authority's Representative with evidence that the Project Records and Financial Records are fully up to date.

5. Retention, Inspection and Audit Access

5.1 The Project Records and Financial Records shall be retained for a period of at least six years after the Contractor's obligations under this Contract have come to an end.

5.2 The Contractor shall at all times provide such facilities as the Authority may reasonably require for its representatives to visit any place where the Project Records and Financial Records are held and examine such documents.

5.3 The Contractor shall provide a report on any or all of the Project Records and Financial Records to the Authority's Representative as and when requested by the Authority's Representative.

5.4 The Contractor shall:

- (A) permit all Project Records and Financial Records to be examined and copied from time to time by any auditor (whether internal or external) of the Authority and other representatives of the Authority; and
- (B) co-operate fully and in a timely manner with any reasonable request from time to time of any auditor (whether internal or external) of the Authority and at the expense of the Contractor to provide documents, or to procure the provision of documents, relating to the Project, and to provide, or to procure the provision of, an oral or written explanation relating to the same.

OFFICIAL SENSITIVE - COMMERCIAL

5.5 For the purposes of the National Audit Act 1983 the Comptroller and Auditor General may examine all or any of the Project Records and Financial Records as he may reasonably require which are owned, held or otherwise within the control of the Contractor and any Key Sub-contractor and may require the Contractor and any Key Sub-contractor to produce such oral or written explanations as he considers necessary. Data will not be disclosed to anyone who is not an employee of or adviser to government organisations without the prior agreement of the Contractor, save that the Authority may disclose such Data in or in relation to any invitation to tender or other competitive process for the provision of the Services in relation to the termination of this Contract.

5.6 The Parties acknowledge that the Comptroller and Auditor General has the right to publish details of this Contract (including Commercially Sensitive Information) in its relevant reports to Parliament.

6. **Confidentiality**

The Project Records and Financial Records shall be subject to the obligations set out in clause 36 (Confidentiality).

7. **Management Reporting Pack**

7.1 The Management Reporting Pack consists of the reports specified in Appendix 1 to this schedule 30 (Open Book Accounting, Records and Reporting).

7.2 The Contractor's Representative shall, no later than two (2) Business Days in advance of the relevant meeting or board as defined in schedule 8 (Governance), and provided this is no earlier than ten (10) Business Days after the end of the previous Payment Period, provide the Authority's Representative with all of the relevant reports from the Monthly Reporting Pack. A summary of the report to be provided to each board or meeting is set out schedule 8 (Governance) Appendix 2 Table 1.

7.3 All reports shall be provided in electronic format, in either PDF or Microsoft Word/Excel/Powerpoint format, in a version that is compatible with Authority systems.

OFFICIAL SENSITIVE - COMMERCIAL

7.4 There is a requirement for all data fields to be reported each month following the Commencement Date. However, where the Contractor is not able to source a specific data item following reasonable endeavours, a bedding-in period of six (6) months from the Commencement Date shall be provided during which time the Contractor is released from its obligation to report the relevant data field.

8. **Data Block**

8.1 The Contractor's Representative shall, no later than ten (10) Business Days following the last day of each Payment Period, provide the Authority's Representative with the Data Block information set out in Appendix 2 of this schedule 30 (Open Book Accounting, Records and Reporting) for the relevant Payment Period in electronic spreadsheet format.

8.2 There is a requirement for all data fields to be reported each month following the Commencement Date. However, where the Contractor is not able to source a specific data item following reasonable endeavours, a bedding-in period of six (6) months from the Commencement Date shall be provided during which time the Contractor is released from its obligation to report the relevant data field.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 31: INFORMATION TECHNOLOGY

Introduction

- 1.1 This schedule sets out the Parties' respective rights and obligations with regard to the provision, use and receipt of information technology assets as part of the provision and receipt of the Services.
- 1.2 Save in respect of the Authority Retained Systems, the Contractor acknowledges and agrees that it (and not the Authority) is responsible for ensuring that at all times it has access to and use of all such IS as is required for it to be able to provide the Services at all times in accordance with this Contract.

Technology Platform

- 2.1 The Authority shall, as between the Parties, have sole control over the information technology strategy to be adopted and employed by the Authority. In this clause "information technology strategy" means final decisions in areas of the use by the Authority of IS including:

the type of operating system to be used by the Authority;

the type of IS (including software application packages, whether licensed to the Authority or developed by or on behalf of the Authority for the Authority), architectures, data archives, hardware platforms and development platforms to be used by the Authority;

changes to the Authority IS;

whether to outsource its information technology and related service requirements to external suppliers; and

the nature, level and prioritisation of development activity including systems integration within the Authority's organisation,

but the Authority shall consult with the Contractor about any changes to the Authority's information technology strategy and the Authority's IS to the extent that

OFFICIAL SENSITIVE - COMMERCIAL

such changes may have a material impact on the provision of the Services by the Contractor or the business processes necessarily conducted by the Contractor as part of the provision of the Services. The parties shall meet at the Authority's request, and further in accordance with the relevant terms of schedule 8 (Governance) in order to discuss changes or prospective changes as referred to under this paragraph 2.1. Any such changes shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure).

2.2 The Contractor and the Authority acknowledge that it is in the interests of both parties to take advantage of potential improvements in technology which will improve the quality and timeliness of the Services or reduce the cost of the Services. To this end the Contractor may at any time recommend any changes or improvements in the technical infrastructure of the Authority or the Authority IS which the Contractor believes are likely to improve the Contractor's performance under this Contract or the Authority's benefit of receiving the Services and will have no adverse impact on the functionality of any of the Authority IS or the Services. The parties shall meet as required in accordance with the relevant terms of schedule 8 (Governance) in order for the Contractor to present and discuss its recommendations or proposed recommendations under this paragraph 2.2. The Authority shall not be obliged to implement such changes or improvements, and implementation of any such change or improvement which affects the provision or receipt of the Services shall be subject to agreement of relevant terms pursuant to clause 80 (Change). Any such changes shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure).

2.3 Subject to paragraph 2.1, the Contractor shall ensure that the Contractor IS used by it to provide the Services:

are compatible for use with, work in combination with, and interface with (together, "Compatibility" and "Compatible" shall take the corresponding meaning) the Authority IS;

do not conflict with the Authority's IT policies (set out in Schedule 3 (Codes and Standards)) and the Authority's information technology strategy.

OFFICIAL SENSITIVE - COMMERCIAL

- 2.4 The Contractor shall not make any changes to the Contractor IS which impact the Authority's ability to receive the Services without agreeing the same through clause 80 (Change) and any such changes shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure); if the Contractor does so despite the foregoing and this results in the Authority having to make changes to the Authority IS in order to achieve Compatibility between the Contractor IS and the Authority IS, the Contractor shall be responsible for reimbursing the Authority for all reasonable costs and expenses incurred or suffered by it in achieving Compatibility (provided the Authority shall first allow the Contractor the option to reinstate the previous compatible Contractor IS forthwith, without prejudice to the Authority's right in the interim to exercise any rights that it may have under this Contract).
- 2.5 Each Party shall co-operate with the other party (and its information technology suppliers) to rectify any Compatibility problems between the Authority IS and the Contractor IS.
- 2.6 The Contractor may make changes (including supplements, additions, upgrades and modifications) to the Contractor IS including its worldwide information technology platform ("Improvements") but it may not implement such Improvements without the Authority's written consent:

if the Improvements are not Compatible with the Authority IS (including the ability to transfer data);

if the Improvements would result in the Authority incurring additional costs or they would result in significant disruption to the Services or to the Authority; or

if the Improvements would result in the Authority having to make significant technical modifications to the Authority IS or require the Authority to procure the consent of, or modification to the services or IS provided by, any third party supplier of IS,

and the Authority shall at the Contractor's request cooperate with the Contractor if the Contractor proposes to make any changes to the Contractor IS in order to identify any risk of the foregoing occurring.

OFFICIAL SENSITIVE - COMMERCIAL

- 2.7 If the Authority decides to outsource any element of the provision, development, support and/or maintenance of any part of the Authority Retained Systems to an external service provider:

the Contractor shall, at the Authority's reasonable cost (subject to prior written approval of any such costs), co-operate with the external service provider to achieve a smooth transition to the external service provider as the provider of the Authority Retained Systems under this Contract;

the Contractor shall not obstruct the external service provider from performing its obligations to the Authority in relation to the provision of information technology and related services; and

nothing in clause 50 (Assignment) or elsewhere in this Contract shall prevent the Authority from using the external service provider to perform the Authority's obligations in relation to Authority Retained Systems (provided that the Authority shall remain responsible for the performance of those obligations).

Rights to use IT and obtaining Required IS Consents

- 3.1 The Authority shall be responsible, at its cost, for obtaining any and all Required IS Consents necessary for the grant of the licences or rights of access given to the Contractor under this Contract.
- 3.2 The Contractor shall be responsible, at its cost, for obtaining any and all Required IS Consents necessary for the grant of the licences or rights of access given to the Authority under this Contract.

IT Security

- 4.1 In supplying the Services, the Contractor shall:

comply with schedule 3 (Codes and Standards) in relation to the use of the Authority Retained Systems, email and the Internet, and ensure that Contractor Personnel do the same, in each case to the extent that those Codes and Standards relate to the Contractor as a provider of Services to the Authority and/or to the

OFFICIAL SENSITIVE - COMMERCIAL

performance of the Services and the Contractor's other obligations under this Contract;

comply with schedule 3 (Codes and Standards) in relation to the ownership, upkeep, maintenance, use and exploitation of the Contractor IS, and ensure that Contractor Personnel do the same, in each case to the extent that those Codes and Standards relate to the Contractor as a provider of Services to the Authority and/or to the performance of the Services and the Contractor's other obligations under this Contract;

take all necessary steps in accordance with Good Industry Practice to prevent any Viruses being introduced on to any of the Authority IS or any Contractor IS used by the Contractor to provide the Services, and ensure that Contractor Personnel do the same; and

ensure that only such Contractor Personnel access the Authority Retained Systems as are necessary for the Contractor to provide the Services.

- 4.2 The Contractor agrees to indemnify, defend and hold harmless the Authority from and against any charges, costs, expenses, damages or liabilities which the Authority incurs as a result of or in connection with any Contractor Related Party's or any Contractor Associated Company's breach of any provisions of this paragraph 4.

Authority Retained Systems

- 5.1 For the Contract Period, the Parties agree that the Contractor shall be granted access to the Authority Retained Systems, solely to the extent permitted by the provisions of Appendix 1.
- 5.2 The Contractor agrees that it shall, and ensure that Contractor Personnel shall, at all times access and use the Authority Retained Systems strictly in accordance with, and such access and use shall be strictly subject to:

the requirements of Appendix 1;

any terms and conditions associated with the licensing of, access to or use of the Authority Retained Systems; and

OFFICIAL SENSITIVE - COMMERCIAL

the Codes and Standards, the provisions of clause 89 (Security), clause 36 (Confidentiality) and schedule 27 (Security).

- 5.3 The Contractor acknowledges and agrees that, in the event of any breach by the Contractor of the provisions of paragraph 5.2 above (or the Authority suspects any such breach by the Contractor), the Authority shall be entitled to either suspend or terminate (at its option, in whole or in part) the Contractor's use of and access to the relevant Authority Retained Systems. Any such suspension or termination shall not operate so as to relieve the Contractor from its obligations to provide the Services in accordance with this Contract.
- 5.4 In the event that the Contractor requires access to and/or use of the Authority Retained Systems beyond that permitted by Appendix 1 hereto, it shall request such additional access and/or use via clause 80 (Change). Any such changes shall be dealt with as an Authority Change or Contractor Change (as applicable) pursuant to schedule 24 (Change Procedure). All such additional access shall at all times be subject to the provisions of paragraph 5.2 above.
- 5.5 The Contractor agrees to indemnify, defend and hold harmless the Authority from and against any charges, costs, expenses, damages or liabilities which the Authority incurs as a result of or in connection with the Contractor's breach of any provisions of this paragraph 5.
- 5.6 The Contractor shall implement a centralised internal process that manages the grant of access to new users to the Authority Retained Systems, and any changes to existing access rights necessary. All requests shall be centralised with a nominated key contact within the Contractor who shall liaise directly with the Authority's relevant system access team, to enable or change such access rights.
- 5.7 Where the Contractor no longer requires access to or use of any of the Authority Retained Systems, it shall inform the Authority accordingly, and the Authority shall take such measures as it feels fit to remove such access from the Contractor. Once access to any Authority Retained Systems is removed pursuant to this paragraph 5.7, such Authority Retained System shall no longer be considered an Authority Retained System.

Contractor Information Systems

OFFICIAL SENSITIVE - COMMERCIAL

- 6.1 Appendix 2 to this schedule 31 (Information Technology) contains a list of Contractor Information systems accessed by the Authority.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 33: SPONSORED RESERVES

7. **Definitions**

- 7.1 In the following paragraphs, unless there is something in the subject or context, inconsistent with the said paragraphs, the following words and expressions shall have the meanings respectively assigned to them:

“Call out” means call-out for Permanent Service under Reserve Forces Act 1996 (RFA96) section 43.

“Duty” or “Period of Duty” refers to periods in which a Sponsored Reserve (SR) is acting as a member of the Armed Forces and as such is fully subject to the Service Discipline Acts.

“Employee Agreement” has the meaning given to it in RFA96 section 38(2) and refers to the written agreement between the Secretary of State for Defence and the employee in which the employee agrees to become a SR.

“Employer’s Consent” refers to the written consent of an employer required by an employee under RFA96 section 39(2) before he or she enters into an Employee Agreement.

“Permanent Service” when used in the context of SRs means service in one of the Reserve Forces of the Crown during the period between acceptance into such service following Call-out and release from that service.

“Reserve Service” or “SR Service” refers to periods of time in which an individual is a member of the Reserve Forces as a SR.

“Reserve Force” means one of the following; the Royal Fleet Reserve, the Royal Naval Reserve, the Royal Marines Reserve, the Army Reserve, the Territorial Army, the Royal Air Force Reserve or the Royal Auxiliary Air Force.

“Service Regulations” is as defined in the Armed Forces Act 2006 and the Manual of Service Law;

OFFICIAL SENSITIVE - COMMERCIAL

“Service Discipline Acts” is as defined in the Armed Forces Act 2006 and the Manual of Service Law;

“Sponsored Reservist” or “SR” means a person who is subject to the liabilities described in the Reserve Forces Act 1996 (RFA96) section 40.

“SR terms and conditions of service” refers to the terms and conditions of service applicable to Sponsored Reservists including legislation and regulations governing the Armed Forces.

“Training Liability” means a SR’s liability for training established in either Service regulations or in the SR’s Employee Agreement in accordance with RFA96 section 40(1)(b).

“Training” means training as a member of one of the Reserve Forces.

8. **Recruiting and Maintaining SR**

8.1 The Contractor will:

- (A) maintain in his workforce the number of Sponsored Reservists described by rank and skill/trade at Annex B all of whom are to be available for Call-out, fully trained up to requirements and standards set by the Authority and be available to deploy overseas if necessary following Call-out within not less than 60 days of the Authority notifying the Contractor of a possible requirement to do so; and
- (B) recruit, in sufficient numbers to meet and maintain the obligation in 2.1(A) above, personnel who are employees of the Contractor/Sub-contractor(s) or self-employed but under contract to the Contractor, who are volunteers for Sponsored Reserve service and who meet the age, medical, nationality and residential criteria for entry into Reserve Service.

8.2 For the purposes of fulfilling paragraph 2.1(B) above, an individual will be deemed to have been “recruited” when:

OFFICIAL SENSITIVE - COMMERCIAL

- (A) the Contractor informs the Authority that the employee / self-employed person has agreed to the terms and conditions of employment or conditions of his contract referred to in paragraph 4.1(G) below;
 - (B) the employee has been given his Employer's Consent to becoming a SR and the Employer has informed the Authority of the name and address of such persons;
 - (C) the employee / self-employed person enters into an Employee Agreement with the Secretary of State for Defence; and
 - (D) the employee / self-employed person has become an officer of or been enlisted by the Authority into the Army Reserve as a SR. In this respect, the Authority will have the absolute right to reject as unsuitable any person volunteering for SR service.
- 8.3 The Authority undertakes to brief a designated representative(s) of employers on SR terms and conditions of service and to provide employers with written information designed to assist them with recruiting. This assistance will in no way reduce the Authority's responsibility for ensuring that employees understand the essentials of their terms and conditions of Sponsored Reserve service on enlistment into or on becoming an officer of a Reserve Force.
- 8.4 Once the Contractor has complied with paragraphs 2.2(A) and 2.2(B) above, it will be the Authority's obligation, with the assistance of the Contractor, to process the signing of the Employee Agreement and the enlistment of the individual into Reserve Service (or acceptance of the individual as an officer of a Reserve Force as the case may be).
- 8.5 If individuals fail / refuse to sign their Employee Agreements, fail to be enlisted (or become an officer of the Reserve Force) or are discharged by the Authority from SR Service, the Authority will inform the Contractor as soon as is reasonably practical so that further recruiting action may be taken without delay.
- 8.6 To facilitate the discharge of the Contractor's SR obligations, the Authority will undertake to inform the Contractor / Employer whenever during Training or at other

OFFICIAL SENSITIVE - COMMERCIAL

times a warning has to be given to an individual concerning their suitability to continue in SR Service.

9. **Security Vetting**

The parties agree to expedite the process of security vetting without undue delay. When the employee is given their Employer's Consent to become a SR, the Contractor will ensure that the employee completes the security documentation and that it is forwarded to the Authority without delay. For this purpose, the Authority undertakes to supply the Contractor with a supply of the relevant blank forms.

10. **Service Discipline - Fines, Stoppages and Forfeitures of Pay**

10.1 The Contractor will:

- (A) ensure that for each SR employed as part of the contract there shall be in their contract of employment a term stating that they will continue to be paid by their employer for any periods of Training, Duty and / or Permanent Service as a SR. Contracts for the provision of SR services by self-employed persons are to state that fees payable for services also recompense the person for any Duty or period of Training or Permanent Service as a SR;
- (B) ensure that for each SR employed as part of the contract, there shall be in their contract of employment a term, complying with Section 13 of the Employment Rights Act 1996, which authorises their employer to make deductions at the request of the Authority from their pay / salary and /or allowances of:
 - (1) sums equal to any fines, forfeitures or stoppages that may be imposed for offences, and
 - (2) sums equal to those ordered to be paid as or towards compensation for loss or damage to public or Service property,under the TA Regulations (Reserve Forces) Act 1978 whether or not the employee is a SR at the time that the deduction is made;

OFFICIAL SENSITIVE - COMMERCIAL

- (C) ensure that, in the case of self-employed SR used in support of the contract, provisions similar to paragraph 4.1(B) above are incorporated in contracts for services to permit deductions to be made from fees paid;
- (D) ensure that any deductions referred to in paragraphs 4.1(B) and 4.1(C) above will be made if requested by the Authority and that the sums involved, with the exception of sums for pay forfeited for non-attendance by an individual at their place of Duty, will then be paid over to the Authority;
- (E) ensure that for each SR employed in support of the contract, there shall be in their contract of employment a term stating that when undertaking any Duty or period of Training or Permanent Service the employee will be treated as continuing in the employment of their employer except where a written agreement between the Authority, the employer and the employee exists to the contrary regarding any particular Duty or Period of Duty or type of Duty;
- (F) ensure that, in the case of self-employed SR used in support of the contract, a provision in the contract for services makes it clear that SR Duty, Training or Permanent Service is also part of the contracted service for which the fees are being paid; and
- (G) without prejudice to the Contractors' responsibilities under paragraphs 4.1(A) to 4.1(F) above, submit to the Authority for consideration before their first use and again if amended, the conditions or terms referred to in 4.1(A), (B), (C), (E), and (F) above to be used in contracts of employment or for contracts for services.

11. **Pay**

Continuing civilian employment and pay whilst undertaking SR service is based on the concept of an employee being on loan to a third party.

12. **Terms and Conditions of Sponsored Reserve Service and Employee Agreements**

The Contractor acknowledges that the SR terms and conditions of service that will apply to his SR employees are those contained in the TA Regulations (Reserve Forces)

OFFICIAL SENSITIVE - COMMERCIAL

Act 1978 unless, in any particular, the application is varied by recording the fact in an individual's Employee Agreement. The parties agree that the variations recorded below will also be recorded in the section reserved for such variations in the Employee Agreement.

13. **Employee Agreements**

The form of Employee Agreement to be used for SR employed in support of this contract is at Annex A to this schedule 33. The Parties agree that this form may be amended before first use and subsequently for new signings provided that the Contractor has been informed by the Authority of the intended amendments and, in the case of any proposed changes to the variations recorded in Part A paragraph 8 of the Employee Agreement, the Contractor has agreed to them.

14. **Training**

14.1 The Contractor:

- (A) will release for Service Training on days or at times specified by the Authority, any SR employed by them, or under contract to them as a self-employed person, provided that;
 - (1) the Training is required for the SR to meet their legal Training Liability; and,
 - (2) the Authority gives 30 calendar days' notice to the Contractor of the requirement:
- (B) will make every effort to ensure that SR employed or contracted in support of the contract fulfil their Training liabilities; and,
- (C) grants that where the Contractor is required to provide support for military exercises and subject to 60 calendar days' notice of the requirement being given, the Authority has the right to require the simulation of Call-out and exercise of SR support as if it were Permanent Service provided the period of Training given falls within the Training Liability of those SR concerned.

OFFICIAL SENSITIVE - COMMERCIAL

14.2 The Parties agree that the maximum Training Liability for SR to be recorded in Employee Agreements will be:

- (A) in the first year of service up to 35 days, of which 35 days may be continuous, and will include initial basic Training if required;
- (B) in subsequent years up to 35 days per annum of which 35 days may be continuous.

The Parties acknowledge that Training actually required or given in any one year may be less than that shown above as the maximum permitted liability. In this respect, the Authority undertakes to take account of any former Service training or Service that an employee might have had in determining their actual Training needs.

14.3 The Contractor will recompense the Authority for costs incurred by MOD for the SR basic Training of newly recruited SR where the need for that Training is due to an excessive turnover of SR employees. The turnover will be deemed excessive where new recruits in any one year exceeds 15% of the total number of SR in the schedule referred to in paragraph 2.1(A).

15. **Call-Out**

Call- The Authority undertakes to liaise closely with the Contractor on matters relating to out and in particular give the Contractor as much notice as possible, within security constraints, of any possible requirement for Call-out.

16. **Miscellaneous**

16.1 The Contractor:

- (A) agrees that periods of Training or Permanent Service will not relieve the Contractor from fulfilling any contractual obligations to the employee, save where the Contractor can demonstrate that any failure to fulfil any contractual obligation is a direct consequence of the control and management of the SR exercised by the Authority;
- (B) will take all such steps as may be necessary to permit or facilitate compliance by their SR employees or self-employed SR with the legislation relating to SR

OFFICIAL SENSITIVE - COMMERCIAL

service, and not to include in contracts of employment applicable to SR or in contracts for services which require a self-employed person to be a SR, any term or condition which is inconsistent with SR legal obligations or terms and conditions of service;

- (C) will, provided it does not contravene the legal rights of an individual, not terminate or agree to the termination of a SR's contract of employment or, in the case of a self-employed SR, contract for services without the written consent of the Authority whilst the SR is in Permanent Service or during the period between his being given notice of Call-Out and his acceptance into Permanent Service. The availability of a suitable relief and when relief can be effected will be of primary consideration to the Authority in giving such consent. A SR in Permanent Service remains a SR until they are discharged from that service even if their civilian employment ceases whilst they are Called-Out;
- (D) agrees that if, for any reason, the contract of employment for a SR ceases whilst that person is in Permanent Service, the Authority will pay the SR for the subsequent period they are in Permanent Service at Service rates for pay and allowances and the Contractor will reimburse the Authority for any such expenditure incurred;
- (E) will record in SR contracts of employment and, in the case of the self-employed in SR contracts for services, a notice period that must be given by the employee / self-employed person of not less than three calendar months for the termination of either the contract of employment or contract for services;
- (F) will comply with the liaison procedure regarding matters of mutual interest relating to SR service;
- (G) will produce guidance for SR employed in support of the contract that will not conflict with the provisions of RFA96, Service Law and Regulations applicable to civilians and SR.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX A

EMPLOYEE AGREEMENT

This is an Employee Agreement as described in the Reserve Forces Act 1996 (RFA96) section 38(2). It is made in pursuance of an arrangement the Secretary of State for Defence has with (name of the employer), (Contract Number), provided for under RFA96 section 39.

PART A. TO BE SIGNED BY THE EMPLOYEE

I (full name of employee) understand and agree to the following provisions:

1. I will, no later than/...../..... (date) enlist in [or become an officer of] the [e.g. Royal Naval Reserve (RNR)] as a special member of that force (termed hereafter a Sponsored Reservist).*

[Or, where the employee is already a member of the (e.g.) RNR:]

1. On making this agreement I will become a special member of the [e.g. Royal Naval Reserve (RNR)] (termed hereafter a Sponsored Reservist).*

[Or, where the employee is a member of a reserve force other than the RNR:]

1. I will, no later than/...../..... (date) transfer to the [(e.g.) Royal Naval Reserve (RNR)] as a special member (termed hereafter a Sponsored Reservist).*

* Delete if not applicable.

2. On becoming a Sponsored Reservist I will be liable to:

a. be Called-Out for Permanent Service under Part V of RFA 96;

b. serve in accordance with the terms and conditions applicable to Sponsored Reservists as laid down in[record relevant single Service regulations] taking account of the variations listed in paragraph 8 below.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

c. undertake up to [.....] days Sponsored Reserve Training in my first year of service, which will include initial basic Training, and thereafter up to [.....] days annually for continuation Training and/or exercises. Included in these annual totals, up to [.....] days may be continuous.

3. I understand that I will be fully subject to [Naval] law as a serviceman or woman while I am carrying out Permanent Service, Training or Duty.

4. If I wish to end these liabilities I must:

a. give notice in writing to (nominated Service authority); and

b. inform my employer of the action I wish to take.

5. The notice will end my liabilities three [3] calendar months after the day on which I gave it subject to the actions described in paragraph 7.

6. I understand that I may not give notice while:

a. I am in Permanent Service; or

b. an order of the Secretary of State made under RFA96 Section 41(6) is in force suspending my right to give notice.

7. I also understand that if I give notice, but either the Secretary of State makes an order under RFA96, Section 41(6) or I am accepted into Permanent Service before the date when my liabilities would have ended, my notice will no longer have any effect.

8. I agree that the following variations to the liabilities referred to in paragraph 2 above and to [RNR] Sponsored Reserve terms and conditions of service will apply to me:

a. I will continue to be paid by my employer during any periods of Training, Duty and Permanent Service as a Sponsored Reservist that I undertake and I will not receive any pay or allowances from the [Royal Navy] during these periods. I understand, however, that I will be entitled to in-Service death or injury benefits, in accordance with current regulations. Notwithstanding the above, I also agree that should my contract of employment cease for any reason whilst I am in Permanent Service, then I will be

OFFICIAL SENSITIVE - COMMERCIAL

paid until released from that service by the [Royal Navy] at [Naval] rates of pay and allowances applicable to me.

b. I understand that my employer may make deductions at the request of MOD from my salary and / or allowances of:

(i) sums equal to any fines, forfeitures or stoppages that may be imposed for offences; and

(ii) sums equal to those ordered to be paid as or towards compensation for loss or damage to public or service property,

under the [NDA], whether or not I am a Sponsored Reservist at the time that the deduction is made.

c. etc. (record here further variations, if any, to standard liabilities or terms and conditions of service laid down in legislation/regulations - see paragraph 6 of Schedule 33)

9. I have voluntarily entered into this Agreement and understand the liabilities for Training, Call Out and service applicable to Sponsored Reservists that are described in RFA96 Part V. I have also had explained to me and understand the principal terms and conditions of Sponsored Reserve service that will apply to me.

10. This agreement will terminate when:

a. I make a new employee agreement; or

b. I cease to be a Sponsored Reservist of the [RNR].

Signed:

Date:

Address:

Being an employee of (name of employer)

ANNEX B

The Requirement for Sponsored Reserves

The Power Pack Repair Regeneration Facility (PPRF) requires a maximum number of 40 Sponsored Reserves to conduct activities, in theatre, up to a 12 month period.

The 12 month period is made up of two 6 month periods, with 20 Sponsored Reserves deployed in each 12 month period.

A minimum of 24 personnel are to be trained to Military Class 1 tradesman equivalent and 16 trained to Military Class 2 tradesman equivalent.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 34: CERTIFICATE OF CONFORMITY

17. The Contractor shall provide a Certificate of Conformity ("CofC") in accordance with Schedule 2 (Statement of Requirement) and any applicable Quality Plan. One copy of the CofC shall be sent to the Authority upon delivery and one copy shall be provided with the Articles or to the recipient of the Service.
18. The CofC shall be considered by the Contractor as a record and clause 88 (Records and Reporting) and Schedule 30 (Open Book Accounting, Records and Reporting) shall apply.
19. The information provided on the CofC shall include:
 - (A) Contractor name and address;
 - (B) Contractor unique CofC reference number;
 - (C) contract number and where applicable contract amendment number;
 - (D) details of any approved concessions;
 - (E) acquirer name and organisation;
 - (F) delivery address;
 - (G) contract Item Number from Schedule 2 (Statement of Requirement);
 - (H) description of Article or Service including part number, specification and configuration status;
 - (I) identification marks, batch and serial number(s) in accordance with the Specification;
 - (J) quantities;
 - (K) a signed and dated statement by the Contractor that Articles or Services provided comply with the requirements of the Contract, and approved concessions; and

OFFICIAL SENSITIVE - COMMERCIAL

- (L) exceptions or additions to the above are to be documented.
20. Where Schedule 2 (Statement of Requirement) and any applicable Quality Plan requires demonstration of traceability and design provenance through the supply chain, the Contractor shall include in any relevant sub-contract the requirement for the information required under paragraph 3. The Contractor shall ensure that this information is available to the Authority through the supply chain, upon request in accordance with Schedule 30 (Open Book Accounting, Records and Reporting).
21. In relation to clause 97 and this Schedule 34 (Certificate of Conformity):
- (A) the Contractor shall maintain such records as are specified in the Contract and make them available to the Authority as the Authority may reasonably require when requested upon reasonable notice;
 - (B) the Contractor shall permit all records referred to in 5(A) to be examined and if necessary copied, by or on behalf of the Authority; and
 - (C) unless the Contract specifies otherwise the records referred to in this Condition shall be retained for a period of at least 4 years after the end of the Contract Period.

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 37: PROPERTY LICENCE TO OCCUPY

22. **Authority licence property**

For the purposes of this Schedule 37 (Property Licence to Occupy) only, the following terms shall have the following meanings:

“Adjoining Property” means any land and/or property adjoining the Authority Licence Property and each and every part thereof including all Conduits, roads, footpaths, walls, fences, buildings and other erections and all other apparatus on, under or within such land and/or property;

“Authority Licence Property” means, in relation to each of the Authority Sites listed in Annex 1 of this schedule, such part of that Authority Site as is designated by the Authority from time to time;

“Conduit” means service media (here meaning pipes, sewers, drains, mains, ducts, conduits, gutters, watercourses, wires, cables, channels, subways, flues, and all other conducting media including any fixing louvers, cowls and other covers);

“Due Proportion” means the proportion which the gross internal area of the Authority Licence Property bears to the gross internal area of the remainder of the Authority Site of which it forms part;

“Fair Proportion” means a fair proportion (according to user) to be determined by the Authority, acting reasonably;

“Licence Fee” means the sums payable by the Contractor to the Authority in respect of each Authority Licence Property in accordance with paragraph 6;

“Licence Period” means a period (which may be different for each Authority Licence Property) commencing on the Commencement Date (or, in relation to any site which is not an Authority Licence Property as at the date of this Agreement, the date upon which occupation of such site as an Authority Licence Property on the terms of this schedule is first permitted) and ending on the Expiry Date or Termination Date or on such earlier date as is specified in respect of an Authority Licence Property in the first

OFFICIAL SENSITIVE - COMMERCIAL

column of the Annex 1 of this schedule) or the date of termination pursuant to paragraph 5.3 or paragraph 5.4;

“Utilities” means water, soil, gas, electricity, telephone and other services.

23. **Contractor's Rights over Authority Licence Property**

23.1 **The rights**

The Authority shall afford the following rights over each Authority Licence Property to the Contractor and the Contractor Related Parties, such rights to subsist during the Licence Period applicable in respect of that Authority Licence Property and to be exercisable only in connection with the carrying out of the Services:

- (A) a non-exclusive licence to enter and remain upon those parts of the Authority Licence Property to which the Contractor and/or any Contractor Related Party requires access; and
- (B) such non-exclusive rights of access to and egress from the Authority Licence Property as are necessary for the Contractor and/or Contractor Related Parties to perform their obligations and exercise their rights under this Contract and in particular for the purposes of implementing the Services provided that such routes may be varied by the Authority to such alternative routes as the Authority may reasonably specify from time to time if such variation does not have a material adverse effect on the Services being provided at the relevant Authority Site; and
- (C) rights of free and uninterrupted passage and running of such Utilities serving the Authority Licence Property as are available as at the date of this Contract and necessary for the provision of the Services by the Contractor, provided that the routes of any Conduits serving the Authority Licence Property may be varied by the Authority to such alternative routes as the Authority may reasonably specify from time to time where such variation shall not have a material adverse effect on the Services being provided at the Authority Licence Property; and

OFFICIAL SENSITIVE - COMMERCIAL

- (D) the right where necessary to inspect, repair, maintain or renew the Conduits serving the Authority Licence Property and the right (at the cost of the Contractor) to connect into such Conduits and to construct such new Conduits as may from time to time be necessary to serve the Authority Licence Property provided that:
- (1) the prior written consent of the Authority's Representative is obtained (such consent not to be unreasonably withheld or delayed); and
 - (2) the Contractor causes as little damage to any existing Conduits as is reasonably possible acting in accordance with Good Industry Practice and making good any such damage within a reasonable time of its cause. Such making good shall be at the Contractor's cost and shall be subject to the Authority's Representative's reasonable satisfaction.

23.2 Limitations

The rights granted pursuant to paragraph 2.1 shall be qualified as follows:

- (A) the rights are granted insofar as the Authority is capable of granting them and such rights are subject to any valid restriction in the Title or otherwise disclosed in writing to the Contractor prior to the Commencement Date; and
- (B) the rights shall not in any circumstances entitle the Contractor or any Contractor Related Party to exclusive occupancy or exclusive possession of any part of the Authority Licence Property (save as may be required by the Contractor on a temporary basis in order to comply with relevant health and safety legislation and approved by the Authority, such approval not to be unreasonably withheld or delayed); and
- (C) the Contractor and the Contractor Related Parties do not cause any material disruption to the operations or activities carried out by the Authority on or at the Authority Licence Property or any of the Authority's legal duties or other functions; and
- (D) such rights will not have a material adverse impact upon the Authority's continuing occupation of any neighbouring property.

OFFICIAL SENSITIVE - COMMERCIAL

23.3 **Additional rights**

If at any time the Contractor requires access to Authority Licence Property or any interest in any land which does not form part of the Authority Licence Property or any additional rights beyond those which the Contractor has in relation to any part of the Authority Licence Property, the responsibility and cost of securing or acquiring such access or interest shall be entirely the responsibility of the Contractor.

23.4 **Access**

In carrying out the Services at the Authority Licence Property the Contractor shall, and shall procure that any Sub-contractor shall, not gain access to and egress from the Authority Licence Property except as contemplated by the requirements set out in Schedule 27 (Security).

24. **Contractor's conduct on Authority Licence Property**

24.1 **Contractor's obligations**

Subject to paragraph 3.2, the Contractor shall, and/or shall procure, that in carrying out the Services at any Authority Licence Property it and/or any Contractor Related Party shall:

- (A) not breach any restrictions or other provisions pertaining to the Authority's title to the relevant Authority Site which have been notified to the Contractor; and
- (B) not act or omit to act in any way which shall give rise to a right for any person to obtain title to or any right or interest over the relevant Authority Site or any part of it (save in accordance with the terms of this Contract); and
- (C) observe and comply with any third party rights (including public rights) which may exist from time to time in respect of Adjoining Property, and the Contractor shall ensure that the Services are carried out in such a way as not to interfere with access to and use and occupation of public or private roads or footpaths by any person who is entitled to any such access, use or occupation; and

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

- (D) not use or occupy the Authority Licence Property for any purpose other than the carrying out the Services; and
- (E) not do anything on the Authority Licence Property which may invalidate any insurance in place in relation to the Authority Licence Property; and
- (F) not do anything on the Authority Licence Property which may in the reasonable opinion of the Authority be or become a nuisance, damage or annoyance to the Authority or other occupiers of the Authority Licence Property or any Adjoining Property or be unduly noisy or cause vibration or electrical or other interference; and
- (G) not overload the structure of the Authority Licence Property or the Conduits serving the Authority Licence Property; and
- (H) not store any refuse in the Authority Licence Property except in suitable containers for that purpose with all waste being removed as soon as practicable; and
- (I) not deposit or manufacture on the Authority Licence Property any materials which are not required for the carrying out the Services; and
- (J) at the Contractor's sole cost, transport all waste materials arising from the Services (other than any materials or items which are the property of the Authority) and arrange for the tipping of the same at such places as may lawfully be used for tipping and the Contractor shall ensure that such materials shall not cause or give rise to pollution of the environment as defined by Section 29 Environmental Protection Act 1990; and
- (K) not carry out any alterations or additions to the Authority Licence Property or affix anything to the walls, floors or ceilings of the Authority Licence Property which cannot be removed without damaging them; and
- (L) not store materials or park vehicles in the immediate external vicinity of the boundaries of the Authority Licence Property other than for reasonable periods necessary for loading and unloading or as set out in the Service Delivery Plan; and

OFFICIAL SENSITIVE - COMMERCIAL

- (M) ensure that all of their vehicles leaving the Authority Licence Property are adequately cleaned to prevent the deposit of waste materials and debris on the Adjoining Property and if any such material or debris is so deposited the Contractor shall forthwith employ such measures as shall be necessary to remove the material and debris and to clean and reinstate the Adjoining Property to the reasonable satisfaction of the owners or occupiers of the Adjoining Property; and
- (N) not discharge any oil, grease or deleterious, dangerous, poisonous, explosive or radioactive matter from the Authority Licence Property into any rivers or any ditches or Conduits on the Authority Licence Property and/or any Adjoining Property and not permit or suffer the blockage of any of such rivers, ditches and Conduits by reason of anything done or omitted on the Authority Licence Property by the Contractor or Contractor Related Parties, and shall comply at the Contractor's expense with any requirements of the Environment Agency or any other Relevant Authority so far as such requirements relate to or affect the Services; and
- (O) procure that the Authority Licence Property is maintained in a clean, orderly, safe and secure state, and the working areas on the Authority Licence Property of any Contractor Related Parties are secure against trespassers and clean and tidy so far as practicable having regard to the nature of the Services; and
- (P) not without the written consent of the Authority's Representative (not to be unreasonably withheld or delayed) erect any temporary structure; and
- (Q) take all necessary steps in accordance with Legislation and all relevant Authority Policies including DEFSTAN 00-56 22 with regard to ensuring that there is no adverse impact upon the health and safety of any:
 - (1) occupants of the Authority Licence Property; and
 - (2) individuals invited on to the Authority Licence Property; and
 - (3) occupants of Adjoining Properties.

OFFICIAL SENSITIVE - COMMERCIAL

24.2 **Authority not liable**

No act or omission of the Authority or an Authority Related Party shall result in the Contractor being in breach of paragraph 3.1 unless such act or omission arises out of or in connection with the Authority or an Authority Related Party:

- (A) acting on the instruction of the Contractor or a Sub-contractor; and/or
- (B) failing to supervise and/or take reasonable care to supervise the performance of any person engaged in the Services.

25. **Suitability of Authority Licence Property for Contractor's purposes**

25.1 **Contractor's acknowledgement**

The Contractor shall be deemed to have:

- (A) inspected and examined any existing buildings, structures or works on, over or under the Authority Licence Property and satisfied itself as to their suitability in connection with the provision of the Services; and
- (B) satisfied itself as to the form, nature and physical characteristics and configuration of the Authority Licence Property, the load bearing and other relevant features of the Authority Licence Property, the risk of injury or damage to property affecting the Authority Licence Property, the nature of any design, works and materials necessary for the Services; and
- (C) satisfied itself as to the adequacy of the means and rights of access to and through the Authority Licence Property and any accommodation it may require for the purposes of fulfilling its obligations under this Contract (such as additional land or buildings outside the Authority Licence Property); and
- (D) satisfied itself as to the possibility of interference by persons of any description whatsoever (other than the Authority or Authority Related Parties unless the Authority is exercising its rights under Schedule 27 (Security) with access to or use of, or rights in respect of, the Authority Licence Property with particular regard to the owners of Adjoining Properties; and

OFFICIAL SENSITIVE - COMMERCIAL

- (E) satisfied itself as to the precautions, times and methods of working necessary to prevent any nuisance or interference, whether public or private, from being caused to third parties.

25.2 No claim

The Contractor accepts full responsibility for all matters referred to in paragraph 4.1 and the Contractor shall, subject to clause 86 (Compensation Events) and clause 87 (Force Majeure Events), not be entitled to make any claim against the Authority of any nature whatsoever on any grounds including the fact that incorrect or insufficient information on any matter relating to the Authority Licence Property was given to it by any person, whether or not an Authority Related Party.

26. Termination of Licence Period

26.1 End of the Licence Period

At the end of the Licence Period in relation to any Authority Licence Property, the Contractor shall:

- (A) vacate the relevant Authority Licence Property; and
- (B) remove all of the Contractor's belongings; and
- (C) leave the relevant Authority Licence Property clean, tidy and free from all rubbish; and
- (D) deliver any relevant keys, security passes, alarm codes, statutory records or other such items pertaining to the relevant Authority Site to the Authority.

26.2 Effect of termination

At the end of the Licence Period in relation to any Authority Licence Property it shall be without prejudice to any outstanding liabilities of any party to any other party.

26.3 Termination or relocation by the Authority

OFFICIAL SENSITIVE - COMMERCIAL

The Authority may, in relation to any of the Authority Sites the subject of this schedule, change the designation of the Authority Licence Property from time to time and the following provisions shall apply:

- (A) the Authority shall not increase the extent of the Authority Licence Property without the consent of the Contractor;
- (B) if the Authority requires the Contractor to vacate any part of the Authority Licence Property, the Authority shall give the Contractor reasonable written notice (having regard to the extent and use of the relevant part) of the date by which the Contractor is required to vacate; and
- (C) the Contractor shall comply with any notice served in accordance with clause 5.3(B); and
- (D) the Authority shall use reasonable endeavours to designate an equivalent part of the Authority Site (being suitable for use as Authority Licence Property) in substitution for the part which the Contractor is required to vacate;
- (E) the Authority shall pay the reasonable costs incurred by the Contractor in relocating any plant, equipment, furniture, stock, machinery or other items from any area which the Contractor is required to vacate pursuant to paragraph 5.3(B) to any substitute area designated pursuant to paragraph 5.3(D) (or, if no such area is designated by the Authority, such other replacement premises within reasonable proximity to the relevant Authority Site as the Contractor may specify).

26.4 Termination by the Contractor

The Contractor may determine the Licence Period in respect of any Authority Licence Property on giving not less than three months' written notice to the Authority, such notice to specify:

- (A) the Authority Licence Property in respect of which the Licence Period is determined; and
- (B) the date upon which the Licence Period is to be determined,

OFFICIAL SENSITIVE - COMMERCIAL

and the Licence Period shall determine on that date

27. **Licence Fee**

27.1 **Payment**

The Contractor shall, if demanded, pay to the Authority a Licence Fee in respect of each Authority Licence Property throughout the Licence Period applicable to that Authority Licence Property, each sum due pursuant to this paragraph 6 being payable by the Contractor to the Authority within 14 days of written demand.

27.2 **Basis of apportionment**

The Licence Fee shall be deemed to accrue on a day-to-day basis in order to ascertain the yearly rates thereof and for the purpose of apportionment in respect of any period during the Licence Period applicable to any Authority Licence Property which is other than one year.

27.3 **Sums chargeable by way of Licence Fee**

The Authority may charge any or all of the following by way of Licence Fee:

- (A) in relation to Utilities, the costs incurred by or on behalf of the Authority, namely:
- (B) the cost of all Utilities supplied to any Authority Licence Property during the Licence Period applicable to that Authority Licence Property and any related meter rents, installation charges and connection charges; or
- (C) where the actual cost for the purposes of paragraph 6.3(A) cannot be quantified, a Fair Proportion of the cost of all Utilities supplied to the Authority Site of which the Authority Licence Property forms part and a Fair Proportion of any related meter rents, installation charges and connection charges; and
- (D) a Due Proportion of the cost incurred by or on behalf of the Authority in respect of any facility, right or thing used in common between the Authority Licence Property and the remainder of the relevant Authority Site; and

OFFICIAL SENSITIVE - COMMERCIAL

- (E) a management fee not exceeding 10% of the costs chargeable by way of Licence Fee under paragraphs 6.3(A) and 6.3(D).

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 38: WAR RISKS INDEMNITY

28. In this Schedule:

- (A) the expression "War Risks" means risks in respect of which the Contractor's policy of insurance contains an exclusion or limitation upon claims applicable by reason of a War Risk Exclusion Clause; and
- (B) the expression "War Risk Exclusion Clause" means a provision in the Contractor's policy of insurance excluding or limiting claims by the Contractor by reference to activities that include war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power and attempts at usurpation of power or activities of a similar nature.

29. Notwithstanding any other provisions of the Contract, but subject to the provisions of this Schedule, the Authority shall indemnify the Contractor in respect of the liabilities, losses, payments and damage described in sub-paragraphs (A) to (H) inclusive of this paragraph 2, where and to the extent that such liabilities, losses, payments or damage are directly attributable to a War Risk and the involvement or requirement for the involvement, for the purpose of work under the Contract of any employees or property of the Contractor in circumstances to which the War Risk Exclusion Clause applies:

- (A) all liability in respect of claims and proceedings (including reasonable settlements thereof) made or brought against the Contractor by employees of the Contractor, their dependants, executors or administrators, in respect of death, injury, sickness, capture or detention of the Contractor's employees, or loss of or damage to employee's property, and against all costs and expenses reasonably incurred in respect of such claims and proceedings;
- (B) all liability in respect of claims and proceedings (including reasonable settlements thereof) made or brought against the Contractor by third parties (other than the Contractor's employees) arising from the acts or omissions of the Contractor's employees;

OFFICIAL SENSITIVE - COMMERCIAL

- (C) any loss of or damage to property of the Contractor, and the loss of use of such property, including any payment made in respect of the necessary hire of suitable property required for performing the contract or other activity dependent on such property pending the return, replacement or repair of such property, but excluding loss of profit;
- (D) any reasonable payment made to any employee or his dependants, executors or administrators ordinarily payable in respect of absence from work as a result of injury, sickness, capture or detention, or other reasonable allowance or compensation or gratuity where such payment was necessarily incurred by the Contractor for the purpose of enabling him to perform the Contract and the payment was not otherwise payable as of right or as a matter of discretion under any statutory provision or by reason of length of employment with the Contractor;
- (E) any reasonable payment made in respect of the hire or employment of suitable staff to replace employees absent from work as a result of injury, sickness, capture or detention, when such replacement staff are necessary for performing the Contract or other activity dependent on the availability of the absent employees, pending their return to work;
- (F) any payment made, where the Authority has not otherwise made provision (e.g. treatment or transportation provided without charge by the Authority), in respect of:
 - (1) the reasonable costs of treatment of any employee properly prescribed by a qualified medical practitioner; or
 - (2) reasonable medical repatriation costs; and
 - (3) reasonable funeral and associated transportation costs,

where the Contractor has necessarily incurred a commitment to make such payment for the purpose of enabling him to perform the Contract, and the payment was not otherwise payable as of right or a matter of discretion under the pre-existing terms of the contract of employment of that employee, and that employee's condition would not have arisen by virtue of his employment at his normal place of work;

OFFICIAL SENSITIVE - COMMERCIAL

- (G) any loss of, or damage to, or loss of use of property of the Authority made available to the Contractor for the purpose of performing the Contract including any payment made in respect of the hire of suitable property necessary for performing the Contract or other activity dependent on such property pending the return, replacement and/or repair of such property but excluding loss of profit;
 - (H) any additional payments reasonably incurred to maintain the insurance cover referred to in paragraph 3(A) below and expressly required by reason of performance of the Contract.
30. The Authority shall not indemnify the Contractor in respect of any claim, proceedings, cost, expense, payment, loss or damage which arises from:
- (A) any risks in respect of which the Contractor is insured;
 - (B) any risks which, although uninsured, the Contractor could reasonably have been expected to have been able to insure;
 - (C) malicious acts, acts of sabotage, strikes, riots, civil commotion or labour disturbances other than where such activities occur in support of or as a direct result of activities described in paragraph 1(B) above;
 - (D) performance of the Contract within the Territories listed at Annex 1 to this Schedule;
 - (E) wilful misconduct, lack of good faith, or negligence on the part of the Contractor, his officers, servants or agents;
 - (F) the wilful disregard of instructions properly given to employees (including but not limited to officers, servants or agents) of the Contractor by the Authority (who for the purposes of this Schedule shall include members of HM Armed Forces and members of any other Armed Forces with whom the Authority is acting in concert);
 - (G) activities undertaken by the Contractor, his officers, servants or agents for purposes other than performance of the Contract except where those

OFFICIAL SENSITIVE - COMMERCIAL

activities are in compliance with instructions properly given to employees of the Contractor by the Authority (who for the purposes of this Schedule shall include members of HM Armed Forces and members of any other Armed Forces with whom the Authority is acting in concert);

- (H) use of any property of the Contractor, his officers, servants or agents for purposes other than performance of the Contract except where such use is in compliance with instructions properly given to employees of the Contractor by the Authority (who for the purposes of this Schedule shall include members of HM Armed Forces and members of any other Armed Forces with whom the Authority is acting in concert);
 - (I) activities undertaken by the Contractor, his officers, servants or agents which contravene any code of conduct or similar guidance issued by the Authority for the purposes of defining the Authority's reasonable expectations of the conduct of the Contractor, his officers, servants or agents in the theatre of operations; or
 - (J) payments of any nature whatsoever to pension funds or schemes operated by or on behalf of the Contractor or any Sub-contractor, or any fund or scheme relating to an individual officer, servant or agent of the Contractor, including but not limited to lump sum death benefit, pension payment, compensation payment or redundancy payment.
31. The Authority shall not indemnify the Contractor in respect of any claims, proceedings, costs, expense, payments, loss or damage for which the Contractor has made provision, other than for insurance cover, in the Contract (either as a direct charge, indirect charge or contingency).
32. The Authority shall not indemnify the Contractor where the Contractor and the Contractor's insurer under the Contractor's policy of insurance in respect of property or third party liability are connected persons. Any question whether the Contractor and its insurer are connected persons shall be determined in accordance with the provisions for determining such question that are set out in section 839 of the Income and Corporation Taxes Act 1988.

OFFICIAL SENSITIVE - COMMERCIAL

33. Subject to any Sub-contractor of the Contractor observing and performing the terms of paragraph 7, such Sub-contractor shall be entitled to the benefit of and to enforce this Schedule as if he were the Contractor.
34. It is a pre-condition to any liability of the Authority under this indemnity that the Contractor shall:
- (A) as soon as reasonably practicable notify the Authority of any occurrence, claim or proceedings that may be expected to give rise to liability of the Authority under this Schedule;
 - (B) provide evidence or proof of any claim, proceeding, cost, expense, loss or damage in the manner and form reasonably requested by the Authority; and
 - (C) promptly furnish to the Authority copies of all pertinent papers received by the Contractor and which may reasonably be required by the Authority.
35. The Authority shall make available to the Contractor a copy of the relevant findings of any military Board of Inquiry into any matter which gives rise to a liability on the Authority under this Schedule.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX 1

The European Union

Norway

USA

Canada

Australia

New Zealand

Other States except Turkey which are full members of NATO

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 39: CONTRACTORS ON DEPLOYED OPERATIONS

1. General

- 1.1 This Schedule shall become effective when a requirement under the Contract requires the Contractor or its Sub-contractors or both, to Deploy to undertake tasks at Expected Work Locations in a CONDO Applicable Area (CAA) identified in CONDO Form 2.
- 1.2 If there is any conflict between the terms of this Schedule and Def Stan 05-129 (Issue 5), the terms of this Schedule shall prevail.

2. Definitions and Interpretation

- 2.1 In this Schedule the following words and expressions shall have the meanings set respectively against them:

- (A) "Arms" means any weapon, which, for the avoidance of doubt, excludes anything to be used for the purpose of performing the Contract;
- (B) "Authority to Deploy" means the Authority's formal written authority for the Contractor to Deploy;
- (C) "CAA" means a CONDO Applicable Area, being an OA or any other specific area identified by the Authority as CONDO applicable;
- (D) "Contractor's Employees" means those employees of the Contractor, being UK nationals and TCNs, but excluding LRWs, who are Deployed in connection with the performance of the Contract;
- (E) "CONDO" means Contractors on Deployed Operations, being contractors providing Articles or Services or both outside the British Isles within a CAA as part of the civilian component supporting UK armed forces;
- (F) "Deploy" means bringing the Contractor, the Contractor's Employees, its Sub-contractors and the Sub-contractor's Employees under the administration and control of the Authority, which will take place:

OFFICIAL SENSITIVE - COMMERCIAL

- (1) on entering a Government Establishment for transit to the CAA; or
- (2) on entering the CAA at the nominated entry point; or
- (3) on reporting to the Representative of the Authority when already in the CAA,

and "Deployed" shall be construed accordingly;

- (G) "Deployment" means the period during any act of preparing, moving and initial setting up of personnel and equipment to enable the delivery of Services within a location identified in CONDO Form 2 issued in accordance with Def Stan 05-129 (Issue 5), their presence within that location and their subsequent recovery or redeployment;
- (H) "Expected Work Locations" means the locations in the CAA specified in the Contract;
- (I) "Expected Modes of Transport" means the modes of transport to be used in the CAA for the transportation of the Contractor, the Contractor's Employees, its Sub-contractors, the Sub-contractor's Employees and LRWs specified in the Contract;
- (J) "Government Establishment" means all Government sites including Headquarters Buildings, Her Majesty's Ships or Vessels or Service Stations;
- (K) "Local Military Commander" means the senior UK military person within a specific geographical area who is responsible for discipline, security and administration of that area and who for the purposes of this Schedule shall be a Representative of the Authority;
- (L) "LRWs" means Locally Recruited Workers, being workers who are engaged either by the Contractor or by its Sub-contractors and who normally reside in the country or countries in which the contracted Services are being performed;
- (M) "OA" means an Operations Area, being an area of land, sea and airspace outside the British Isles but excluding the PJOBS and Germany unless a PJOB is included within an OA due to specific operational circumstances, defined by the Authority and in which a joint UK operational commander (for a joint operations area), or a single service

OFFICIAL SENSITIVE - COMMERCIAL

operational commander (for a single service operations area), plans and conducts military operations or exercises to accomplish a specific mission;

- (N) "Operations" means any military action or the carrying out of any strategic, operational, tactical, service, training or administrative military mission or the process of carrying on combat including any movement, supply, attack, defence and manoeuvre needed to gain the objectives of any battle or campaign;
- (O) "OSI" means Operation Specific Information, being information specific to the CAA;
- (P) "PJOB" means a Permanent Joint Operating Base;
- (Q) "Representative of the Authority" means the Authority's Representative;
- (R) "Sub-contract" means any sub-contract entered into by the Contractor or, where appropriate, by a Sub-contractor, which requires a Sub-contractor to Deploy to the CAA in connection with the performance of the Contract;
- (S) "Sub-contractor" means a sub-contractor at any level of contracting with a Sub-contract;
- (T) "Sub-contractor's Employees" means those employees of any Sub-contractor, being UK nationals and TCNs, but excluding LRWs, who are Deployed to the CAA in connection with the performance of the Contract;
- (U) "TCN" means third country national, being an individual who is not a UK national.

2.2 In this Schedule the term "procure" shall be interpreted as requiring the Contractor to use all reasonable efforts to cause the occurrence of the event or outcome concerned, provided that the Contractor shall remain responsible to the Authority to the full extent of its obligation in relation to that event or outcome if that event or occurrence does not occur.

OFFICIAL SENSITIVE - COMMERCIAL

3. Authority to Deploy

3.1 The Contractor shall not and shall procure that the Contractor's Employees, its Sub-contractors and the Sub-contractor's Employees do not move into or within the CAA in connection with the performance of the Contract until the Contractor has:

- (A) provided the Authority with all required information for the completion of Part 3 of CONDO Form 1 and CONDO Form 2, as provided in Def Stan 05-129 (Issue 5);
- (B) received the Authority's Authority to Deploy in CONDO Form 2, issued as provided in Def Stan 05-129 (Issue 5);
- (C) confirmed that the Contractor's Employees and Sub-contractor's Employees have completed the CONDO related training specified by the Authority;
- (D) confirmed that the Contractor's Employees and Sub-contractor's Employees are medically and dentally fit to Deploy and to undertake the tasks to which they are assigned, including being properly immunised;
- (E) provided the Authority with Form T-SL-DES01, completed as provided in Def Stan 05-129 (Issue 5), and, on the receipt by the Contractor of a signed Form T-SL-DES01, confirmed that it has notified the Contractor's Employees and Sub-contractor's Employees of their status as civilians subject to service discipline and their respective nominated Commanding Officer in the CAA;
- (F) received confirmation that the Contractor's Employees and Sub-contractor's Employees have been security cleared to the levels stated in the Contract for the particular tasks;
- (G) confirmed receipt of an appropriate identity card or TCN card issued by the Authority in respect of each individual listed in CONDO Form 2; and
- (H) confirmed that it has undertaken appropriate risk assessments in relation to the Expected Work Locations and the Expected Modes of Transport, which support the Deployment.

OFFICIAL SENSITIVE - COMMERCIAL

4. **The Authority's Right to Withhold, Withdraw, Move and Remove**

4.1 The Authority may at any time and from time to time for any operational reason which the Authority in its absolute discretion shall determine:

- (A) withhold or withdraw Authority to Deploy;
- (B) move or require the removal of the Contractor or a Sub-contractor from its current location to a location determined to be appropriate by the Authority;
- (C) move or require the removal of any of the Contractor's Employees, Sub-contractors' Employees or LRWs from their current location to a location determined to be appropriate by the Authority or in response to the Contractor's Employees, Sub-contractor's Employees, or LRWs not acting in accordance with paragraph 11.1. The Contractor shall, as soon as reasonably practicable, move or remove any Contractor's Employee, Sub-contractor's Employee or LRW whom the Authority requires to be moved or removed.

4.2 Where practicable and subject to operational constraints, the Authority shall inform the Contractor of its intentions prior to moving the Contractor's Employees, the Sub-contractor's Employees and LRWs in accordance with paragraph 4.1. Where the Authority moves the Contractor's Employees, the Sub-contractor's Employees and LRWs in accordance with paragraph 4.1 without informing the Contractor, the Authority shall, as soon as reasonably practicable within operational constraints, notify the Contractor of the location to which the Contractor's Employees, the Sub-contractor's Employees and LRWs have been moved.

4.3 The Authority shall not be obliged to give reasons for taking any action in accordance with paragraph 4.1 but may, in its sole discretion, indicate its reasons.

4.4 Notwithstanding the provisions of paragraph 4.3, in the event that the Contractor is involved in any employment claim or dispute arising in connection with any action taken by the Authority under paragraph 4.1, the Authority shall, where reasonably practicable, provide to the Contractor any relevant information that the Contractor may reasonably request for the purpose of addressing any such claim or dispute, except any such information the provision of which would be contrary to the interests of national security, in breach of a confidentiality

OFFICIAL SENSITIVE - COMMERCIAL

or contractual obligation of the Authority, contrary to a statutory requirement or Government policy or as otherwise reasonably specified by the Authority.

5. **The Authority's right to move between Expected Work Locations**

The Authority may at any time and from time to time move the Contractor's Employees, the Sub-contractor's Employees and LRWs between Expected Work Locations using the Expected Modes of Transport to undertake the tasks specified in the Contract. Where the Authority moves the Contractor's Employees, the Sub-contractor's Employees and LRWs between Expected Work Locations for periods of longer than 24 hours, the Authority shall, where practicable and where this has been requested by the Contractor, inform the Contractor prior to moving the Contractor's Employees, the Sub-contractor's Employees and LRWs or, where this is not practicable or has not been requested by the Contractor, as soon as reasonably practicable within operational constraints.

6. **The Authority's right to move to new work locations which are not Expected Work Locations**

The Authority may at any time require the movement of the Contractor's Employees, the Sub-contractor's Employees and LRWs to new work locations which are not Expected Work Locations to undertake the tasks specified in the Contract. Where the Authority requires the Contractor's Employees, the Sub-contractor's Employees and LRWs to move to undertake tasks at new work locations which are not Expected Work Locations, the Authority shall request the Contractor's prior written approval of the movement, such approval not to be unreasonably withheld. The Contractor shall provide such approval or the reasons for declining to provide such approval within 72 hours of the Authority's request or within such other time period as is specified in the Contract. When a new work location is agreed, the Contract shall be amended to add that new work location to the list of Expected Work Locations and to make any associated adjustments to the Contract that may be required.

7. **Provision of Life Support Facilities**

- 7.1 The Contractor shall provide living accommodation, laundry facilities, feeding, potable water, transport and fuel for the Contractor's Employees unless otherwise agreed with the Authority in the Contract.

OFFICIAL SENSITIVE - COMMERCIAL

- 7.2 The Authority shall provide, where available, access for the Contractor's Employees and Sub-contractor's Employees to any existing facilities for personal welfare, communications, entertainment and recreation, which are provided for the use of military personnel, unless otherwise agreed with the Contractor in the Contract.
- 7.3 The Contractor shall pay any specified charges for the use of the facilities specified in paragraphs 7.1 and 7.2.
- 7.4 The Authority may, at its discretion, provide chaplaincy services to the Contractor's Employees and Sub-contractor's Employees without charge where such services are available.
- 7.5 The Authority shall provide an operational specific medical warning notice(s) to the Contractor prior to the Contractor, the Contractor's Employees, its Sub-contractors and the Sub-contractor's Employees being Deployed, providing, where appropriate, information supplementing that provided by the Foreign and Commonwealth Office, on medical issues specific to the CAA.
- 7.6 The Contractor shall ensure that the Contractor's Employees, and shall procure that the Sub-contractor's Employees, are medically fit and dentally fit to Deploy and to undertake the tasks to which they are assigned, including, taking into account any notices issued under paragraph 7.5, being appropriately immunised.
- 7.7 Unless otherwise specified by the Authority in the Contract and where medical facilities exist, the Authority shall provide to the Contractor's Employees and Sub-contractor's Employees, free of charge, medical treatment and emergency dental treatment, equivalent to that provided to military personnel whilst Deployed.
- 7.8 Where the Contractor's Employees or Sub Contractor's Employees have been Deployed in breach of paragraph 7.6 the Authority reserves the right to:
- (A) charge the Contractor reasonable and proper charges for the provision of medical or dental treatment; or

OFFICIAL SENSITIVE - COMMERCIAL

- (B) move or require the removal of any such Contractor's Employees or Sub-contractor's Employees following the exercise of its right under paragraph 4.1(A).

7.9 The Authority shall provide, free of charge, first-aid treatment to LRWs whilst they are at an Expected Work Location or travelling between Expected Work Locations, in support of the Contract.

7.10 With regard to medical evacuation:

- (A) the Contractor shall be responsible for the medical evacuation of both the Contractor's Employees and Sub-contractor's Employees unless otherwise notified by the Authority;
- (B) where it is not safe or practicable for the Contractor to discharge its responsibilities under paragraph 7.10(A), the Authority shall, where reasonably practicable, move Contractor's Employees and Sub-contractor's Employees to a safe area from which the Contractor is able to take over the medical evacuation of the Contractor's Employees or Sub-contractor's Employees, on either a repayment basis or, at the Authority's discretion, free of charge.

7.11 With regard to repatriation:

- (A) the Contractor shall be responsible for the repatriation of deceased Contractor's Employees and deceased Sub-contractor's Employees unless otherwise notified by the Authority;
- (B) where it is not safe or practicable for the Contractor to discharge his responsibilities under paragraph 7.11(A), the Authority shall, where reasonably practicable, move deceased Contractor's Employees and deceased Sub-contractor's Employees to a safe area from which the Contractor is able to take over the repatriation of deceased Contractor's Employees and deceased Sub-contractor's Employees, on either a repayment basis or, at the Authority's discretion, free of charge.

7.12 The Authority may provide, at its discretion, subject to compliance with the processes set out in Def Stan 05-129 (Issue 5), personal cheque encashment facilities to those of the

OFFICIAL SENSITIVE - COMMERCIAL

Contractor's Employees and Sub-contractor's Employees who are Deployed, but not to LRWs, where such facilities are available to military personnel.

8. **The Contractor's Obligations**

Risk Assessments

8.1 The Contractor shall carry out risk assessments for all Expected Work Locations in the CAA and for the Expected Modes of Transport to and between Expected Work Locations, as set out in the Contract, and, as far as is practicable, shall maintain their currency during the term of any Deployment. The Authority shall provide information in support of such risk assessments as far as it is able.

8.2 Where:

(A) the Contractor's risk assessment demonstrates that the safety environment at an Expected Work Location within the CAA or in respect of the Expected Modes of Transport to and between the Expected Work Locations provides justification either not to Deploy the Contractor's Employees and Sub-contractor's Employees or to withdraw the Contractor's Employees, Sub-contractor's Employees and LRWs from an existing Deployment; or

(B) the Contractor does not have sufficient information to undertake a proper risk assessment;

the Contractor may decline to provide personnel for a task or withdraw them from an existing Deployment in accordance with paragraph 9.1.

9. **Right to Withdraw**

9.1 If the Contractor's risk assessment demonstrates the circumstances set out in paragraph 8.2(A), or the Contractor does not have sufficient information to undertake a proper risk assessment in accordance with paragraph 8.2(B):

(A) the Contractor shall inform the Authority at the earliest opportunity;

OFFICIAL SENSITIVE - COMMERCIAL

- (B) whilst the Contractor is considering whether or not to Deploy the Contractor's Employees and Sub-contractor's Employees, or to withdraw the Contractor's Employees, Sub-contractor's Employees and LRWs, the Contractor shall keep the Authority informed of the Contractor's intentions by means of regular updates;
- (C) the Contractor shall consult with the Authority to ensure that there is an informed exchange of information and to discuss the Contractor's concerns.

9.2 The Contractor shall consider as part of its on-going risk assessment any additional information provided by the Authority which may become available. If the Authority considers that any withdrawal required by the Contractor cannot be carried out safely, the Authority will inform the Contractor at the earliest opportunity if, following such consultation, discussion and further consideration, the Contractor decides that the safety environment is such that the Contractor's Employees and Sub-contractor's Employees will not be Deployed or the Contractor's Employees, Sub-contractor's Employees and LRWs will be withdrawn, the Contractor shall notify the Authority of its decision without delay.

10. **Personnel**

- 10.1 The Contractor shall provide to the Authority all information necessary for the completion of Part 3 of CONDO Form 1 and CONDO Form 2 and shall provide to the Authority duly completed CONDO Form 4A, CONDO Form 4B and Form T-SL-DES01 (as provided in Def Stan 05-129 (Issue 5)) no later than 48 hours prior to the Contractor being Deployed.
- 10.2 The Contractor shall provide to the Authority a duly completed CONDO Form 3 (as provided in Def Stan 05-129 (Issue 5)) by the fifth day of each month once Deployed and shall keep an accurate record of the details provided to the Authority.
- 10.3 If the Contractor becomes aware that any of the Contractor's Employees, Sub-contractor's Employees or LRWs has died, suffered a serious accident, suffered injury, become a prisoner of war or been taken hostage, the Contractor shall ensure that the Authority and the next of kin of the Contractor's Employee or LRW concerned, and procure that the next of kin of the Sub-contractor's Employee or LRW concerned, are informed as quickly as possible.

11. **Conduct**

OFFICIAL SENSITIVE - COMMERCIAL

- 11.1 The Contractor shall require the Contractor's Employees, Sub-contractor's Employees and LRWs to act in a responsible manner and shall require the Contractor's Employees, Sub-contractor's Employees and LRWs to make themselves aware of and comply with the Local Military Commander's orders, instructions, regulations and procedures.
- 11.2 The Contractor shall, as far as it is able and based on the information available to it:
- (A) inform the Contractor's Employees and procure that the Sub-contractor informs the Sub-contractor's Employees, prior to them being Deployed, of their status whilst they are Deployed;
 - (B) inform the Contractor's LRWs and procure that the Sub-contractor informs the Sub-contractor's LRWs of their status whilst they are at an Expected Work Location or travelling between Expected Work Locations in support of the Contract;
 - (C) provide updates in relation to their respective status as appropriate.
- 11.3 The Contractor shall ensure that the Contractor's Employees, and shall procure that the Sub-contractor's Employees and LRWs are aware that they may at any time be subject to a search of their person, property or vehicles and require their co-operation in relation to any such search.
- 11.4 The Contractor shall require the Contractor's Employees and Sub-contractor's Employees to report to the Authority's nominated CAA entry and exit points respectively on arrival and departure from the CAA and, during the Deployment, to any reporting point within the CAA nominated by the Authority.
- 11.5 The Contractor shall ensure that the Contractor's Employees and shall procure that the Sub-contractor's Employees and LRWs report to the Authority's nominated briefing centre as specified by the Authority for operational briefings as required by the Authority.
- 11.6 If the Authority, in its absolute discretion, restricts the movement, within the CAA, of the Contractor, the Contractor's Employees, the Sub-contractor, the Sub-contractor's Employees and LRWs, the Contractor shall inform the Contractor's Employees, the Sub-contractor, the Sub-contractor's Employees and LRWs as soon as practicable and require the Contractor's

OFFICIAL SENSITIVE - COMMERCIAL

Employees, the Sub-contractor, the Sub-contractor's Employees and LRWs to comply with any such restriction.

- 11.7 The Contractor shall ensure that the Contractor's Employees, shall procure that the Sub-contractor's Employees whilst they are Deployed and shall ensure that LRWs at any time whilst they are at an Expected Work Location or travelling between Expected Work Locations, do not carry Arms.

12. **Clothing, Equipment and Transport**

- 12.1 The Contractor shall, during the Deployment, ensure that the Contractor's Employees and shall procure that the Sub-contractor's Employees and LRWs have appropriate equipment and clothing for the climate and the tasks which the Contractor is contracted to undertake.

- 12.2 The Contractor shall ensure that the Contractor's Employees and shall procure that the Sub-contractor's Employees and LRWs do not wear clothing, including company livery, which detracts from their civilian status. The Contractor shall ensure that the Contractor's Employees and shall procure that the Sub-contractor's Employees avoid the use of vehicles, equipment and property that could be confused with military vehicles, equipment and property, other than those issued to the Contractor by the Authority for the purposes of the Contract or as otherwise directed by the Local Military Commander.

- 12.3 The Contractor shall be responsible for the provision of transportation for the Contractor's Employees, Sub-contractor's Employees and LRWs and their equipment to, from and within the CAA. Where the provision of such transportation by the Contractor is not commercially available or cost effective, the Authority may in its sole discretion, where reasonably practicable, offer assistance at a price to be agreed on a repayment basis, or at the Authority's discretion, free of charge.

- 12.4 Where the Authority has moved the Contractor's Employees, Sub-contractor's Employees and LRWs:

- (A) under paragraph 4.1 in discharging its responsibility under paragraph 17.1 (but not where it has moved the Contractor's Employees, Sub-contractor's Employees and LRWs as a result of them not acting in accordance with paragraphs 7.6 or 11.1); or

OFFICIAL SENSITIVE - COMMERCIAL

(B) under paragraphs 5 or 6;

the cost and provision of such transportation shall be borne by the Authority.

13. **Health and Safety**

The Contractor shall ensure that the Contractor's Employees, and shall procure that the Sub-contractor's Employees and LRWs, as far as reasonably practicable, undertake all work in a manner comparable with the requirements of the UK's health, safety and environmental legislation, or in accordance with the equivalent requirements of the host nation where these are more stringent.

14. **ID cards**

14.1 The Contractor shall ensure that all information, including that specified in Def Stan 05-129 (Issue 5), required for the issue of identity cards or TCN cards to those of the Contractor's Employees and Sub-contractor's Employees who are authorised to Deploy is provided to the Authority in accordance with the processes set out in Def Stan 05- 129 (Issue 5).

14.2 The Contractor shall inform the Contractor's Employees and Sub-contractor's Employees that the Authority will issue to the Contractor the appropriate MOD identity card or TCN card for each of them.

14.3 The Contractor shall ensure that all information, including that specified in the Local Military Commander's orders, instructions, regulations and procedures, required for the issue of day security passes to the Contractor's and Sub-contractor's LRWs, is provided to the Authority in accordance with the processes set out in the Local Military Commander's orders, instructions, regulations and procedures.

14.4 The Contractor shall identify those of the Contractor's Employees, Sub-contractor's Employees and LRWs who are to be employed solely on medical, dental or spiritual welfare services to enable the Authority to issue separate identity cards and "Red Cross armlets" for those Contractor's Employees, Sub-contractor's Employees and LRWs.

14.5 The Contractor shall be responsible for the safe-keeping of all identity cards, TCN cards and security passes issued to the Contractor's Employees, Sub-contractor's Employees and LRWs

OFFICIAL SENSITIVE - COMMERCIAL

and shall require the Contractor's Employees to wear and shall procure that the Sub-Contractor's Employees and LRWs wear those identity cards, TCN cards and security passes as instructed by the Local Military Commander. The Contractor shall inform the Contractor's Employees, Sub-contractor's Employees and LRWs that any misuse, modification or misappropriation of their identity cards, TCN cards or security passes may result in action being taken by the Authority under paragraph 4.1.

15. **Training**

The Contractor shall ensure that the Contractor's Employees, and shall procure that the Sub-contractor's Employees and LRWs, are provided with the appropriate level of CONDO related training for each Deployment.

16. **Public Relations**

The Contractor shall not make any press statement or undertake any publicity, advertising or marketing campaigns, including for recruitment, specifically referring to the Contract without the prior written consent of the Authority.

17. **The Authority's Responsibilities**

- 17.1 The Authority shall afford appropriate protection commensurate with the threat for the Contractor's Employees and Sub-contractor's Employees and the Contractor's and Sub-contractor's property whilst Deployed and for LRWs whilst they are at an Expected Work Location or travelling between Expected Work Locations in support of the Contract and take such steps as are reasonable to ensure their safety, including, if necessary, removing or evacuating them from the area under threat.
- 17.2 The Authority shall, where appropriate, issue to the Contractor personal protective equipment of a non-primary work related nature for the use of Contractor's Employees, Sub-contractor's Employees and LRWs and provide instruction in the use of any such personal protective equipment.
- 17.3 The Authority shall, prior to the Contractor being Deployed and during the Deployment, provide the Contractor with appropriate OSI relevant to the Deployment, including the types of information identified within Def Stan 05-129 (Issue 5).

OFFICIAL SENSITIVE - COMMERCIAL

- 17.4 The Authority shall in accordance with Def Stan 05-129 (Issue 5) and prior to the Contractor being Deployed, issue:
- (A) a MoD Contractors Defence Identity Card for each of the Contractor's Employees and Sub-contractor's Employees, who are UK nationals, except those identified under paragraph 17.4(B), where an application has been correctly submitted and proof of appropriate security clearance has been provided.
 - (B) a MoD Fident 106 identity card and a "Red Cross armlet" for each of the Contractor's Employees and Sub-contractor's Employees who are identified by the Contractor as being solely employed on medical, dental or spiritual welfare services.
 - (C) a TCN card – for each of the Contractor's Employees and Sub-contractor's Employees who are third country nationals where an application has been correctly submitted.
- 17.5 The Authority shall, subject to military regulations, issue:
- (A) an appropriate day security pass to each LRW, except those identified under paragraph 17.5(B), under the arrangements of the Local Military Commander;
 - (B) a MoD Fident 107 identity card and a "Red Cross armlet" to each LRW who is identified by the Contractor as being solely engaged on medical, dental or spiritual welfare services, under the arrangements of the Local Military Commander;
 - (C) an appropriate security pass to each TCN under the arrangements of the Local Military Commander.
- 17.6 The Authority shall provide at the Authority's nominated briefing centre appropriate operational briefings free of charge to the Contractor's Employees, Sub-contractor's Employees and LRWs as part of the initial reception process and thereafter as necessary.
- 17.7 The Authority shall make the Local Military Commander's orders, instructions, regulations and procedures available to the Contractor's representative in the CAA in such a manner as to facilitate compliance by the Contractor with its obligations in particular under paragraphs 11.1, 11.6 and 14.3.

OFFICIAL SENSITIVE - COMMERCIAL

- 17.8 If the Authority becomes aware of any of the circumstances mentioned in paragraph 10.3, where the Authority believes that the Contractor is not already so aware, the Authority shall advise the Contractor accordingly.

18. **Sub-contracts**

- 18.1 If the Contractor enters into any Sub-contract, the Contractor shall incorporate into any such Sub-contract the terms set out in the Appendix to this Schedule.
- 18.2 The Authority may enforce against a Sub-contractor any provision conferring a benefit on the Authority contained in the Appendix to this Schedule as incorporated into any Sub-contract and neither the Contractor nor any Sub-contractor shall be entitled to exclude such right of the Authority.
- 18.3 Subject always to the Sub-contractor complying with the terms of the Appendix to this Schedule, any Sub-contractor having the Appendix to this Schedule incorporated into its Sub-contract may enforce against the Authority any provision of this Schedule conferring a benefit upon it, and neither the Authority nor the Contractor shall be entitled to exclude such right of any such Sub-contractor.

19. **Performance of the Contract**

- 19.1 The parties acknowledge that, if the Authority exercises its rights under paragraphs 4.1 or 11.6 of this Schedule, or the Contractor withdraws the Contractor's Employees, Sub-contractor's Employees and LRWs in accordance with paragraphs 8.2 and 9.1, the Contractor may be unable to perform certain or all of its obligations under the Contract in accordance with its terms, either in the manner or at the time intended or at all. Subject to paragraph 19.2, to the extent that it can be established that the exercise of the Authority's rights under paragraphs 4.1 or 11.6, or the withdrawal of the Contractor's Employees, Sub-contractor's Employees and LRWs in accordance with paragraphs 8.2 and 9.1 has directly caused:
- (A) the Contractor's non-performance of an obligation under the Contract; or
- (B) the Contractor's delay in performing an obligation under the Contract; or

OFFICIAL SENSITIVE - COMMERCIAL

- (C) a change in the Contractor's costs of performing its obligations under the Contract which is attributable to the exercise of those rights by the Authority or the withdrawal of the Contractor's Employees, Sub-contractor's Employees and LRWs;

the Contractor shall be entitled to submit a claim:

- (1) for relief from performing that obligation;
- (2) to delay its performance of that obligation;
- (3) for a corresponding adjustment to the Contract in relation to price or delivery.

19.2 Notwithstanding the provisions of paragraph 19.1, the Contractor shall not be entitled to be granted relief from performing an obligation under the Contract, or to delay its performance of an obligation, or to a corresponding adjustment to the Contract in relation to price or delivery, where and to the extent that the Contractor:

- (A) failed to comply with its obligations under paragraphs 3.1, 7.6, 8.1, 11.1, 11.3, 11.4, 11.5, 11.6, 11.7, 12.1, 12.2, 13, 14.5 and 15 of this Schedule and such failure gave rise to the exercise by the Authority of its rights under paragraphs 4.1 or 11.6; or
- (B) invalidly exercised its right to withdraw under paragraphs 8.2 and 9.1.

OFFICIAL SENSITIVE - COMMERCIAL

APPENDIX 1

Appendix to be included in relevant sub-contracts

20. Definitions and Interpretation

20.1 In this Appendix the following words and expressions shall have the meanings set respectively against them:

- (A) "Agreement" means this sub-contract;
- (B) "Arms" means any weapon, which, for the avoidance of doubt, excludes anything to be used for the purpose of performing the Contract, this Agreement and any Sub-contract;
- (C) "Authority" means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland;
- (D) "Authority to Deploy" means the Authority's formal written authority for the Contractor to Deploy;
- (E) "CAA" means a CONDO Applicable Area, being an OA or a specific area identified by the Authority as CONDO applicable;
- (F) "CONDO" means Contractors on Deployed Operations, being contractors providing Articles or Services or both outside the British Isles within an CAA as part of the civilian component supporting UK armed forces;
- (G) "Contract" means Contract No LECOM/1006 between the Authority and the Contractor;
- (H) "Contractor" means [●];
- (I) "Deploy" means bringing the Contractor, the Contractor's Employees, its Sub-contractors and the Sub-contractor's Employees under the administration and control of the Authority, which, for the avoidance of doubt, includes the Second Party and the Second Party's Employees, and which will take place:

OFFICIAL SENSITIVE - COMMERCIAL

- (1) on entering a Government Establishment for transit to the CAA; or
- (2) on entering the CAA at the nominated entry point; or
- (3) on reporting to the Representative of the Authority when already in the CAA,

and "Deployed" shall be construed accordingly;

- (J) "Deployment" means the period during any act of preparing, moving and initial setting up of personnel and equipment to enable the delivery of Services within a location identified in CONDO Form 2 issued in accordance with the Authority's Def Stan 05-129 (Issue 5), their presence within that location and their subsequent recovery or redeployment;
- (K) "Expected Work Locations" means the locations in the CAA specified in the Contract, this Agreement and any Sub-contract;
- (L) "Expected Modes of Transport" means the modes of transport to be used in the CAA for the transportation of the Contractor, the Contractor's Employees, its Sub-contractors, the Sub-contractor's Employees and LRWs, which, for the avoidance of doubt, includes the Second Party, the Second Party's Employees and LRWs, specified in the Contract, this Agreement and any Sub-contract;
- (M) "First Party" means the Purchaser [●];
- (N) "Government Establishment" means all Government sites including Headquarters Buildings, Her Majesty's Ships or Vessels or Service Stations;
- (O) "Local Military Commander" means the senior UK military person within a specific geographical area who is responsible for discipline, security and administration of that area and who for the purposes of this Appendix shall be a Representative of the Authority;
- (P) "LRWs" means Locally Recruited Workers, being workers who are engaged by the Second Party or by its Sub-contractors and who normally reside in the country or countries in which the contracted Services are being performed;

OFFICIAL SENSITIVE - COMMERCIAL

- (Q) "OA" means an Operations Area, being an area of land, sea and airspace outside the British Isles, but excluding the PJOBS and Germany unless a PJOB is included within an OA due to specific operational circumstances, defined by the Authority and in which a joint UK operational commander (for a joint operations area), or a single service operational commander (for a single service operations area), plans and conducts military operations or exercises to accomplish a specific mission;
- (R) "PJOB" means a Permanent Joint Operating Base;
- (S) "Representative of the Authority" has the meaning given to it in DEFCON 501 (Definitions And Interpretations);
- (T) "Second Party" means (*name of supplier*);
- (U) "Second Party's Employees" means those employees of the Second Party, being UK nationals and TCNs, but excluding LRWs, who are Deployed to the CAA in connection with the performance of the Contract, this Agreement and any Sub-contract;
- (V) "Sub-contract" means any sub-contract entered into by the Second Party or, where appropriate, by a Sub-contractor, which requires a Sub-contractor to Deploy to the CAA in connection with the performance of the Contract, this Agreement and any sub-contract;
- (W) "Sub-contractor" means a sub-contractor at any level of contracting with a Sub-contract;
- (X) "Sub-contractor's Employees" means those employees of any Sub-contractor, being UK nationals and TCNs, but excluding LRWs, who are Deployed to the CAA in connection with the performance of the Contract, this Agreement and any Sub-contract;
- (Y) "TCN" means third country national, being an individual who is not a UK national.

20.2 In this Appendix the term "procure" shall be interpreted as requiring the Second Party to use all reasonable efforts to cause the occurrence of the event or outcome concerned, provided

OFFICIAL SENSITIVE - COMMERCIAL

that the Second Party shall remain responsible to the First Party to the full extent of its obligation in relation to that event or outcome if that event or occurrence does not occur.

21. **Sub-contracts**

- 21.1 If the Second Party enters into any Sub-contract, the Second Party shall incorporate into any such Sub-contract the terms set out in this Appendix.
- 21.2 The Authority may enforce against the Second Party any provision conferring a benefit on the Authority contained in paragraphs 1 – 13 of this Appendix and neither the First Party nor the Second Party shall be entitled to exclude such right of the Authority.
- 21.3 Subject always to the Second Party complying with the terms of paragraphs 1 – 13 of this Appendix, the Second Party may enforce against the Authority any provision of DEFCON 697 of the Contract conferring a benefit upon Sub-contractors and neither the Authority nor the First Party shall be entitled to exclude such right of the Second Party.

22. **Authority to Deploy**

- 22.1 The Second Party shall not and shall procure that the Second Party's Employees, its Sub-contractors and the Sub-contractor's Employees do not move into or within the CAA in connection with the performance of the Contract, this Agreement or any Sub-contract until the Contractor has:
- (A) provided the Authority with all required information for the completion of Part 3 of CONDO Form 1 and CONDO Form 2, as provided in the Authority's Def Stan 05-129 (Issue 5);
 - (B) received the Authority's Authority to Deploy in CONDO Form 2, issued as provided in the Authority's Def Stan 05-129 (Issue 5);
 - (C) confirmed that the Second Party's Employees and the Sub-contractors' Employees have completed the CONDO related training specified by the Authority;

OFFICIAL SENSITIVE - COMMERCIAL

- (D) confirmed that the Second Party's Employees and the Sub-contractors' Employees are medically and dentally fit to Deploy and to undertake the tasks to which they are assigned, including being properly immunised;
- (E) provided the Authority with Form T-SL-DES01, completed as provided in the Authority's Def Stan 05-129 (Issue 5) in respect of the Second Party's Employees and its Sub-contractor's Employees;
- (F) confirmed to the Authority, after receiving confirmation from the Second Party, that the Second Party has received a signed Form T-SL-DES01 and notified the Second Party's Employees and Sub-contractor's Employees of their status as civilians subject to service discipline and their respective nominated Commanding Officer in the CAA;
- (G) received confirmation that the Second Party's Employees and its Sub-contractor's Employees have been security cleared to the levels required by the Authority as stated in the Contract, this Agreement and any Sub-contract for the particular tasks;
- (H) confirmed receipt by the Second Party of an appropriate identity card or TCN card issued by the Authority in respect of each individual listed in CONDO Form 2; and
- (I) confirmed that the Contractor has undertaken appropriate risk assessments in relation to the Expected Work Locations and the Expected Modes of Transport, which support the Deployment;

and the Contractor has notified the First Party and the First Party has notified the Second Party that he may move into or within the CAA in connection with the performance of the Contract, this Agreement and any Sub-contract.

23. **The Authority's Right to Withhold, Withdraw, Move and Remove**

23.1 The Authority may at any time and from time to time for any operational reason which the Authority in its absolute discretion shall determine:

- (A) withhold or withdraw Authority to Deploy;

OFFICIAL SENSITIVE - COMMERCIAL

- (B) move or require the removal of the Second Party or a Sub-contractor from its current location to a location determined to be appropriate by the Authority in taking reasonable steps for their safety;
 - (C) move or require the removal of any of the Second Party's Employees, its Sub-contractors' Employees or LRWs from their current location to a location determined to be appropriate by the Authority in providing protection or in response to the Second Party's Employees, its Sub-contractors' Employees or LRWs not acting in accordance with paragraph 8.1. The Second Party shall, as soon as reasonably practicable, move or remove any Second Party's Employee, Sub-contractors' Employee or LRW whom the Authority requires to be moved or removed.
- 23.2 Where practicable and subject to operational constraints, the Authority shall inform the Contractor of its intentions prior to moving the Second Party's Employees, the Sub-contractor's Employees and LRWs in accordance with paragraph 8.1. Where the Authority moves the Second Party's Employees, Sub-contractor's Employees and LRWs in accordance with paragraph 8.1 without informing the Contractor, the Authority shall, as soon as reasonably practicable within operational constraints, notify the Contractor of the location to which the Second Party's Employees, the Sub-contractor's Employees and LRWs have been moved.
- 23.3 The Authority shall not be obliged to give reasons for taking any action in accordance with paragraph 8.1 but may, in its sole discretion, indicate its reasons.
- 23.4 Notwithstanding the provisions of paragraph 4.3, in the event that the Second Party is involved in any employment claim or dispute arising in connection with any action taken by the Authority under paragraph 8.1, the Authority shall, where reasonably practicable, provide to the Contractor, the First Party or the Second Party as appropriate any relevant information that the Second Party may reasonably request for the purpose of addressing any such claim or dispute, except any such information the provision of which would be contrary to the interests of national security, in breach of a confidentiality or contractual obligation of the Authority, contrary to a statutory requirement or Government policy or as otherwise reasonably specified by the Authority.

OFFICIAL SENSITIVE - COMMERCIAL

24. **The Authority's right to move between Expected Work Locations**

- 24.1 The Authority may at any time and from time to time move the Second Party's Employees, its Sub-contractor's Employees and LRWs between Expected Work Locations using the Expected Modes of Transport to undertake the tasks specified in the Contract, this Agreement and any Sub-contract. Where the Authority moves the Second Party's Employees, its Sub-contractor's Employees and LRWs between Expected Work Locations for periods of longer than 24 hours, the Authority shall, where practicable and where this has been requested by the Second Party, inform the Contractor prior to moving the Second Party's Employees, the Sub-contractor's Employees and LRWs or, where this is not practicable or has not been requested by the Second Party, as soon as reasonably practicable within operational constraints.

25. **The First Party's Obligations**

If the Authority provides to the Contractor an operational specific medical warning notice providing information, supplementing that provided by the Foreign and Commonwealth Office, on medical issues specific to the CAA the First Party shall provide any such information that it receives to the Second Party.

26. **The Second Party's Obligations**

Personnel

- 7.1 The Second Party shall ensure that the Second Party's Employees, and shall procure that its Sub-contractor's Employees, are medically fit and dentally fit to Deploy and to undertake the tasks to which they are assigned including, taking into account any notices issued under paragraph 6, being appropriately immunised.
- 7.2 The Second Party shall provide to the First Party all information necessary in respect of the Second Party's Employees and its Sub-contractor's Employees for the completion of Part 3 of CONDO Form 1 and CONDO Form 2 and to enable the Contractor to properly complete CONDO Form 4A, CONDO Form 4B and Form T-SL-DES01 (as provided in the Authority's Def Stan 05-129 (Issue 5)) no later than 48 hours prior to the Second Party being Deployed.

OFFICIAL SENSITIVE - COMMERCIAL

- 7.3 The Second Party shall provide to the First Party all information necessary in respect of the Second Party's Employees and its Sub-contractor's Employees to enable the Contractor to properly complete CONDO Form 3 (as provided in the Authority's Def Stan 05-129 (Issue 5)) by the fifth day of each month once the Second Party has Deployed and shall keep an accurate record of the details provided to the First Party.
- 7.4 If the Second Party becomes aware that any of the Second Party's Employees, its Sub-contractor's Employees or LRWs has died, suffered a serious accident, suffered injury, become a prisoner of war or been taken hostage, the Second Party shall ensure that the Authority, the First Party and the next of kin of the Second Party's Employee or LRW concerned, and procure that the next of kin of its Sub-contractor's Employee or LRW concerned, are informed as quickly as possible.
27. **Conduct**
- 27.1 The Second Party shall require the Second Party's Employees, its Sub-contractor's Employees and LRWs to act in a responsible manner and shall require the Second Party's Employees, its Sub-contractor's Employees and LRWs to make themselves aware of and comply with the Local Military Commander's orders, instructions, regulations and procedures.
- 27.2 The Second Party shall, as far as it is able and based on the information available to it:
- (A) inform the Second Party's Employees and procure that its Sub-contractors inform the Sub-contractor's Employees, prior to them being deployed, of their status whilst they are Deployed;
 - (B) inform the Second Party's LRWs and procure that its Sub-contractors inform the Sub-contractor's LRWs of their status whilst they are at an Expected Work Location or travelling between Expected Work Locations in support of the Contract;
 - (C) provide updates in relation to their respective status as appropriate.
- 27.3 The Second Party shall ensure that the Second Party's Employees, and shall procure that its Sub-contractor's Employees and LRWs are aware that they may at any time be subject to a

OFFICIAL SENSITIVE - COMMERCIAL

search of their person, property or vehicles and require their cooperation in relation to any such search.

- 27.4 The Second Party shall require the Second Party's Employees and its Sub-contractor's Employees to report to the Authority's nominated CAA entry and exit points respectively on arrival and departure from the CAA and, during the Deployment, to any reporting point within the CAA nominated by the Authority.
- 27.5 The Second Party shall ensure that the Second Party's Employees, and shall procure that its Sub-contractor's Employees and LRWs report to the Authority's nominated briefing centre as specified by the Authority for operational briefings as required by the Authority.
- 27.6 If the Authority, in its absolute discretion, restricts the movement within the CAA of the Second Party, the Second Party's Employees, its Sub-contractors, the Sub-contractor's Employees and LRWs, the Second Party shall inform the Second Party's Employees, its Sub-contractors, the Sub-contractor's Employees and LRWs as soon as practicable and require the Second Party's Employees, its Sub-contractors, the Sub-contractor's Employees and LRWs to comply with any such restriction.
- 27.7 The Second Party shall ensure that the Second Party's Employees, shall procure that its Sub-contractor's Employees whilst they are Deployed and shall ensure that LRWs at any time whilst they are at an Expected Work Location or travelling between Expected Work Locations, do not carry Arms.

28. Clothing, Equipment and Transport

- 28.1 The Second Party shall, during the Deployment, ensure that the Second Party's Employees and shall procure that its Sub-contractor's Employees and LRWs have appropriate equipment and clothing for the climate and the tasks which the Second Party is contracted to undertake.
- 28.2 The Second Party shall ensure that the Second Party's Employees, and shall procure that its Sub-contractor's Employees and LRWs do not wear clothing, including company livery, which detracts from their civilian status. The Second Party shall ensure that the Second Party's Employees and shall procure that its Sub-contractor's Employees avoid the use of vehicles,

OFFICIAL SENSITIVE - COMMERCIAL

equipment and property that could be confused with military vehicles, equipment and property, other than those issued to the Contractor by the Authority for the purposes of the Contract and made available to the Second Party or as otherwise directed by the Local Military Commander.

29. **Health and Safety**

The Second Party shall ensure that the Second Party's Employees, and shall procure that its Sub-contractors, the Sub-contractor's Employees and LRWs, as far as reasonably practicable, undertake all work in a manner comparable with the requirements of the UK's health, safety and environmental legislation, or in accordance with the equivalent requirements of the host nation where these are more stringent.

30. **ID Cards**

30.1 The Second Party shall ensure that all information, including that specified in the Authority's Def Stan 05-129 (Issue 5), required for the issue of identity cards or TCN cards to those of the Second Party's Employees and its Sub-contractor's Employees who are authorised to Deploy is provided to the First Party in accordance with the processes set out in the Authority's Def Stan 05-129 (Issue 5).

30.2 The Second Party shall ensure that all information, including that specified in the Local Military Commander's orders, instructions, regulations and procedures, required for the issue of day security passes to the Second Party's and its Sub-contractor's LRWs is provided to the First Party in accordance with the processes set out in the Local Military Commander's orders, instructions, regulations and procedures.

30.3 The Second Party shall be responsible for the safe-keeping of all identity cards, TCN cards and security passes issued to the Second Party's Employees, its Sub-contractor's Employees and LRWs and shall require the Second Party's Employees to wear, and shall procure that its Sub-contractor's Employees and LRWs wear, those identity cards, TCN cards and security passes as instructed by the Local Military Commander. The Second Party shall inform the Second Party's Employees, its Sub-contractor's Employees and LRWs that any misuse, modification or misappropriation of their identity cards, TCN cards or security passes may result in action being taken by the Authority under paragraph 4.1.

OFFICIAL SENSITIVE - COMMERCIAL

31. **Training**

The Second Party shall ensure that the Second Party's Employees and shall procure that its Sub-contractor's Employees and LRWs are provided with the appropriate level of CONDO related training for each Deployment.

32. **Public Relations**

The Second Party shall not make any press statement or undertake any publicity, advertising or marketing campaigns, including for recruitment, specifically referring to the Contract, this Agreement or any Sub-contract without the prior written consent of the Authority as notified by the First Party.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 40: PAYMENT

OFFICIAL SENSITIVE - COMMERCIAL

10.1 Part A: Payment Process

“Delivery Label” means the hardcopy document provided under the Authority’s ordering, receipting and payment system (DECS P2P) setting out details of the Services provided by the Contractor in a Payment Period;

“Monthly Base Amount Delivery Label” means a Delivery Label submitted pursuant to paragraphs 1(A) or 2(A);

“Monthly Reconciliation Payment Delivery Label” means a Delivery Label submitted pursuant to paragraphs 1(B) or 2(B);

“Relevant Day” means the day which is thirty (30) days after the date upon which a valid Delivery Label is receipted in accordance with paragraph 6 by the Authority’s Representative.

10.2 1. Capacity Based Pricing Payments and Reporting

(A) On the first Business Day of each Payment Period, the Contractor shall submit to the Authority’s Representative a Delivery Label accompanied by a report (containing all relevant information as agreed with the Authority from time to time) certified by the Contractor’s Representative showing for the previous Payment Period the Monthly Base Amount and a breakdown of each item taken into account in calculating the Monthly Base Amount. The Monthly Base Amount shall comprise ninety (90) per cent of the Monthly Payment payable by the Authority to the Contractor in relation to Services provided in a Payment Period. The Monthly Payment for Capacity Based Pricing shall consist of the following:

- (1) One twelfth (1/12th) of the annual costs excluding Spares and direct sub-contractor costs for the relevant Financial Year as set out in column (i) of Table 70(A) of clause 70.1(A) (Capacity Based Pricing) as may be amended from time to time in accordance with the Annual Plan for the relevant Financial Year and/or schedule 24 (Change Procedure) and any such changes shall be dealt with as an Authority Change;
- (2) Spares and direct sub-contractor costs reasonably and properly incurred in accordance with clause 70.5 (Spares and Direct Sub-contract Costs) in the previous Payment Period;
- (3) One twelfth (1/12th) of the target annual profit as set out in column (iii) of Table 70(A) of clause 70.1(A) (Capacity Based Pricing); and

OFFICIAL SENSITIVE - COMMERCIAL

- (4) any Authority agreed Exceptional Variable Costs incurred in the previous Payment Period;
- (B) As soon as reasonably practicable and in any event no later than ten (10) Business Days following the relevant SPC Contract Review Meeting, the Contractor shall submit to the Authority's Representative a Delivery Label certified by the Contractor's Representative detailing the Monthly Reconciliation Payment for the previous Payment Period referencing the KPI Performance Information in the Data Block and Management Reporting Packs. The Monthly Reconciliation Payment under Capacity Based Pricing shall consist of the following:
 - (1) 10% of the Monthly Payment for Capacity Based Pricing detailed in paragraph 1(A);less
 - (2) any Performance Failure Deductions or Withheld Payments (including any re-categorisations pursuant to schedule 25 (Performance Mechanism)).

(C) Incentivised Fleet Management

In the month following any agreement by the Authority that Fee A and/or Fee B and/or Fee C under the Incentivised Fleet Management fee arrangements has been earned in accordance with clause 70.7 (Incentivised Fleet Management), the Contractor shall submit a Delivery Label to the Authority's Representative which shall include a breakdown of each item taken into account in calculating any Incentivised Fleet Management fee. This Delivery Label shall be delivered on the same day as either the Monthly Base Amount Delivery Label or Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraph 1(A) or 1(B) as applicable.

(D) Reward Fee

No Reward Fee shall be paid whilst the Contractor is delivering Services under a Capacity Based Pricing arrangement. Any Reward Fee earned where

OFFICIAL SENSITIVE - COMMERCIAL

Capacity Based Pricing is in effect shall be paid following submission of a valid Delivery Label to the Authority's Representative in a Payment Period following the transition to Schedule of Rates in accordance with clause 7 (Transformation). This Delivery Label shall be delivered on the same day as either the Monthly Base Amount Delivery Label or Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraph 1(A) or 1(B) as applicable.

(E) Capacity Based Pricing Invoices

Confirmation of acceptance of a Delivery Label (or not as the case may be) and the raising of an invoice by the Contractor in respect of limbs 1(A), 1(B), 1(C) and 1(D) above shall be carried out in accordance with paragraph 6 (Receipting & Invoicing) of this schedule 40 (Payment).

2. Schedule of Rates Based Pricing Payments and Reporting

(A) On the first Business Day of each Payment Period, the Contractor shall submit to the Authority's Representative a Delivery Label accompanied by a report (containing all relevant information as agreed with the Authority from time to time) certified by the Contractor's Representative showing for the previous Payment Period the Monthly Base Amount and a breakdown of each item taken into account in calculating the Monthly Base Amount. The Monthly Base Amount shall comprise ninety (90) per cent of the Monthly Payment payable by the Authority to the Contractor in relation to Services provided in a Payment Period. The Monthly Payment for Schedule of Rates shall consist of the following:

- (1) One twelfth ($1/12^{\text{th}}$) of the annual Firm price or Fixed price for MRO1-3 and MRO4 Categories of service calculated in accordance with the relevant Annual Plan for the relevant Financial Year;
- (2) One twelfth ($1/12^{\text{th}}$) of the annual Firm price or Fixed price for (i) Receipt, Inspection, Issue and Storage, (ii) Inventory and Repair Management, (iii) TSF Power Pack Regeneration Facility Personnel, (iv) Basic Fleet Management and (v) Light Weapons SSS;

OFFICIAL SENSITIVE - COMMERCIAL

- (3) One twelfth (1/12th) of the annual target price for Training Uplift Fleet calculated in accordance with the relevant Annual Plan for the relevant Financial Year; and
 - (4) Spares and direct sub-contract costs reasonably and properly incurred in accordance with clause 70.5 (Spares and Direct Sub-contract Costs) in the previous Payment Period to deliver the MRO1-3 and MRO4 outputs.
- (B) As soon as reasonably practicable and in any event no later than ten (10) Business Days following the relevant SPC Contract Review Meeting, the Contractor shall submit to the Authority's Representative a Delivery Label certified by the Contractor's Representative detailing the Monthly Reconciliation Payment for the previous Payment Period referencing the KPI Performance Information in the Data Block and Management Reporting Packs. The Monthly Reconciliation Payment under Schedule of Rates shall be calculated as follows:
- (1) the actual value of the work performed in the previous Payment Period for MRO1-3 and MRO4 outputs calculated in accordance with Table 70(B) and Table 70(D) respectively;
 - (2) One twelfth (1/12th) of the annual Firm price or Fixed price for (i) Receipt, Inspection, Issue and Storage, (ii) Inventory and Repair Management, (iii) TSF Power Pack regeneration Facility Personnel, (iv) Basic Fleet Management; and (v) Light Weapons SSS;
 - (3) One twelfth (1/12th) of the annual target price for Training Uplift Fleet calculated in accordance with the relevant Annual Plan for the relevant Financial Year; and
 - (4) Spares and direct sub-contract costs reasonably and properly incurred in accordance with clause 70.5 (Spares and Direct Sub-contract Costs) in the previous Payment Period to deliver the MRO1-3 and MRO4 outputs,

less

OFFICIAL SENSITIVE - COMMERCIAL

- (5) any Performance Failure Deductions or Withheld Payments (including re-categorisations pursuant to schedule 25 (Performance Mechanism); and
- (6) the 90% amount of the Monthly Payment payable under paragraph 2(A).

(C) Incentivised Fleet Management

In the month following any agreement by the Authority that Fee A and/or Fee B and/or Fee C under the Incentivised Fleet Management fee arrangements has been earned in accordance with clause 70.7 (Incentivised Fleet Management), the Contractor shall submit a Delivery Label to the Authority's Representative which shall include a breakdown of each item taken into account in calculating any Incentivised Fleet Management fee. This Delivery Label shall be delivered on the same day as either the Monthly Base Amount Delivery Label or the Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraphs 2(A) and 2(B) as applicable.

(D) Reward Fee

- (1) Any payments due in relation to the Tangible Element Reward Fee as described in clause 72 (Tangible Element Reward Fee), shall be paid following completion of the relevant Key Milestones set out in schedule 7 (Transformation Plan). The Contractor shall submit a Delivery Label to the Authority's Representative which shall include a breakdown of each item taken into account in calculating any Tangible Element Reward Fee. This Delivery Label shall be delivered on the same day as either a Monthly Base Amount Delivery Label or a Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraphs 2(A) or 2(B) as applicable, within twenty (20) Business Days of the Authority approving in writing the completion of the relevant Key Milestone in accordance with schedule 7 (Transformation Plan).
- (2) Any payments the Authority deems due in relation to the Intangible Element Reward Fee as described in clause 73 (Intangible Element Reward Fee), shall be paid following the end of a Reward Fee

OFFICIAL SENSITIVE - COMMERCIAL

Assessment Period. Where the Authority has agreed in writing that the Contractor is entitled to payment of an Intangible Element Reward Fee, the Contractor shall submit a Delivery Label to the Authority's Representative which shall include a breakdown of each item taken into account in calculating any Intangible Element Reward Fee. This Delivery Label shall be delivered on the same day as either a Monthly Base Amount Delivery Label or a Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraphs 2(A) or 2(B) as applicable, within twenty (20) Business Days of the Authority confirming in writing what sum is due in relation to the relevant Reward Fee Assessment Period.

(E) **Training Uplift Fleet ("TUF") Reconciliation Amount**

- (1) As soon as reasonably practicable but no later than thirty (30) Business Days, following the end of a Financial Year, the Contractor shall present the Authority with a record of actual costs reasonably and properly incurred in the delivery of the TUF requirement under the MPTC pricing mechanism for the relevant Financial Year (the "TUF Cost Report").
- (2) The Authority shall review the TUF Cost Report within thirty (30) Business Days of receipt and shall raise any disputed amounts with the Contractor. If the parties do not agree the TUF Cost Report this will be deemed a Disputed Amount and paragraph 8 shall apply. No Delivery Label or invoice shall be raised by the Contractor until agreement is reached on the TUF Cost Report between the parties.
- (3) Subject to paragraph 2(E)(2) above, the Contractor shall submit a Delivery Label to the Authority for the "TUF Reconciliation Amount". The TUF Reconciliation Amount shall represent the amount owed to the Contractor by the Authority or by the Contractor to the Authority calculated in accordance with clause 70.3(A)(4) (Schedule of Rates Pricing) of this Contract, taking into account the payments made during the relevant Financial Year in accordance with this schedule 40 (Payment) in relation to the provision of TUF requirements. This Delivery Label shall be delivered on the same day as either a Monthly

OFFICIAL SENSITIVE - COMMERCIAL

Base Amount Delivery Label or a Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraphs 2(A) or 2(B) as applicable, no later than the thirty first (31st) Business Day after submission of the TUF Cost Report.

(F) Transition to Schedule of Rates pricing

The Contractor shall submit a Delivery Label to the Authority's Representative in accordance with clause 70.2(D) (Transition to Schedule of Rates Pricing) or 70.2(E) (Transition to Schedule of Rates Pricing) as the case may be, where relevant. This Delivery Label shall be delivered on the same day as either a Monthly Base Amount Delivery Label or a Monthly Reconciliation Payment Delivery Label are delivered in accordance with paragraphs 2(A) or 2(B) as applicable.

(G) Schedule of Rates pricing Invoices

Confirmation of acceptance of a Delivery Label (or not as the case may be) and the raising of an invoice by the Contractor in respect of limbs 2(A), 2(B), 2(C), 2(D), 2(E) and 2(F) above shall be carried out in accordance with paragraph 6 (Receipting & Invoicing) of this schedule 40 (Payment).

3. Payments of Monthly Base Amount

Payment of the Monthly Base Amount by the Authority under this schedule 40 (Payment) shall not, unless expressly stated to do so, constitute:

- (A) acceptance by the Authority of any contractual deliverable;
- (B) a representation by the Authority that the Contractor has complied with any contractual obligation; or
- (C) a waiver of the Authority's right to subsequently claim that the conditions for payment of that interim payment were not satisfied.

4. Aspirational Pricing and SSS Arrangements

Aspirational Pricing and SSS Arrangements payment terms shall be introduced in accordance with schedule 7 (Transformation Plan).

5. Other Payments

OFFICIAL SENSITIVE - COMMERCIAL

If, under this Contract, the Authority or the Contractor is required to make payments other than those expressly set out in paragraphs 1, 2 and 4 above including but not limited to:

- (A) any amounts payable and falling due in the previous Payment Period for a Compensation Event;
- (B) if the Contractor has incurred Direct Losses and/or Indirect Losses in the previous Payment Period as a result of a MIAC Required Action, any amounts payable to the Contractor pursuant to clause 35.6 (Authority's Indemnity on Measures in a Crisis);
- (C) any Overhead Recovery Fee payable in accordance with clause 81 (Commercial Work); and
- (D) any Authority Contract Return Excess Payment payable in relation to the final Financial Year of the Contract in accordance with schedule 35 (Profit Sharing).

A Delivery Label shall be accompanied by a report (and all relevant information as agreed with the Authority from time to time) certified by the Contractor's Representative showing that such payments are due to the Contractor or by the Contractor pursuant to this Contract and showing a breakdown of each item taken into account in calculating such costs. Any such Delivery Labels shall be delivered on the same day as either a Monthly Base Amount Delivery Label or Monthly Reconciliation Payment Delivery Label.

6. Receipting and Invoicing

- (A) Upon receipt of a valid and agreed Delivery Label and relevant evidence pursuant to paragraphs 1 (Capacity Based Pricing), 2 (Schedule of Rates pricing), 4 (Aspirational Pricing and SSS Arrangements) and/or 5 (Other Payments) above, the Authority's Representative shall as soon as reasonably practicable either:
 - (1) enter the relevant details into the Authority's ordering receipting and payment system (DECS P2P), indicating confirmation of performance of the Services and/or satisfaction of the Authority's requirements in relation to payment of other amounts in relation to the:
 - (a) Monthly Base Amount;
 - (b) Monthly Reconciliation Payment (if any);
 - (c) Incentivised Fleet Management fee;
 - (d) Reward Fee;

OFFICIAL SENSITIVE - COMMERCIAL

- (e) Training Uplift Fleet (“TUF”) Reconciliation Amount;
 - (f) Transition to the next Stage of Transformation in accordance with clause 70.2 (Transition to Schedule of Rates Pricing);
 - (g) other payments in accordance with paragraph 5 (Other Payments) (“Receipting”); or
- (2) notify the Contractor’s Representative that:
 - (a) the Authority is withholding Receipting of all or any part of the amount claimed by the Contractor pursuant to paragraph 8 (Disputed Amounts) giving reasons for withholding such Disputed Amounts; and
 - (b) any undisputed amounts shall constitute a valid, properly completed claim for payment.
- (B) Following Receipting, the Contractor shall submit invoices to the Authority, using a properly prepared message structure and format for each invoice in relation to the:
 - (1) Monthly Base Amount;
 - (2) Monthly Reconciliation Payment (if any);
 - (3) Incentivised Fleet Management fee;
 - (4) Reward Fee;
 - (5) Training Uplift Fleet (“TUF”) Reconciliation Amount;
 - (6) Transition to the next Stage of Transformation in accordance with clause 70.2 (Transition to Schedule of Rates Pricing); and/or
 - (7) other payments in accordance with paragraph 5 (Other Payments), in accordance with the arrangements set out in annex 1 to this schedule 40 (Payment) (Electronic Transaction Agreement). #

7. Payment

- (A) Subject to paragraph 8, the Authority shall, on or before the Relevant Day, pay the amount stated in any valid, properly completed Delivery Label (which shall include any undisputed amounts notified to the Contractor’s Representative pursuant to paragraph 6 submitted to the Authority).
- (B) Notwithstanding any statement to the contrary on a Delivery Label, Receipting 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 either under this Contract or otherwise.

OFFICIAL SENSITIVE - COMMERCIAL

- (C) If the Authority's Representative's notice or Delivery Label submitted in accordance with paragraph 6 shows a net amount owed by the Contractor to the Authority, this Contractor shall pay that amount to the Authority within fifteen (15) Business Days, at the option of the Authority's Representative, carry forward that amount to its next Delivery Label and accompanying report as a reduction of amounts that would otherwise have been owed by the Authority to the Contractor.
- (D) The Authority's bill paying bank branch shall make payment to the Contractor of all valid claims submitted for payment in accordance with the terms and conditions of the Contract by means of the Bankers Automated Clearing Service (BACS) directly into the Contractor's nominated bank account. To facilitate payment by means of the BACS system, the Contractor shall provide to the Authority's bill paying branch in advance of the submission of valid claims, if it has not done so by the Commencement Date, details of the name and address of its bank, the sort code and account number.

8. **Disputed Amounts**

- (A) The Authority may withhold payment of any amount it believes the Contractor is not entitled to pursuant to this Contract ("Disputed Amount") pending agreement or determination of the Contractor's entitlement in relation to the Disputed Amount but shall pay any undisputed amounts on or before the Relevant Day.
- (B) Within five (5) Business Days following receipt by the Contractor's Representative of any withholding Receipting notice served by the Authority's Representative pursuant to paragraph 6(A)(2)(a), the Contractor's Representative shall respond by notifying the Authority's Representative as to whether or not it agrees with the statements made in that notice and the grounds for such agreement or disagreement. If the Contractor indicates that it does agree, or if the Contractor's Representative fails to make such a response within that time limit, the Authority shall be entitled to:
 - (1) retain on a permanent basis any amounts withheld pursuant to paragraph 8(A); and
 - (2) reclaim from the Contractor the amount of any over-payment which may have been made to the Contractor together with interest on any such amount at the Prescribed Rate calculated on a daily basis and compounded quarterly from the date on which the over-payment was

OFFICIAL SENSITIVE - COMMERCIAL

made until that amount has been paid in full and whether before or after judgement.

- (C) If the Contractor's Representative responds pursuant to paragraph 8(B) that it does not agree with all or any of the statements made in any notice served by the Authority pursuant to paragraph 6, the matter or matters in question shall be determined under clause 28 (Dispute Resolution).
- (D) If the determination of any Dispute conducted pursuant to clause 28 (Dispute Resolution) shows that:
 - (1) the Authority has withheld any amount which the Contractor was entitled to be paid; or
 - (2) the Contractor has claimed under paragraphs 1 (Capacity Based Pricing), 2 (Schedule of Rates pricing), 4 (Aspirational Pricing and SSS Arrangements) and/or 5 (Other Payments) any amount which it was not entitled to be paid,
- (E) The Authority shall, where paragraph 8(D)(1) applies, pay such amount to the Contractor or the Contractor shall, where paragraph 8(D)(2) applies, repay to the Authority any such amount paid, with interest in each case on that amount at the Prescribed Rate calculated on a daily basis and compounded quarterly from the date on which payment should have been made (in the case of failure to pay by the Authority) or from the date on which over payment was made (in the case of excessive claims by the Contractor) until all relevant monies have been paid in full and whether before or after judgement.

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

ANNEX 1: ELECTRONIC TRANSACTIONS AGREEMENT

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

THE ELECTRONIC TRANSACTIONS AGREEMENT

Between

And

SECRETARY OF STATE FOR DEFENCE

MINISTRY OF DEFENCE

Electronic Transactions Agreement

THIS AGREEMENT comprises the General Clauses for electronic transactions.

The terms of this Agreement shall govern the conduct and methods of operation between the parties in relation to the electronic exchange of data for the purposes of or associated with the supply of Articles and/or Services pursuant to those contracts which reference it. Except as otherwise provided in the appended terms, the terms do not apply to the substance of the data transfer. This Agreement shall have the date of and be effective from the date of the last signature hereunder.

AGREED

For and on behalf of:

For and on behalf of:

Secretary of State for Defence

Signature: _____

Signature: _____

Name: _____

Name: _____

Position: _____

Position: _____

Date: _____

Date: _____

FINAL VERSION

OFFICIAL SENSITIVE - COMMERCIAL

Whose Registered Office is at:

Whose Address is:

Agreement reference number:

Contents

Electronic Transactions

General Clauses

CLAUSE 1	Definitions
CLAUSE 2	Scope
CLAUSE 3	Security of Data
CLAUSE 4	Authenticity of Messages
CLAUSE 5	Integrity of Messages
CLAUSE 6	Acknowledgement of Receipt of Messages
CLAUSE 7	Storage of Data
CLAUSE 8	Intermediaries
CLAUSE 9	Term and Termination
CLAUSE 10	Interruption of Service
CLAUSE 11	Invalidity and Severability
CLAUSE 12	Notices
CLAUSE 13	Precedence
CLAUSE 14	Virus Control
CLAUSE 15	Limit of Liability
CLAUSE 16	Entire Agreement
11.	
Annex A	Message Implementation Guidelines (MIGs) and additional requirements and information applicable to this Agreement

OFFICIAL SENSITIVE - COMMERCIAL

1. Definitions

- a. In this Agreement, in addition to the definitions in DEFCON 501:
- i. **"Acknowledgement of Receipt"** means the procedure by which, on receipt of a Message, the logical presentation or form are checked, and a corresponding acknowledgement or rejection is sent by the receiver;
 - ii. **"Adopted Protocol"** means the method(s) for the Interchange of Messages between the respective Parties and an intermediary appointed pursuant to Clause 8 for the presentation and structuring of the transmission of Messages as defined in Annex A
 - iii. **"Associated Data"** means that data which accompanies a Message but may not be in the Adopted Protocol; such data may include header information, protective markings, designations, Electronic Signatures, date and time of transmission and of receipt;
 - iv. **"Data"** means all Messages and Associated Data transmitted, received or stored in a digital form;
 - v. **"Data File"** means a single record or collection of data records that are logically related to each other, and are handled as a unit;
 - vi. **"Data Log"** means a complete record of all Data Interchanged representing the Messages and their Associated Data between the parties;
 - vii. **"Defence Electronic Commerce Service" or "ePurchasing"** mean the service provided by the party under contract to the Authority to manage the electronic receipt, transmission and translation of messages exchanged between the Authority and its suppliers;
 - viii. **"Electronic Signature"** means anything in electronic or digital form incorporated into or otherwise logically associated with an electronic communication for the purpose of establishing the authenticity of the communication or its integrity, or both;

OFFICIAL SENSITIVE - COMMERCIAL

- ix. "**Expunge**" means the removal of the information contained in a Message document such that the content of the Message is removed from the system in a manner which precludes its retrieval (but with no obligation in respect of the record of its receipt);
- x. "**Functional Acknowledgement**" means an acknowledgement Message by the receiving party's computer software application which automatically confirms the receipt of a Message at the moment of receipt;
- xi. "**Interchange**" means the electronic exchange of Data between the Parties using the Adopted Protocol;
- xii. "**Message**" means Data structured in accordance with the Adopted Protocol and transmitted electronically between the parties including where the context admits any part of such Data.

2. Scope

- a. The Messages to be exchanged under this Agreement are detailed in the Message Implementation Guidelines referred to in Annex A, which also includes guidance on how these should be profiled.
- b. This Agreement shall apply to all Messages passed between the parties using the Adopted Protocol. The parties agree that all such Messages shall be transmitted in accordance with the provisions of this Agreement.
- c. The parties may agree additional or alternative terms to reflect additional or different requirements which they may have for the Interchange of Messages, which terms shall form part of this Agreement.

3. Security of Data

- a. Each of the parties shall:

OFFICIAL SENSITIVE - COMMERCIAL

- i. ensure as far as reasonably practicable, that Data is properly stored, is not accessible to unauthorised persons, is not altered, lost or destroyed and is capable of being retrieved only by properly authorised persons;
 - ii. subject to the provisions of Sub-Clause 8.a. ensure that, in addition to any security, proprietary and other information disclosure provision contained in the Contract, Messages and Associated Data are maintained in confidence, are not disclosed or transmitted to any unauthorised person and are not used for any purpose other than that communicated by the sending party or permitted by the Contract;
 - iii. protect further transmission to the same degree as the originally transmitted Message and Associated Data when further transmissions of Messages and Associated Data are permitted by the Contract or expressly authorised by the sending party.
- b. The sending party shall ensure that Messages are marked in accordance with the requirements of the Contract. If a further transmission is made pursuant to Sub-Clause 3. a. iii. the sender shall ensure that such markings are repeated in the further transmission.
- c. The parties may apply special protection to Messages by encryption or by other agreed means, and may apply designations to the Messages for protective Interchange, handling and storage procedures. Unless the parties otherwise agree, the party receiving a Message so protected or designated shall use at least the same level of protection and protective procedures for any further transmission of the Message and its Associated Data for all responses to the Message and for all other communications by Interchange or otherwise to any other person relating to the Message.
- d. If either party becomes aware of a security breach or breach of confidence in relation to any Message or in relation to its procedures or systems (including, without limitation, unauthorised access to their systems for generation, authentication, authorisation, processing, transmission, storage, protection and file management of Messages) then it shall immediately inform the other party of such breach. On being informed or becoming aware of a breach the party concerned shall:

OFFICIAL SENSITIVE - COMMERCIAL

- i. immediately investigate the cause, effect and extent of such breach;
 - ii. report the results of the investigation to the other party;
 - iii. use all reasonable endeavours to rectify the cause of such breach.
- e. Each party shall ensure that the contents of Messages that are sent or received are not inconsistent with the law, the application of which could restrict the content of a Message or limit its use, and shall take all necessary measures to inform without delay the other party if such an inconsistency arises.

4. Authenticity of Messages

- a. Each Message shall identify the sending party and receiving party and its authenticity shall be verified by the means specified in the Adopted Protocol.
- b. The parties agree not to contest the authenticity, admissibility or enforceability of Messages under the provisions of any applicable law relating to whether certain agreements are in writing and signed by the party to be bound thereby. Messages, when printed from electronic files and records established and maintained in the normal course of business will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form.

5. Integrity of Messages

- a. The sending party shall ensure as far as is reasonably practicable that all Messages are complete, accurate and secure against being altered in the course of transmission and, subject to Sub-Clauses 5.b. 5.d. and 15, shall be liable for the direct consequences of any failure to perform its obligations under this Sub-Clause 5.a.
- b. Each party will accord all Messages the same status as would be applicable to a document or to information sent other than by electronic means, unless a Message can be shown to have been corrupted as a result of technical failure on the part of a machine, system or transmission line involved in the process of Interchange.

OFFICIAL SENSITIVE - COMMERCIAL

- c. Upon either party becoming aware that a Message has been corrupted or if any Message is identified as incorrect then that party shall inform the other and the sending party shall re-transmit the Message as soon as practicable with a clear indication that it is a corrected Message. Any liability of the sending party which would otherwise accrue from its failure to comply with the provisions of this Sub-Clause 5.c. shall not accrue if Sub-Clause 5.d. applies.
- d. Notwithstanding Sub-Clauses 5.a. and 5.c. the sending party shall not be liable for the consequences of a corrupted or incorrect transmission or any failure to re-transmit if the error is or should in all the circumstances be reasonably obvious to the receiving party. In such event the receiving party shall immediately notify the sending party thereof.
- e. If the receiving party has reason to believe that a Message is not intended for them they shall notify the sending party and if so requested by the sending party shall, so far as is reasonably possible, Expunge from its system the information contained in such Message.

6. Acknowledgement of Receipt of Messages

- a. Except where the Interchange of Messages takes place solely within ePurchasing, immediately upon receipt of a Message at its receipt computer, the receiving party's receipt computer shall automatically transmit a Functional Acknowledgement in return and additionally the sender may request an Acknowledgement of Receipt.
- b. An Acknowledgement of Receipt is required unless stipulated in the Contract to the contrary.
- c. Where an Acknowledgement of Receipt is required, the receiver of the Message to be acknowledged shall ensure that the acknowledgement or a rejection is sent within the time limit specified in the Contract or in Annex A to this Agreement if applicable or, if no limit is specified, within a reasonable period of time.
- d. Where an Acknowledgement of Receipt is required, if the sender does not receive the Acknowledgement of Receipt or rejection within the time limit applicable, or, if no time

OFFICIAL SENSITIVE - COMMERCIAL

limit is specified, within a reasonable time, the sender may, upon giving notice to the receiver, treat the message as having no force or effect.

- e. Acknowledgement in accordance with this clause shall not be deemed to constitute acceptance of any offer contained in any Message. Acceptance of an offer contained in any Message which is intended to create a legally binding obligation shall be in accordance with the provisions of the Contract.
- f. A Message shall be understood to have been received from the sender:
 - i. if transmitted between 09.00 and 17.00 hours on a business day (recipient's time) on receipt by the sender of a Functional Acknowledgement; or
 - ii. if transmitted at any other time, at 09.00 on the first business day (recipient's time) on receipt by the sender of a Functional Acknowledgement; or
 - iii. if the Interchange of Messages takes place solely within ePurchasing, at the moment a Message is completed by pressing the submit button if transmitted between 09.00 and 17.00 hours on a business day (recipient's time) or if transmitted at any other time, at 09.00 on the first business day (recipient's time).

7. Storage of Data

- a. Each party shall maintain a Data Log or shall cause an intermediary to maintain a Data Log recording all Messages and Associated Data as sent and received without modification.
- b. The Data Logs may be maintained as Data Files on computer or by other suitable means provided that a copy of the Data can be readily retrieved and presented in human readable form. Procedures to enable a secure means of archiving Data Logs shall be detailed in the Contract or agreed between the parties.
- c. Each party shall be responsible for making such arrangements as may be necessary for the Data contained in its Data Log to be prepared as a correct record of the Messages and Associated Data as sent or received by that party. In the event that a party has

OFFICIAL SENSITIVE - COMMERCIAL

destroyed its Data Log, the other party shall have no obligation to furnish it with any information recorded in its Data Log.

d. Each party shall ensure that:

- i. it has appointed an identifiable person responsible for the operation and management of that party's data processing system concerned with the Interchange of Messages; and
- ii. the person responsible for the data processing system concerned with the Interchange of Messages, or such other person as may be agreed by the parties or required by law, shall certify that the Data Log and any reproduction made from it is correct and complete.

8. Intermediaries

- a. Subject to Clause 15 if either party uses the services of an intermediary to transmit, log, store or process Messages, that party shall be responsible for any acts, failures or omissions by that intermediary in its provision of the said services as though they were his own acts, failures or omissions. The Authority shall be liable as between the Authority and the Contractor for any acts, failures or omissions of ePurchasing in its provision of the services of an intermediary as though they were the acts, failures or omissions of the Authority.
- b. Any party using an intermediary shall ensure that it is a contractual responsibility of the intermediary that no change in the substantive data content of the Messages to be transmitted is made and that such Messages are not disclosed to any unauthorised person.

9. Term and Termination

- a. This Agreement shall take effect as of the date of last signature and shall remain in full force and effect until terminated by either party upon giving one month's notice to the other. Any termination of this Agreement shall not affect contracts that call it up by reference prior to that termination.

OFFICIAL SENSITIVE - COMMERCIAL

- b. Notwithstanding termination for any reason, Clauses 3, 7 and 8 shall survive termination of this Agreement.
- c. Termination of this Agreement shall not affect any action required to complete or implement Messages which are sent prior to such termination.

10. Interruption of Service

- a. The parties acknowledge that service may be interrupted at times during the course of this Agreement. In such circumstances, the parties shall immediately consult each other on the use of alternative forms of communication to be used, including facsimile, telephone or paper. Any alternative forms of communication shall not be controlled by this Agreement.
- b. Applicable only in the absence of a relevant clause in the Contract:
 - i. Subject to Sub-Clause 10. a., a party shall not be deemed to be in breach of this Agreement by reason of any delay in performance, or non-performance, of any of its obligations hereunder to the extent that such delay or non-performance is due to any interruption of service or incident of Force Majeure as described in Sub-Clause 10.b.iii. below, of which he has notified the other party without delay
 - ii. The time for performance of that obligation shall then be extended accordingly. Sub-Clause 10. b. i. shall not operate so as to relieve liability for any matter which is a breach of Clause 3 of this Agreement
 - iii. For the purposes of this Agreement, Force Majeure means, in relation to either party, any circumstances beyond the reasonable control of that party.

11. Invalidity and Severability

In the event of a conflict between any provision of this Agreement and any law, regulation or decree affecting this Agreement, the provisions of this Agreement so affected shall be regarded as null and void or shall, where practicable, be curtailed and limited to the extent

OFFICIAL SENSITIVE - COMMERCIAL

necessary to bring it within the requirements of such law, regulation or decree but otherwise it shall not render null and void other provisions of this Agreement.

12. Notices

The provisions of DEFCON 526 shall apply.

13. Precedence

In the event of any conflict between the terms of this Agreement and the Contract, then the terms of the Contract shall prevail in relation to the substance of the Messages in connection with the Contract.

14. Virus Control

Each party and its intermediary (if any) shall operate at all times a virus control check for all Interchange of Messages.

15. Limit of Liability

- a. Each party agrees that, in relation to any claim, or series of connected claims, including claims for negligence but excluding claims resulting from wilful misconduct, arising from any delay or omission or error in the electronic transmission or receipt of any message pursuant to this Agreement, the liability of either party to the other shall be limited to £10,000 (exclusive of VAT), or where the Contract provides otherwise, to such other amount as is specified in the Contract.
- b. For the avoidance of doubt, liability in relation to any claim arising under the Contract shall be determined in accordance with the Contract.
- c. In the event that a delay, omission or error as referred to in Clause 15a occurs, which causes a delay in the performance of an obligation by either party under the Contract, the period for the performance of that obligation by the affected party shall be extended by a period of time equal to the period of any such delay, omission or error.

16. Entire Agreement

This Agreement, including Annex A and any documents expressly referred to in this Agreement, represents the entire agreement between the parties and supersedes all other agreements oral or written, and all other communications between the parties relating to the subject matter hereof provided that nothing in this Clause shall exclude any liability for fraudulent misrepresentation.

ANNEX A TO DEFFORM 30

Message Implementation Guidelines (MIGs)

The current and applicable MIG as approved by the MOD within this agreement is available by telephoning the 'ePurchasing Service Desk' on 0870 241 3569, by fax on 01463 643099 or alternatively by post from:

MIG Information
C/o ePurchasing Service Desk,
Capgemini UK Ltd,
10 Henderson Rd,
Inverness,
SCOTLAND IV1 1AU

OFFICIAL SENSITIVE - COMMERCIAL

SCHEDULE 41: PRE-AGREED EVCs

1. The Parties agree that:

- (i) at the Commencement Date a price of £7,291,092 has been agreed in relation to the EVCs for certain carried-forward activities set out in Annex A (other than those items in the sheet marked “not yet approved”) and Annex B to this schedule 41 ("Pre-Agreed EVCs");
- (ii) for the avoidance of doubt, all Spares and direct sub-contract costs shall be paid on a limit of liability basis as set out in clause 70.5 (Spares and Direct Sub-contract Costs);
- (iii) payment of all such Pre-Agreed EVCs shall be made by the Authority following delivery of each EVC Batch in accordance with clause 94.1 (Delivery);
- (iv) that paragraph 1(A)(4) of schedule 40 (Payment) shall be construed accordingly;
- (v) the RDD and Service Categories to which such Pre-Agreed EVCs apply shall be agreed by the Parties (acting reasonably) no later than 15 May 2015 provided that the Contractor receives from the Authority details of work in progress to be carried forward in respect of Warrior no later than 15 April 2015;
- (vi) Pre-Agreed EVCs identified as "indicative" or "limit of liability" in (i) above are indicative only ("Indicative Pre-Agreed EVCs") and for the avoidance of doubt, the process set out in schedule 24 (Change Procedure) shall apply to such Indicative Pre-Agreed EVCs; and
- (vii) those items in the sheet in the appendix to this schedule 41 marked as “not yet agreed” are also indicative only and included in this Contract for information only and for the avoidance of doubt, the process set out in schedule 24 (Change Procedure) shall apply to such items.