

- 13.2. In addition to the quantity detailed at Item 1 of Schedule 1 (Schedule of Requirements) to this Contract, the Contractor hereby grants to the Authority the following irrevocable option to purchase the quantities of Crafts and In Service Support in accordance with the terms and conditions set out in this Contract or any such subsequent contract or contracts where such options are taken up, it being agreed that the Authority has no obligation to exercise such options.

Option 1a and Option 1b – Additional Craft IEC-25 to IEC-36

- 13.2.1. Option 1a: To enable the Authority to order up to an additional twenty five (25) Intercept and Escort Craft including main ancillaries under Line Item 2 to Schedule 1 (Schedule of Requirements), the end date of the Contract will be extended to 31st March 2029, provided that the Authority exercises this option no later than 31st March 2027.
- 13.2.2. Option 1b: In the event that Option 1a is exercised, a quantity of up to twelve (12) Intercept and Escort Craft including main ancillaries, can be ordered under Item 3 of Schedule 1 (Schedule of Requirements), in accordance with Clause 16 (Tasking Procedure / Authorisation of Work), in addition to the twenty four (24) Intercept and Escort Craft already ordered under Item 1 of Schedule 1 (Schedule of Requirements) to this Contract and at the Fixed prices and in accordance with the delivery schedule set out at Table 4 (Main Ancillaries) of Schedule 4a (Schedule of Requirements – Pricing and Required Delivery Dates) to this Contract.

Option 2 – In Service Support

- 13.2.3. Option 2: Item 4 of Schedule 1 (Schedule of Requirements), to provide In Service Support until 31st March 2026 to the Intercept and Escort Craft ordered under Item 1 of Schedule 1 (Schedule of Requirements) to this Contract and at the Firm prices in accordance with Schedule 4b (Schedule of Requirements – In-Service Support – Pricing (Option) to this Contract, provided that the Authority exercises this option by no later than 6 months from Commencement Date.
- 13.3. The Authority shall have the right to exercise the options by the specified dates or within such further period as corresponds to the aggregate of any such period(s):
- 13.3.1. of delay in the delivery programme whether constituting any breach of the Contract or resulting from any force majeure event within Clause 44 (Permissible Delays); or
- 13.3.2. for the duration of which the Authority is prevented from exercising any such option by reason of any other breach of the Contract by the Contractor.
- 13.4. The Authority shall not be obliged to exercise the options.
- 13.5. For the avoidance of doubt, where the Authority exercises an option, the Fixed prices (adjusted in accordance with Clause 11) for additional Intercept and Escort Craft(s) and additional main ancillaries as set out in Table 4 (Main Ancillaries) of Schedule 4a (Schedule of Requirements - Pricing and Required Delivery Dates) shall apply.

14. Integrated Project Management Plan (IPMP)

- 14.1. The Contractor shall demonstrate good project management practice in undertaking all activities under the Contract. The Authority and the Contractor shall adopt an open and honest approach at all times and ensure that potential risks to performance, cost and

time are exposed at the earliest opportunity. The Contractor shall wherever practicable minimise the detrimental impact on the Authority so as to reduce costs and time and increase performance and shall identify any potential opportunities to the Authority.

- 14.2. The Integrated Project Management Plan (IPMP) (Schedule 6 to the Contract) shall define how the Contract activities shall be managed, outlining the processes, procedures and techniques to be used with details of how all activities, plans and programmes will be established, monitored, changed, controlled, integrated and communicated with the Authority.
- 14.3. The IPMP shall adopt a consistent and coherent approach to project management and establish procedures and reporting mechanisms. Implementation of the IPMP will provide the Authority with confidence in the Contractor's ability to deliver to time, cost and performance in accordance with the Contract and provide early visibility of potential issues so that mitigating action can be taken.
- 14.4. In terms of Project control (PC) system, the IPMP shall:
 - 14.4.1. Describe a PC system that is compliant with the Planning, Scheduling, Monitoring and Control (Association for Project Management, APM 2015); and
 - 14.4.2. Describe how tools, processes and Suitably Qualified and Experienced Personnel (SQEP) are available to support the implementation and use of a PC system throughout the contract duration.
 - 14.4.3. Describe how the PC system is governed, lists the accountabilities and outlines the approval and timeframe for regular review and updating of main Project control products (including but not limited to work breakdown structure, scheduling, risk management plan)
 - 14.4.4. Details how configuration control is applied to the PC system. Describes the Change Control process (including but not limited to change to the PMP, engineering, technical, baseline, or contract changes).
 - 14.4.5. The Contractor shall facilitate the Authority's Representative to conduct a Pre-Contract Award Readiness Review to enable assurance to the Authority of the Contractor's ability to comply with the contract.
- 14.5. No later than three (3) months from the date of this Contract, the Contractor shall update and finalise the draft Integrated Project Management Plan (IPMP) (Schedule 6 to the Contract) together with the associated Annexes and issue to the Authority to review. The updated IPMP shall address the scope of work as set out in the Contract.
- 14.6. The Authority will review the updated IPMP and associated Annexes and provide proposed amendments to the Contractor within twenty (20) Business Days of receipt. The Contractor shall incorporate all reasonable proposals from the Authority into the IPMP within ten (10) Business Days following any discussion held between the parties as a result of the Authority's comments. Thereafter the Contractor shall submit the IPMP and associated annexes at revision 1 status to the Authority as Schedule 6 (Integrated Project Management Plan) for acceptance.
- 14.7. The IPMP shall cross reference to the Contract Clauses, the Statement of Technical Requirements (Schedule 2A, 2B and 2C) and the Statement of Support Requirement – Build (Schedule 26) and all associated Annexes within the IPMP as applicable.

- 14.8. The Contractor shall be responsible for the maintenance and updating of the IPMP throughout the life of the Contract.
- 14.9. The IPMP shall comprise of the following Annexes:
 - 14.9.1. Executive Summary
 - 14.9.2. Annex A - Project Monitoring and Control Plan (including a Contract Set-Up Plan);
 - 14.9.3. Annex B – Stakeholder Management, Communication and Reporting Plan
 - 14.9.4. Annex C – Earned Value Management Plan;
 - 14.9.5. Annex D - Risk Management Plan;
 - 14.9.6. Annex E – Quality Management Plan;
 - 14.9.7. Annex F – Exit Strategy and Transition Plan;
 - 14.9.8. Annex G – Security Plan;
 - 14.9.9. Annex H – Test, Evaluation & Acceptance Plan;
 - 14.9.10. Annex I – Engineering Management Plan;
 - 14.9.11. Annex J – Safety and Environmental Management Plan

15. Risk

- 15.1. The Contractor shall provide and maintain a Risk Management Plan which shall be detailed at Annex D of Schedule 6 (Integrated Project Management Plan).
- 15.2. The risk management process shall be underpinned by the production and maintenance of a formal Risk Register, detailing the Contractor's identified risks. The register shall be managed by the Contractor and presented to the Authority within three (3) months of the award of the Contract. Each risk in the register shall have a nominated risk owner who shall be responsible for the day-to-day management of the risk including the recording of mitigation actions, current risk parameters and status.
- 15.3. The Contractor acknowledges that any risk assessment including, without limitation, the identification of (or failure to identify) particular risks and their impact or risk reduction measures, contingency plans and remedial actions shall not in any way limit or exclude the Contractor's obligations under this Contract and shall be entirely without prejudice to the Authority's rights, privileges and powers under this Contract. Where the Contractor identifies and notifies risks during the risk assessment process such risks shall remain the risks of the Contractor and are not assumed by the Authority.

16. Tasking Procedure/Authorisation of Work

- 16.1. Tasks will be authorised by the Authority by issuing A Work Request Form (MOD Boats Form 1020) as detailed at Schedule 7a (Multi-Task Summary Form / Work Request Form), for all requirements.
- 16.2. All Work Request Forms authorised by the Authority before the end of a MOD Boats Form 1010 (Multi-Task Summary Form) period shall be priced in accordance with the agreed Firm prices for that Year (Financial Year) in Clause 10 (Duration).
- 16.3. In the event that any authorised Work Request Form (MOD Boats Form 1020) and MOD Boats Form 2010B with an Agreed Delivery Date before the Contract End Date, is due

to exceed the Contract End Date the Contractor shall be required to complete the work scope contained within the MOD Boats Form 2010B.

General – Multi-Task Summary Form (MOD Boats Form 1010)

- 16.4. Before the placing of any tasks, the Authority will issue the Contractor with a completed MOD Boats Form 1010 (Multi-Task Summary Form), as detailed at Schedule 7A (Multi-Task Summary Form / Work Request Form). This form will impart to the Contractor:
 - 16.4.1. The period of time covered by the MOD Boats Form 1010, as detailed at Schedule 7A (Multi-Task Summary Form / Work Request Form).
 - 16.4.2. The Limit of Liability. The price of all work performed during that period of time must be within this limit.
 - 16.4.3. The assumptions in terms of Planned Maintenance, Unplanned Maintenance and other requirements used to derive the Limit of Liability.
 - 16.4.4. The technical, financial and commercial approval which authorises the Authority to place this commitment.
- 16.5. On receipt from the Authority, the Contractor shall sign Part D of MOD Boats Form 1010, as detailed at Schedule 7A (Multi-Task Summary Form / Work Request Form) to confirm acceptance of the MOD Boats Form 1010 and return to the Authority.
- 16.6. The Contractor shall immediately inform the Authority's Project Officer detailed in Schedule 5 (Addresses and Other Information), either in writing or by e-mail, in the event that spend across all Work Request Forms in the period of time specified has reached 80% of the LoL identified in MOD Boats Form 1010 as detailed at Schedule 5A (Multi-Task Summary Form / Work Request Form).

General – Work Request Forms (Work Request Form (MOD Boats Form 1020)

- 16.7. The Authority will issue a Work Request Form (MOD Boats Form 1020), as detailed at Schedule 7A (Multi-Task Summary Form / Work Request Form) for each discrete task that the Contractor is to perform. The scope of work described in the Work Request Form (MOD Boats Form 1020), as detailed at Schedule 7A (Multi-Task Summary Form / Work Request Form) shall be deemed to be a 'task' for the purposes of this contract.
- 16.8. The Contractor shall not undertake any work without the prior written authorisation of the Authority, which will be given by signing the appropriate part of Work Request Form (MOD Boats Form 1020), as detailed at Schedule 7A (Multi-Task Summary Form / Work Request Form). The Authority will not be responsible in any way whatsoever for any work undertaken or costs incurred prior to receipt by the Contractor of written authorisation in accordance with this Clause 16.8.
- 16.9. The Contractor shall maintain a list of all Work Request Form (MOD Boats Form 1020) and their progress in the format detailed at Schedule 8 (Key Performance Indicators and Information and Reporting) Information Reporting Input Sheet and provide this electronically to the Authority's Project Officer on a monthly basis. This information, together with the KPI data as detailed in Clause 23 (Key Performance Indicators) and Schedule 8 (Key Performance Indicators and Information and Reporting) will be agenda items at the monthly project review meetings. The information provided in Schedule 8 (Key Performance Indicators and Information and Reporting) shall correspond with the information provided in MOD Boats Form 2010 as detailed at Schedule 7B (Take-On Take-Off and Acceptance) at all times. Where a change is required to the estimated

price and / or the estimated delivery date, the Contractor shall approach the Authority with a reason for the change and a new estimate of price and / or delivery date. The Authority shall have the final decision on whether the changes are acceptable and therefore reflected in Schedule 8 (Key Performance Indicators and Information and Reporting).

- 16.10. In the event that any work authorised by the Authority under a Work Request Form (MOD Boats Form 1020) is not subsequently required and is not undertaken by the Contractor, or where it is agreed by the Parties post the authorisation of a Work Request Form (MOD Boats Form 1020) that the Authority will supply Government Furnished Equipment (GFE) in lieu of Contractor supplied items, the Contractor shall agree a rebate with the Authority. The agreed rebate shall be deducted from the price of the Work Request Form (MOD Boats Form 1020).

Tasking Process

3rd and 4th Line Planned Maintenance, Emergent Tasks, Additional Tasks, Unplanned Maintenance, and Transportation of Boats

- 16.11. On authorisation of a Work Request Form (MOD Boats Form 1020), the Contractor shall raise a MOD Boats Form 2010B (Boats Upkeep Record) as detailed at Schedule 7B (Take-On Take-Off and Acceptance), detailed at appropriate to the boat type being maintained:

Type	Applies To
MOD Boats Form 2010B	All Other Craft Types
MOD Boats Form 2020	Non Upkeep Task Record

- 16.12. If the Contractor has been tasked with transportation of the boat, the Contractor or his representative shall sign Part A of MOD Boats Form 2010B, as detailed at Schedule 7B (Take-On Take-Off and Acceptance) on collection of the boat from the Authority's Premises. If the Authority has transported the boat, the Contractor or his representative shall sign Part A of MOD Boats Form 2010B, as detailed at Schedule 7B (Take-On Take-Off and Acceptance) on arrival at the Contractor's premises.
- 16.13. Following completion of any initial trial and/or inspection, the Contractor shall provide a full breakdown of the work expected to be required to complete the task on Part B of MOD Boats Form 2010B within five (5) working days of receiving the Intercept and Escort Craft, as detailed at Schedule 7B (Take-On Take-Off and Acceptance) including:
- 16.13.1. The Tariff Items from Table 4 (ML3 and ML4 Maintenance) of Schedule 4b (Schedule of Requirements – In-Service Support – Pricing (Option)).
- 16.13.2. All Additional and Emergent Tasks, showing labour hours, materials etc. for all aspects of the work in accordance with DEFCONs 127 (Price Fixing Condition for Contracts of Lesser Value) or 643 (Price Fixing) as appropriate, and using the Firm Rates at Table 1 (Rates) of Schedule 4b (Schedule of Requirements – In-Service Support – Pricing (Option) Statement of Technical Requirements – Pricing).
- 16.13.3. Provide an Agreed Delivery Date for all work under the Task.
- 16.13.4. All other information detailed in Part B of MOD Boats Form 2010B, as detailed at Schedule 7B (Take-On Take-Off and Acceptance).
- 16.14. Subject to the Authority agreeing the price (including Firm Price and Limit of Liability) and delivery date for the work, the Authority's Authorised Officer will sign Part B of MOD

Boats Form 2010B, as detailed at Schedule 7B (Take-On Take-Off and Acceptance) and return to the Contractor, thus giving authorisation for them to commence with the Additional and any Emergent Tasks.

Post Design Services

16.15. On authorisation of a Work Request Form (MOD Boats Form 1020), the Contractor shall raise an MOD Boats Form 2020 (Non-Upkeep Task Record), as detailed at Schedule 7B (Take-On Take-Off and Acceptance) which shall detail:

- 16.15.1. The scope of the task and summary of work to be performed.
- 16.15.2. The Agreed Delivery Date.
- 16.15.3. A Firm Price for completing the work.

16.16. Subject to the Agreed Delivery Date and Firm Price being considered as fair and reasonable by the Authority and sufficient funds being available, the Authority will authorise the Contractor to proceed by signing Part A of MOD Boats Form 2020, as detailed at Schedule 7B (Take-On Take-Off and Acceptance).

Limit of Liability

16.17. Where an MOD Boats Form 2010B or 2020, as detailed in Schedule 7B (Take-On Take-Off and Acceptance) authorised by the Authority includes a Limit of Liability (LoL) the Contractor shall immediately inform the Authority's Project Officer detailed in Schedule 3 (Addresses and Other Information), either in writing or by e-mail, in the event that:

- 16.17.1. The Contractor believes the work cannot be completed within the LoL specified on the MOD Boats Form 2010B or 2020. In such circumstances the Contractor shall provide the Authority's Project Officer with the reasons for the potential overspend and an estimate for completing the outstanding work;
- 16.17.2. Spend has reached 75% of the LoL. In such circumstances the Contractor shall provide the Authority's Project Officer with the reasons for the potential overspend and an estimate for completing the outstanding work;
- 16.17.3. The cost of any single Emergent Task is likely to exceed £5,000 (Five Thousand Pounds Sterling).

16.18. The total amount to be paid by the Authority for work which is subject of the LoL shall not, without the approval in writing of the Authority, exceed the LoL. Where the Authority agrees to an increase in the LoL this will be authorised by the Authority's Commercial Officer via a MOD Boats Form 2010 or 2020.

Extreme Urgency including Cat B2 OPDEFs and above

16.19. In cases of extreme urgency, including but not limited to Cat B2 OPDEFs and above, the Authority will authorise the Contractor by e-mail or telephone to undertake urgent tasks and will detail the scope of work and a LoL which will not exceed £5,000 (Five Thousand Pounds Sterling). To facilitate this requirement the Contractor shall provide the Authority with a name and contact number, such person to be available on call 24 hours 7 days a week to provide Out of Hours Support. Upon receipt of the Authority's authorisation the Contractor shall immediately proceed with the task. Within 5 (five) working days of the Authority's authorisation the Contractor shall submit a MOD Boats Form 2010B, as detailed in Schedule 7B (Take-On Take-Off and Acceptance) to the Authority's Project Officer, copied to the Authority's Commercial Officer for the agreement of a Firm Price.

17. Quality Assurance

- 17.1. The Contractor shall ensure that the quality of the Contractor Deliverables including those of Sub-Contractors conforms to the requirements of the Contract and the Specifications.
- 17.2. The Authority may reject any Contractor Deliverable that does not conform to the requirements of the Contract.
- 17.3. Non-Conformities shall be dealt with in accordance with Clause 40 (Changes to Contract).
- 17.4. The Contractor shall retain the quality control / inspection records for a period of 10 (ten) years after Acceptance Off Contract of each Intercept and Escort Craft and shall make them accessible to the Authority on request.

18. Quality - General Requirements

- 18.1. The Contractor shall be responsible for ensuring that the quality of the work performed, and of the articles and materials supplied or repaired by him and all his Sub-Contractors, conforms to the requirements of the Contract.
- 18.2. The Contractor shall maintain a Quality Management System and continually improve its effectiveness in accordance with the terms and conditions of this Contract, ISO 9001-2015, the AQAP 2100 series and Defence Standards, as detailed below: -
 - 18.2.1. AQAP 2110 Edn D ver 1 (NATO Quality Assurance Requirements for Design, Development & Production)
 - 18.2.2. AQAP 2105 Edn C (NATO Quality Assurance Requirements for Deliverable Quality Plan)
 - 18.2.3. Defstan 05-57 Issue 8 (Configuration Management of Defence Materiel)
 - 18.2.4. Defstan 05-61 Part 1 Issue 7 (Concessions)
 - 18.2.5. Defstan 05-61 Part 4 Issue 3 (Contractor Working Parties)
 - 18.2.6. Defstan 05-135 Issue 2 Avoidance of Counterfeit Material.
 - 18.2.7. DEFCON 602A (Edn12/17) (Quality Assurance with Deliverable Quality Plan)
 - 18.2.8. DEFCON 627 (Edn 11/21) (Requirement for Certificate of Conformity)
- 18.3. For the AQAP series, the following interpretations apply:
 - 18.3.1. Where the Contract refers to the "Authority", the AQAP series refers to the "Acquirer"
 - 18.3.2. Where the Contract refers to the "Contractor", the AQAP series refers to the "Supplier"
 - 18.3.3. Where the Contract refers to the "Sub-Contractor", the AQAP series refers to the "Sub-supplier".

19. Quality Management Plan

- 19.1. The Contractor shall implement and maintain for the duration of the Contract a specific contract deliverable Quality Management Plan (QMP) (Annex E to Schedule 6 (Integrated Project Management Plan) created to meet the requirements of AQAP 2105.
- 19.2. The QMP shall address two complimentary roles;

- 19.2.1. Describe and document the 'contract specific' Quality Management System (QMS) requirements necessary to satisfy the contract requirements.
- 19.2.2. Describe and document the planning for product realisation in terms of the quality requirements of the product, including needed resources, required control activities (verification, validation; monitoring, inspection, testing and acceptance criteria).
- 19.3. Once the QMP has been agreed in accordance with Clause 14 (Integrated Project Management Plan), draft updates/amendments to the QMP shall be submitted to the Authority monthly except where the plan remains unchanged. All updates will be agreed with the Authority and issued within twenty (20) Business Days of submission to the Authority. The agreed Contract Quality Management Plan may be subject to QAR surveillance activity to ensure compliance with agreed contract requirements.
- 19.4. The Contractor shall throughout the duration of the Contract advise the Authority of any impact on product quality or on the process and controls detailed in the deliverable QMP resulting from revisions or changes to their QMS.

20. Certificates of Conformity (CoC)

- 20.1. A Certificate of Conformity (CoC) meeting the requirements of DEFCON 627 (Requirement for a Certificate of Conformity), and as detailed in Annex E (Quality Management Plan) to Schedule 6 (Integrated Project Management Plan), is to be provided on Acceptance Off Contract of each Intercept and Escort Craft.

21. Quality Assurance Representative (QAR)

- 21.1. When called up in standards invoked by this Contract, Quality Assurance Representative (QAR) is to be read as Government Quality Assurance Representative (GQAR and/or Acquirer) through the designated post of DES Ships ENG-QM-1.

22. Ship Safety and Environmental Protection

- 22.1. The Authority has dual responsibilities in relation to safety and environmental protection:
 - 22.1.1. as the Safety Regulator (naval ships being excepted by IMO); and
 - 22.1.2. as the owner of the Intercept and Escort Craft(s) after Acceptance Off Contract.
- 22.2. The Contractor shall ensure that:
 - 22.2.1. the Intercept and Escort Craft(s) is safe to operate and maintain;
 - 22.2.2. the requirements of Annex J (Safety and Environmental Management Plan) of Schedule 6 (Integrated Project Management Plan), Schedule 2A (Statement of Technical Requirements – Technical Baseline), Schedule 2B – Statement of Technical Requirements – Component 2 – Fitness for Purpose – ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023), Schedule 2C (Statement of Technical Requirements – Contractors Proposal ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023) and Schedule 26 (Statement of Support Requirement – Build) and Schedule 27 (Statement of Technical Requirement– In-Service Support (Option)), are met;
 - 22.2.3. in performing the Contract comply with all his Statutory Duties And Obligations relating to safety and environmental protection.

22.3. If, at any time after the Commencement Date, it becomes apparent to the Contractor that anything contained in Schedule 2A (Statement of Technical Requirements – Technical Baseline), Schedule 2B – Statement of Technical Requirements – Component 2 – Fitness for Purpose – ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023), Schedule 2C (Statement of Technical Requirements – Contractors Proposal ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023) and Schedule 26 (Statement of Support Requirement – Build) and Schedule 27 (Statement of Technical Requirement– In-Service Support (Option)), renders the Intercept and Escort Craft(es) non-compliant with, or the Contractor in breach of, any local or UK Statutory Duty or Obligation relating to safety the Contractor shall:

22.3.1. immediately draw that fact to the Authority's attention; and

22.3.2. vary Schedule 2A (Statement of Technical Requirements – Technical Baseline), Schedule 2B – Statement of Technical Requirements – Component 2 – Fitness for Purpose – ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023), Schedule 2C (Statement of Technical Requirements – Contractors Proposal ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023) and Schedule 26 (Statement of Support Requirement – Build) and Schedule 27 (Statement of Technical Requirement– In-Service Support (Option)) (at the Contractor's own expense) in a manner acceptable to the Authority so as not to render the Intercept and Escort Craft(es) non-compliant with, or the Contractor in breach of, any local or UK Statutory Duty or Obligation relating to safety.

22.4. Any form of approval by the Authority of any plans, calculations or documents relating to Intercept and Escort Craft safety and environmental protection submitted by the Contractor shall not be taken as transferring liability for Intercept and Escort Craft safety and environmental protection to the Authority prior to Acceptance Off Contract.

23. Key Performance Indicators (excluding Line Item 1 and Line Item 2 of Schedule 1 (Schedule of Requirements))

23.1. The Contractor's performance shall be monitored on a calendar month basis (or other period to be agreed between the two parties) by the Authority using the following Key Performance Indicators (KPI) for Line Item 3 and Line Item 4 of Schedule 1 (Schedule of Requirements):

23.1.1. KPI No.1 – Achieve the Agreed Delivery Date - The Actual Delivery Date the Intercept and Escort Craft or task was accepted by the Authority on, before or after the Agreed Delivery Date in the reporting calendar month;

23.1.2. KPI No.2 – Achieve the required quality – The Intercept and Escort Craft or Task was returned to the Contractor for rectification of a defect that is eligible to be rectified by the Contractor under warranty in the reporting calendar month and the defect was satisfactorily rectified.

23.2. Each KPI has been given a weighting commensurate with its level of importance to the Authority and the total weighted score shall be used to determine the Overall Contractor Performance score:

23.2.1. Greater than 85% - Green - Good Performance

23.2.2. Between 75% - 85% - Amber - Improvement Required

23.2.3. Less than 75% - Red - Unsatisfactory Performance

The Overall Contractor Performance score will be used by the Authority to monitor performance. This shall be calculated and recorded each reporting calendar month using Schedule 8 (Information Reporting - Output Sheet 4).

Key Performance Indicator Process

- 23.3. The Contractor shall, for each reporting calendar month, populate the Information Reporting Input Sheet with the data from authorised MOD Boats Form 2010B's (Schedule 7B Take-On Take-Off and Acceptance). This information will automatically populate the Information Reporting Output Sheets which will be used to monitor performance against the KPIs.
- 23.4. The Contractor shall submit a completed Schedule 8, for the reporting calendar month, to the Authority's Commercial Officer specified at Box 1 to Schedule 3 (Appendix – Addresses and Other Information) within 3 (three) Business Days of the end of each reporting calendar month together with any supporting data including, if appropriate a corrective action plan(s). The KPI data in Schedule 8 Information Reporting Output Sheets 2, 3 and 4 provides information on current performance and shall cover all tasks completed in that reporting calendar month.
- 23.5. Where the Overall Contractors Performance score is scored as:
 - 23.5.1. GREEN; Good Performance, the Contractor's performance shall be deemed to be satisfactory and payment for that reporting calendar month shall be paid in full.
 - 23.5.2. AMBER; Improvement Required, the Contractor shall issue a corrective action plan to the Authority, for agreement, in accordance with Clause 23.9 below. The corrective action plan shall detail the Contractors plans and timescales to resolve the shortfall in performance.
 - 23.5.3. RED; Unsatisfactory Performance, the Contractor shall issue a corrective action plan to the Authority, for agreement, in accordance with Clause 13.9 below. The corrective action plan shall detail the Contractors plans and timescales to resolve the shortfall in performance. If the Contractor's overall performance is scored AMBER 'Improvement Required' for 3 (three) consecutive reporting calendar months, this shall constitute a RED 'Unsatisfactory Performance' score.
- 23.6. Where the Overall Contractor Performance score is AMBER 'Improvement Required' in 2 (two) consecutive reporting calendar months the Authority will withhold 25% of the reporting calendar month's payment for the second reporting calendar month that the Overall Contractor Performance score is AMBER 'Improvement Required'. The Authority will pay the 25% withheld payment diff in the next reporting calendar month the Overall Contractor Performance score is GREEN 'Good Performance'. Schedule 8 Annex A shows the KPI Overall Contractors Performance score withheld payment process.
- 23.7. Where the Overall Contractor Performance score is RED 'Unsatisfactory Performance' in a reporting calendar month the Authority will withhold 50% of that reporting calendar month's payment. The Authority will pay the 50% withheld payment in the next reporting calendar month the Overall Contractor Performance score is GREEN 'Good Performance'.
- 23.8. Where the Overall Contractor Performance score is RED 'Unsatisfactory Performance' in 3 (three) consecutive reporting calendar months the Authority reserves the right to

terminate the Contract in accordance with Clause 14 (Termination for Contractor Default) and to seek alternative contractual arrangements.

- 23.9. The corrective action plan shall provide, but not be limited to, details of;
- 23.9.1. Any such failure in performance by the Contractor;
 - 23.9.2. The Contractor's explanation and root cause analysis of such failure in performance;
 - 23.9.3. The Contractor's proposed actions to be taken to fully remedy such failure in performance;
 - 23.9.4. Any measures (whether interim or otherwise) to prevent future recurrence and/or aggravation of such failure in performance;
 - 23.9.5. The completion date by which the Contractor shall implement the proposed remedial steps (and any other measures, as described in Clause 23.9.3 above. The Contractor shall note that the completion date must be prior to the next monthly KPI report unless otherwise agreed by the Authority;
 - 23.9.6. The date on which it is proposed that the Authority confirm that the remedial steps in accordance with Clause 23.9.3 above have been undertaken such that the relevant failure in performance is remedied to the Authority's reasonable satisfaction, such confirmation to be provided within two Working Days of notification that the failure in performance has been remedied.
 - 23.9.7. The Parties shall, acting reasonably, agree (within 5 (five) Business Days of the Contractor's submission of the corrective action plan) the contents of any corrective action plan submitted pursuant to Clause 23.9. In the event that the Parties are unable to so agree, the matter shall be agreed in accordance with DEFCON 530 (Dispute Resolution (English Law)).
- 23.10. Following agreement or determination of the corrective action plan pursuant to Clause 23.9 the Contractor shall implement such corrective action plan, and shall report to the Authority (on a weekly basis) on its progress in respect of such implementation, identifying within such report each remedial step covered by such corrective action plan as being:
- 23.10.1. On schedule for completion within the relevant timescale identified in the corrective action plan (as agreed or determined pursuant to Clause 23.9);
 - 23.10.2. Behind schedule for completion within the relevant timescale identified in the corrective action plan (as agreed or determined pursuant to Clause 23.9), but not irremediably so ("Failing Status"); or
 - 23.10.3. Irremediably behind schedule for completion within the relevant timescale identified in the corrective action plan (as agreed or determined pursuant to Clause 23.9) ("Failed Status")
- 23.11. If any remedial action is identified as being of Failing Status, the Contractor shall, at the same time as submitting the report in which such remedial step is so identified, submit its proposals for correcting the fact that such remedial step is behind schedule for timely completion, and shall implement such proposals.
- 23.12. If any remedial step is identified as being of Failed Status, the Contractor shall, at the same time as submitting the report in which such remedial step is so identified, submit its proposals for correcting the fact that such remedial step is behind schedule for timely

completion (including revising such schedule to the extent necessary), and, if the Authority (acting reasonably) agrees to such revised schedule, shall implement such proposals.

- 23.13. Where the Authority terminates a MoD Boats Form 2010B in accordance with Clause 23.8 above the Authority shall have the right to recover any additional cost it incurs in accordance with Clause 47 (Financial Consequences of Termination)

24. Continuous Improvement

- 24.1. As part of the Contractor's programme of continuous improvement the Contractor shall work with the Authority to identify process improvement which will result in increased craft availability and/or reduced costs. In recognition of the partnering principles, any benefits derived will be equally shared between the Parties.

25. Authority's Authorised Officer

- 25.1. Notwithstanding Clause 9 (Contractor's Obligations), the Authority will appoint an Authorised Officer, as identified in Schedule 5 (Appendix – Addresses and Other Information) or their representative to:
- 25.1.1. inspect the work being done under the Contract and/or any part thereof, including materials and articles used or to be used therein;
 - 25.1.2. provide the Contractor with information and advice as required;
 - 25.1.3. monitor the progress of work on the Intercept and Escort Craft(s);
 - 25.1.4. implement procedures for the authorisation of Additional and/or Emergent Tasks or reductions (rebates) to a Work Request Form (MOD Boats Form 1020);
 - 25.1.5. co-ordinate all visits by Authority staff in connection with this Contract to the Contractor's premises;
 - 25.1.6. arrange for the attendance of Authority inspection, tests and teams as required.
- 25.2. The Authority's Authorised Officer or their representative, will have the right to inspect all work being carried out under the Contract including at Sub-Contractor's premises and to conduct product surveillance audits at any reasonable time. Any deficiencies or defects found during these inspections or audits shall be rectified by the Contractor at no additional cost to the Authority.
- 25.3. To enable the Authority's Authorised Officer or their representative to carry out his duties, the Contractor shall:
- 25.3.1. permit full access at all times to the work in progress and to all drawings, models, samples and articles or things of any kind pertaining to the Contract; maintain full co-operation and provide all such drawings, information and assistance as may reasonably be required;
 - 25.3.2. provide shore side office and equipment including but not limited to desk, chair, telephone, internet facilities; mains power, facsimile and access to a photocopier;
 - 25.3.3. provide access to basic catering facilities (kitchen sink, running hot and cold water, water boiler, refrigerator and microwave);
 - 25.3.4. submit all condition survey reports, dimension reports and readings from machinery in a timely manner;

25.3.5. submit Additional and Emergent work or reductions (rebates) to a Work Request Form (MOD Boats Form 1020) in accordance with the Contract.

25.4. The Authority's Authorised Officer or their representative will have the right to:

25.4.1. reject any workmanship, article or material, which does not conform with the requirements of the Contract;

25.4.2. stop any test or trial or any other activity being carried out by the Contractor on the Intercept and Escort Craft(s) at any time if, in his opinion, the safety of the Intercept and Escort Craft(s), its equipment or personnel on board is compromised.

In respect of Clauses 25.4.1 and 25.4.2 above, the Contractor shall have a right of appeal to the Authority whose decision will be final and conclusive.

25.5. In the event of appeal by the Contractor against an Authority rejection of any workmanship, article or material;

25.5.1. notice of appeal shall be given to the Authority within seven (7) Business Days of receipt by the Contractor of notification of rejection;

25.5.2. workmanship shall not be made good nor the article or material removed until directed by the Authority.

25.6. Successful appeal - Should an appeal by the Contractor prove successful then the Contractor will be entitled to request an extension of time, in accordance with Clause 44 (Permissible Delays) or KPI no. 1, Schedule 8 (Key Performance Indicators and Information and Reporting) for a period which is equivalent time of the Authority's action under Clause 25.4.1 and/or 25.4.1 up to and including the date on which the appeal is determined. The Authority shall have the absolute right to determine whether or not to grant such an extension of time.

25.7. The Contractor shall make good or replace at his own expense and to the satisfaction of Authority's Authorised Officer or their representative, any workmanship, article or material rejected by the Authority. The Contractor shall also, if so required by the Authority, mark any rejected article or material, in a manner acceptable to the Authority's Authorised Officer or their representative.

25.8. The Contractor shall not use surplus or used stores without the Authority's prior written approval. Where the Contractor proposes to use surplus or used stores, they shall submit their detailed proposals, including the effects on agreed prices or programme, to the Authority's Authorised Officer or their representative for consideration and, if appropriate, approval.

25.9. The Contractor shall be liable for all costs and expenses incurred in the provision and proper use of the accommodation and facilities provided in accordance with Clause 25.3 above.

25.10. The Authority shall indemnify the Contractor in respect of:

25.10.1. damage occurring at the Contractor's premises; and

25.10.2. any third-party claims; and

25.10.3. Injury or death to the Contractor's employees caused by the acts or omissions of the Authority's Representatives.

- 25.11. The Contractor shall indemnify the Authority in respect of injury or death to Authority Representatives caused by the acts or omissions of the Contractor's Representatives.
- 25.12. Clause 25.10 and Clause 25.11 do not apply to the extent that a Party is able to show that any such damage, injury or death was caused or contributed to by circumstances beyond the reasonable control of the Authority's Representatives or Contractor's Representatives as appropriate.

26. Government Furnished Equipment (GFE)

- 26.1. The Government Furnished Equipment listed in Schedule 13 shall be issued, free of charge to the Contractor for embarkation and embodiment or fitting to the Intercept and Escort Craft(s).
- 26.2. Embarkation, embodiment or fitting of the Government Furnished Equipment to the Intercept and Escort Craft(s) shall be at the expense of the Contractor unless otherwise specified in writing by the Authority.
- 26.3. The Contractor shall provide:
- 26.3.1. storage space at his premises or their Sub-Contractor for the Government Furnished Equipment which shall be secure, of adequate volume and have a controlled environment suitable for the Government Furnished Equipment;
 - 26.3.2. lifting equipment, racking and shelving;
 - 26.3.3. goods inwards inspection, stores accounting to include receipt recording, notification of receipts to the Authority, storage recording, issue to the Intercept and Escort Craft(s) and filing of supporting vouchers in a dedicated file for periodic inspection by the Authority, stowage and simple maintenance tasks.
- 26.4. The Contractor hereby acknowledges that the Government Furnished Equipment may include pyrotechnics associated with the lifesaving equipment.
- 26.5. The delivery dates of Government Furnished Equipment shall be agreed between the Authority and the Contractor and shall be recorded in Schedule 13 (Government Furnished Equipment) after the Commencement Date.
- 26.6. The Required Delivery Date for Contractor to present Boat to Authority for Acceptance of each Intercept and Escort Craft is based on the assumption that all items of Government Furnished Equipment shall be delivered on the dates stated in Schedule 13 (Government Furnished Equipment). In the event that the Required Delivery Date for Contractor to present Boat to Authority for Acceptance of each Intercept and Escort Craft is revised, the Parties may agree to amend the delivery dates in Schedule 13 (Government Furnished Equipment) to accord with the changed Required Delivery Date for Contractor to present Boat to Authority for Acceptance.
- 26.7. The Authority shall be liable for the costs of:
- 26.7.1. removing and/or replacing defective Government Furnished Equipment;
 - 26.7.2. repairing or replacing any part of the Intercept and Escort Craft(s) damaged by defective Government Furnished Equipment;
 - 26.7.3. repeat trials occasioned by faulty design of, or defects in, Government Furnished Equipment;
 - 26.7.4. any delay to the Required Delivery Date for Contractor to present Boat to Authority for Acceptance of the Intercept and Escort Craft(s) caused by late

delivery of the Government Furnished Equipment and where the Authority has agreed an extension of time in accordance with Clause 44 (Permissible Delays).

provided that such costs are not due to error, default, breach, omission or negligence on the part of the Contractor.

- 26.8. All Government Furnished Equipment 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.
- 26.9. Neither the Contractor, nor any Sub-Contractor, nor any other person, shall have a lien on Government Furnished Equipment, for any sum due to the Contractor, Sub-Contractor 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 Sub-Contractors and other persons dealing with any Government Furnished Equipment.
- 26.10. The Contractor shall be responsible for the installation of the GFE in the Intercept and Escort Craft (s) in accordance with Schedule 2A (Statement of Technical Requirements – Technical Baseline), Schedule 2B – Statement of Technical Requirements – Component 2 – Fitness for Purpose – ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023), Schedule 2C (Statement of Technical Requirements – Contractors Proposal ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023) and Schedule 26 (Statement of Support Requirement – Build) and Schedule 27 (Statement of Technical Requirement– In-Service Support (Option)).

27. Receipt of Government Furnished Equipment (GFE)

- 27.1. Subject to Clauses 27.2 to 27.4 below, the Contractor shall promptly and no later than ten (10) Calendar Days of receipt of Government Furnished Equipment:
 - 27.1.1. check that the Government Furnished Equipment corresponds with the Government Furnished Equipment specified in the Contract;
 - 27.1.2. conduct a reasonable visual inspection; and
 - 27.1.3. notify the Authority's Authorised Officer of any defects, deficiencies or discrepancies discovered.
- 27.2. Where Government Furnished Equipment is packaged it shall not be unpacked earlier than is necessary. The period identified at Clause 27.1 above shall count from the date on which packages are opened.
- 27.3. The Authority shall within a reasonable time after receipt of any notice under Clause 27.1 replace, re-issue or arrange for the repair of the defective or deficient Government Furnished Equipment. If appropriate, it shall also issue written instructions for the return or disposal of the defective/ or deficient Government Furnished Equipment.
- 27.4. The proceeds of the sale of defective or deficient Government Furnished Equipment shall be credited to the Authority in accordance with arrangements made between the Contractor and the Authority. A list of the Government Furnished Equipment sold by the Contractor shall be sent to the Authority's Commercial Officer specified in the Schedule 5 (Appendix - Addresses and Other Information) together with a statement of the proceeds of sale.

- 27.5. In the event that the Authority fails to provide, replace, or arrange for the repair of the defective or deficient Government Furnished Equipment within a reasonable time of receipt of a notice in accordance with Clause 27.1, the Parties shall agree appropriate changes to the Contract in accordance with Clause 40 (Changes to the Contract) provided that the Contractor has taken all reasonable measures to mitigate the consequences of any such delay.

28. Custody of Government Furnished Equipment (GFE)

- 28.1. The Contractor shall be responsible for:

- 28.1.1. safe custody and return to the Authority of;
- 28.1.2. calibration and maintenance of;
- 28.1.3. loss or damage to;

the Government Furnished Equipment as set out in Schedule 13 (Government Furnished Equipment) from the expiry of the period specified in Clause 27.1 until the earlier of Acceptance Off Contract or re-delivery of the Government Furnished Equipment to the Authority in accordance with the Authority's instructions.

- 28.2. If requested, the Authority shall, within a reasonable time and where practicable before delivery of the Government Furnished Equipment, notify the Contractor of the value of the Government Furnished Equipment.

- 28.3. The Contractor shall not be liable to the Authority in respect of:

- 28.3.1. defects or deficiencies notified to the Authority in accordance with Clause 27.1 above or latent defects which the Contractor can show could not reasonably have been discovered by means of the activities described at Clause 27.1;
- 28.3.2. fair wear and tear of Government Furnished Equipment resulting from its normal and proper use in the execution of the Contract save where the deterioration is contributed to by any misuse, lack of care or maintenance by the Contractor;

- 28.4. At Acceptance Off Contract of each Intercept and Escort Craft the Contractor shall forward a list of Government Furnished Equipment still held by the Contractor to the Authority's Commercial Officer named in Schedule 5 (Appendix - Addressees and Other Information) and shall return or dispose of the Government Furnished Equipment in accordance with the Authority's instructions.

29. Government Furnished Information (GFI)

General

- 29.1. All Government Furnished Information disclosed by the Authority pursuant to this Contract is set out in Schedule 12 (Government Furnished Information). All drawings, documents, design information and details of arrangements, models, mock-ups and samples provided by the Authority in connection with the Contract shall remain the property of the Authority.
- 29.2. Subject to Clause 29.1 the Contractor shall not in any way be relieved from any obligation under this Contract nor shall it be entitled to claim against the Authority on grounds that the Government Furnished Information is insufficient and shall make its own enquiries as to the adequacy of that information.

- 29.3. In the event the Contractor discovers that the Government Furnished Information supplied by the Authority is inaccurate, the Contractor shall immediately notify the Authority of such inaccuracy and any impact on the Contract including any requirement for a change in the Contract under Clause 40 (Changes to the Contract) or extension of time in accordance with Clause 44 (Permissible Delays).
- 29.4. Nothing in this Clause 29 shall exclude any liability which the Authority or any of its agents or employees would otherwise have to the Contractor in respect of any statements made fraudulently or fraudulent omissions to make statements prior to the date of this Contract.

Drawings, documents and information

- 29.5. Where the Contract states that the Authority will supply any drawings, documents or information to the Contractor they will be provided free of charge.
- 29.6. On completion of the Contract, the Authority's Authorised Officer will advise the Contractor of the method of disposal of all drawings, documents and other information supplied to him in accordance with Clause 29 above.

Review of Documents provided by the Contractor

- 29.7. During the course of the Contract where documents are delivered to the Authority for review, unless specified otherwise, the Contractor shall allow no less than ten (10) Business Days for the Authority to respond. The Authority's comments on the documents will be supplied in writing. In cases where the Authority's comments are extensive, a separate review meeting will be held with the Contractor to discuss the changes required to the document.

Supply of Support Documentation by the Contractor

- 29.8. The Contractor shall provide the Authority with technical handbooks, maintenance schedules, operating instructions, spare parts lists and/or any other documentation in accordance with Schedule 2A (Statement of Technical Requirements – Technical Baseline), Schedule 2B – Statement of Technical Requirements – Component 2 – Fitness for Purpose – ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023), Schedule 2C (Statement of Technical Requirements – Contractors Proposal ref Zodiac Milpro International Tender dated February 2023 as clarified by Up Issue of Documentation dated April 2023) and Schedule 26 (Statement of Support Requirement – Build) and Schedule 27 (Statement of Technical Requirement– In-Service Support (Option)) or a Work Request Form (MOD Boats Form 1020).

30. Guarantee

- 30.1. The Contractor shall guarantee all work undertaken under the Contract, including fitness for purpose and compliance with all current Health and Safety Legislation, and shall be responsible for the rectification of defects discovered within the guarantee periods stated below.

Type of Work	Guarantee Period from the Intercept and Escort Craft Acceptance Off Contract Date
New build	Two (2) years