

- 38.3. Any subsequent Change in Certification and Classification shall be dealt with in accordance with Clause 39 (Changes in Certification and Classification).
- 38.4. The final decisions of the Classification Society or Regulatory Authorities shall be binding on the Parties as to the Intercept and Escort Craft(s) compliance with their respective applicable laws, rules, regulations and requirements.
- 38.5. Subject to Clause 38.1 all costs, fees and charges in respect of compliance with the applicable laws, rules, regulations and requirements of the Classification Society or Regulatory Authorities referred to above (as well as the fees and costs payable to the Classification Society or Regulatory Authorities) shall be for the Contractor's cost and expense.

39. Changes in Certification and Classification

- 39.1. Subject to Clause 38 (Certification and Classification) above, the Clauses 39.2 to 39.7 below shall apply to any Change in Certification and Classification.
- 39.2. The Parties shall promptly notify the other Party of the change as soon as possible after becoming aware of the Change in Certification and Classification.
- 39.3. The Contractor shall at his own expense provide to the Authority a written statement detailing the consequences of implementing the Change in Certification and Classification, including but not limited to, any changes to:
 - 39.3.1. Contract price in accordance with Clause;
 - 39.3.2. Delivery Date;
 - 39.3.3. Speed of the Intercept and Escort Craft(s);
 - 39.3.4. Lifting weight.
- 39.4. If the Authority obtains an exemption from the Change in Certification and Classification, he shall notify the Contractor of such and the Contractor shall take no further action in relation to the Change in Certification and Classification.
- 39.5. If the Authority has not sought or obtained an exemption from the Change in Certification and Classification, the Contractor shall incorporate such Change in Certification and Classification into the construction of the Intercept and Escort Craft(s).
- 39.6. The Parties shall agree any adjustments to the Contract resulting from the incorporation into the construction of the Intercept and Escort Craft(s) of any Change in Certification and Classification.
- 39.7. If the Parties fail to agree the adjustments, the Contractor shall proceed with required changes and the consequences of its implementation shall be decided in accordance with DEFCON 530 (Dispute Resolution).

40. Changes to the Contract

Categorisation of Changes

- 40.1. Each proposal for a change to the Contract shall be categorised as follows:
 - 40.1.1. Priority changes.
 - 40.1.2. Routine changes.
- 40.2. The category shall be determined by the Authority's Authorised Officer following the Contract Change Proposal Procedure set out at Clause 40.3 below.

Contract Change Proposal Procedure

40.3. The procedure set out in the following Table shall be followed by the Authority and the Contractor for all Changes to this Contract except as otherwise provided for under this Contract.

	Changes Initiated by the Authority	Changes Initiated by the Contractor
Step 1	<p>A Change Number shall be allocated by the Authority's Authorised Office using Contract Change Proposal Form (CCPF) 2. Change category assigned by the Authority's Authorised Officer.</p> <p>Written request for a formal proposal shall be issued to the Contractor by the Authority.</p>	<p>The Contractor shall gain internal Contractor approval to submit a Contract Change Proposal.</p>
Step 2	<p>The Contractor shall respond to the Authority within ten Business Days (five Business Days for priority changes) of receiving the written request advising the date by which the Contract Change Proposal Form (CCPF1) shall be submitted.</p>	<p>Initially an outline CCPF 1 shall be tabled by the Contractor with a Rough Order of Magnitude price to cover the change and advising the date by which the Contract Change Proposal Form (CCPF1) shall be submitted. The proposal shall be given a Change Proposal Number and registered on the Index of Contract Change Proposals (Form CCPF 2) by the Authority's Authorised Officer who shall advise the Contractor whether to proceed with the following steps or that the change proposal is rejected.</p>
Step 3	<p>Within fifteen Business Days (ten Business Days for priority changes) of receiving the written request the Contractor shall provide an outline CCPF 1 with an indication of the price to cover the change. The Authority's Authorised Officer will advise the Contractor whether to proceed with the following steps or that the change proposal is rejected.</p>	NOT USED
Step 4	<p>The Contractor shall determine, in conjunction with the Authority, whether sub-Contract competition is required</p>	
Step 5	<p>The Contractor shall provide formal completed CCPF1 including proposed Firm prices (including a price breakdown) in accordance with Schedule 3 (Schedule of Requirements - Pricing and Required Delivery Dates) to this Contract. The CCPF 1 shall be submitted in accordance with Step 2.</p>	

	Changes Initiated by the Authority	Changes Initiated by the Contractor
Step 6	If required, the Authority and the Contractor shall meet will meet five business days from receipt of CCPF1 to agree and approve the change. The Authority's Authorised Officer shall make the necessary arrangements to convene the meetings.	
Step 7	Subject to agreement of a Firm Price, any other changes to the Contract and approval of funding the Authority's nominated Commercial Officer shall issue a serially numbered Contract Amendment in writing to the Contractor's nominated Commercial Manager within ten Business Days of agreement of the change proposal. The provisions of DEFCON 503 shall apply.	
Step 8	The Contract Amendment shall be signed by the Contractor's nominated Commercial Manager and such confirmation of acceptance returned to the Authority	

- 40.4. The Authority shall maintain configuration control of CCPF 1 forms and the CCPF 2, at Schedule 15, and shall issue copies to the Contractor's nominated Project and Commercial Managers as requested.
- 40.5. Once the CCPF 1 at Schedule 15, has been agreed and authorised by the Authority the signed original CCPF 1 at Schedule 15 and all its attachments, including the Contractor's quotation, shall be retained by the Authority's Commercial Officer who shall raise a Contract Amendment in accordance with Step 7 of the procedure set out at Clause 40.3 above indicating formal approval for the Contractor to implement the change. A copy of the CCPF1 at Schedule 15, shall be retained by the Contractor.
- 40.6. The Contractor's cost for supporting in the Contract Change Proposal Procedures specified at Clause 40.5 above are included in the Contract Price detailed at Schedule 4a (Schedule of Requirements - Pricing and Required Delivery Dates).

Pricing of Contract Change Proposals

- 40.7. Contract Amendment(s) resulting from a CCPF 1 (Schedule 15) submission shall not be issued until Firm prices have been agreed by the Authority's Commercial Officer. Such prices shall be based upon the Contract rates set out to Schedule 4a (Schedule of Requirements - Pricing and Delivery Dates) to this Contract.
- 40.8. In exceptional circumstances, where the Authority requires urgent action to be taken provisional prices for change may be set in accordance with DEFCON 643 (Price Fixing). Such provisional prices shall be based upon the Contract rates set out to Schedule 4 (Schedule of Requirements - Pricing and Required Delivery Dates) to this Contract.
- 40.9. Where the change has a Sub-Contract element the Firm price proposed for that element on the CCPF 1 (Schedule 15) shall be equal to the sum of the quotation from the Sub-Contractor plus the agreed Contractor's rates detailed at Schedule 4 (Schedule of Requirements - Pricing and Required Delivery Dates) to this Contract.

Gainshare Proposals

- 40.10. Should either the Authority or the Contractor propose a change to the Contract which shall result in a benefit to the Authority, the CCPF1 at Schedule 15, shall be completed with full details of the proposed benefit that would accrue to the Authority in approving

the implementation of such a change. The CCPF 1 at Schedule 15 shall also include the Contractor's proposal for sharing of any resultant financial benefit or increase in Contract price based on the net effect of such a change.

- 40.11. In such cases the Contract Change Procedure detailed at Clause 40.3 shall be followed and the Parties shall consider whether the proposed change should be implemented. If approved, the sharing arrangements and method of payment shall be agreed on a case by case basis.

General

- 40.12. The Authority shall not accept liability for any costs or charges incurred other than in accordance with this Contract including tasks properly raised and authorised in accordance with the procedures herein. This Contract may only be changed by the Contractor's acceptance of a written amendment issued after a change has been proposed and evaluated by following the procedures of the Contract Change Proposal (CCP) Form, Schedule 15 to the Contract.

41. Commonality of Equipment and Systems

- 41.1. Schedule 21 (Makers List) sets out the make and out of production dates for major equipment's to be installed in the Intercept and Escort Craft(s).
- 41.2. The Contractor shall ensure that all Intercept and Escort Craft(s) ordered under this Contract are fitted with the same equipment and systems, unless such equipment and/or systems differ due to technical requirements of individual Intercept and Escort Craft(s) or are no longer available. In the event that commonality of equipment and/or systems is not possible the Contractor shall immediately notify and seek approval from the Authority, providing details of the proposed replacement equipment and/or systems. Notwithstanding approval by the Authority, the Contractor shall ensure that any such replacement equipment and/or system is of the same (or better) quality and performance levels as required under this Contract.

42. Replacement of Obsolescent Parts and Equipment

- 42.1. The Contractor shall be responsible for correctly specifying all material to be incorporated into the Intercept and Escort Craft(s), including the replacement of obsolescent parts and equipment and maintaining up-to-date records of equipment variants fitted in each Intercept and Escort Craft. The Contractor shall be required to provide assurance to the Authority that replacement parts and equipment where different from those originally fitted will not affect the Intercept and Escort Craft(s) fitness for purpose in its intended role. The Contractor shall also obtain Lloyds Register certification for replacement parts or equipment where required.

43. Liquidated Damages

- 43.1. This Clause 43 shall not apply to deliveries of the In-Service Support requirements.
- 43.2. It is recognised by the Parties that if the Contractor fails to deliver the Intercept and Escort Craft(s) including ballistic protection kit and road trailer and transport and supportability documentation and training and security by the Required Delivery Date for Contractor to present Boat to Authority for Acceptance, specified in Table 1 to Schedule 4a (Schedule of Requirements - Pricing and Required Delivery Dates), the Authority will suffer loss and damage.