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TT Electronics
London Road,
Fairford,
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GL7 4DS
FAO: [REDACTED]

Your Reference: CHC/633

Our Reference: 700618370

Date: 23/06/2020

Dear [REDACTED]

Single Source Invitation To Negotiate (ITN) Reference No. 700618370

1. You are invited to tender for CHC/633 Chinook Unique Cabling and Associated Spares in accordance with the attached documentation.
2. The anticipated date for the contract award decision is 24-AUG-2020, please note that this is an indicative date and may change.
3. You must submit your Tender no later than 28-JUL-2020 11:59:11.
4. Please confirm receipt of this tender to Hayley Williams stated in the E-mail address [REDACTED].

Yours sincerely

[REDACTED]

**Invitation to Negotiate for
CHC/633 700618370 – Chinook Unique Caballing and Associated
Spares**

CONTENTS

DEFFORM 47ST

This invitation consists of the following documentation:

- DEFFORM 47ST – Invitation To Negotiate. The DEFFORM 47ST is the document that sets out the key requirements that you need to meet in submitting a valid Tender in advance of any negotiations. It also sets out the conditions relating to this procurement. For ease it is broken into:
 - Section A – Introduction
 - Funding
 - DEFFORM 47 Definitions
 - Purpose
 - ITT Documentation and ITT Material
 - Material Change of Control
 - Contract Conditions
 - Consultation with Credit Reference Agencies
 - Other Information
 - Section B – Key Tendering Activities
 - Section C – Instructions on Preparing Tenders
 - Tenders for Selected Contractor Deliverables
 - Construction of Tenders
 - Validity
 - Variant Bids
 - Qualifying Defence Contracts (Defence Reform Act 2014)
 - Section D – Details of Price Breakdown and Mandatory Criteria
 - Section E – Instructions on Submitting Your Tender
 - Submission of your Tender

Samples

- Section F – Conditions of Tendering Conforming to the Law

Fraud and Other Illegal Practices

Conflicts of Interest

Government Furnished Assets

Publicity Announcement

Sensitive Information

Remedies for Actionable Contraventions under the Defence Reform Act 2014

Reportable Requirements

Specific Conditions of Tendering

- DEFFORM 47ST Annex A – Tender Submission Document (Offer)

Appendix 1 to DEFFORM 47ST Annex A (Offer) – Information on Mandatory Declaration Returns

- Schedule of Requirements: Schedule 2 - Schedule of Requirements
- Statement of Requirement: Schedule 2 - Annex A - Statement of Requirement
- Contract Conditions
- DEFFORM 111 – Appendix to Contract - Addresses and Other Information
- Tenderer's Commercially Sensitive Information Form (DEFFORM 539A)
- DEFFORM 28ST – Tender Return Label

Schedules to the Contract

- Schedule 1 - Definitions
- Schedule 2 – Schedule of Requirement & Pricing
- Schedule 2 – Annex A – Statement of Requirement
- Schedule 3 – Contract Data Sheet for Contract no: CHC633
- Schedule 4 – Contract Change Procedure
- Schedule 5 – Contractors Commercially Sensitive Information
- Schedule 6 – DEFFORM 068 – Hazardous Articles, Materials or Substances Statement
- Schedule 7 – DEFFORM 691 – Timber and Wood-Derived Products Supplied under the Contract
- Schedule 8 – Key Performance Indicator for Repair of Chinook Cabling
- Schedule 9 DEFFORM 111 – Appendix – Addresses and Other Information
- Schedule 10 – Task Authorisation Form – Ad-Hoc Tasking
- Schedule 11 – MAA Requirements Publication

Section A – Introduction

Funding

A1. Funding has been approved on 23-JUNE-2020.

DEFFORM 47 Definitions

A2. "The Authority" means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (hereafter referred to as "the Authority"), acting as part of the Crown.

A3. "Tenderer" means the economic operator or group of operators in the form of a consortium, including sub-contractors, who have been invited to submit a response to this Invitation to Tender. Where "you" is used this means an action on you the Tenderer.

A4. "Invitation to Tender" (ITT) refers to the first document that the Authority sends out to potential Tenderers that initiates a tender response or negotiation.

A5. "Schedule of Requirements" Schedule 2 - Schedule of Requirements means that part of the contract which identifies, either directly or by reference, the Contractor Deliverables to be supplied or carried out, the quantities involved and the price or pricing terms in relation to each Contractor Deliverable.

A6. "Single Source" means a situation where the Authority has invited a response from only one Tenderer.

A7. A "Tender" is the offer that you are making to the Authority.

A8. "Contractor Deliverables" means the goods and / or the services, including packaging (and Certificate(s) of Conformity and supplied in accordance with any Quality Assurance (QA) requirements, if specified) and any associated technical data which the contractor is required to provide under any resultant contract in accordance with the Schedule of Requirements, but excluding incidentals outside the Schedule of Requirements such as progress reports.

A9. The "Statement of Requirement" Schedule 2 - Annex A - Statement of Requirement details the technical requirements and acceptance criteria [Schedule 8 in SC2] of the Contractor Deliverables. The Statement of Requirement is attached Schedule 2 - Annex A - Statement of Requirement to this DEFFORM 47ST. This may include the Systems Requirements Document (SRD).

A10. "Conditions of Tendering" means the conditions set out in the DEFFORM 47ST that govern the procurement.

A11. "Contract Conditions" means the attached conditions that will govern any resultant contract.

A12. A "Third Party" is anyone who is not an employee of the Authority or Tenderer, as defined at paragraph A3.

A13. "Voluntary Ex Ante Transparency Notice" means a mandatory notice used to announce a procurement decision that the Authority intends to place a non-competitive

contract under OJEU procedures. This also appears in the DCO as a "Voluntary Transparency Notice". This allows industry to challenge the decision not to compete.

Purpose

A14. The purpose of this ITT is to invite you to propose a solution / best price to meet the Authority's requirement. This documentation explains and sets out the:

- a. Tender process and timetable for the next stages of the procurement;
- b. instructions and conditions that govern this invitation;
- c. information you must include in your Tender and the required format;
- d. administrative arrangements for the receipt and review of your Tender; and
- e. Contract Conditions that shall apply in the event that the Authority awards a contract following this invitation.

A15. The sections in this ITT and associated documents are structured in line with a generic tendering process and do not indicate importance / precedence.

A16. This decision to conduct single Source Procurement for this requirement was advertised by the Authority by a Voluntary Ex Ante Transparency Notice (VEAT) in the DCO dated 19th May 2020 under the Defence and Security Public Contracts Regulations 2011.

ITT Documentation and ITT Material

A17. ITT Documentation means any information in any medium or form (for example drawings, handbooks, manuals, instructions, specifications and notes of pre-tender clarification meetings), issued to you or to which you have been granted access, by the Authority for the purposes of responding to this ITT. ITT Material means any other material (including patterns and samples), equipment or software issued to you or to which you have been granted access, by the Authority for the purposes of responding to this ITT. ITT Documentation, ITT Material and any Intellectual Property Rights (IPR) in them shall remain the property of the Authority or other Third Party owners and is released solely for the purposes of enabling you to submit a Tender. You must:

- a. take responsibility for the safe custody of the ITT Documentation and ITT Material and for all loss and damage sustained to it whilst in your care;
- b. not copy or disclose the ITT Documentation or any part of it to anyone other than the bid team involved in preparing your Tender, and not use it except for the purpose of responding to this ITT;
- . seek written approval from the Authority if you need to provide access to any ITT Documentation or ITT Material to any Third Party;
- c. abide by any reasonable conditions imposed by the Authority in giving its approval under subparagraph A17.c, which at a minimum will require you to ensure any disclosure to a Third Party is made by you in confidence. Alternatively, due to IPR issues for example, the disclosure may be made, in confidence, directly by the Authority;
- d. accept that any further disclosure of ITT Documentation or ITT Material (or use beyond the original purpose), or further use of ITT Documentation or ITT Material, without

the Authority's written approval may make you liable for a claim for breach of confidence and / or infringement of IPR, a remedy which may involve a claim for compensation; inform the named Commercial Officer immediately if you decide not to submit a Tender;

e. immediately destroy all ITT Documentation, ITT Material and derived information of an unmarked nature, should you decide not to participate in responding to this ITT, or you are notified by the Authority that your Tender has been unsuccessful; and

f. consult the named Commercial Officer to agree the appropriate destruction process if you are in receipt of ITT Documentation and ITT Material marked 'OFFICAL SENSITIVE' or 'SECRET'.

A18. Some or all of the ITT Documentation and ITT Material may be subject to one or more Confidentiality Agreements made between you and either the Authority or a Third Party, for example a Confidentiality Agreement established in the form of DEFFORM 94. The obligations contained in any such agreement will be in addition to, and not derogate from, your obligations under paragraph A17above.

Material Change of Control

A19. You must inform the Authority in writing if there is any material change in control, composition or membership of your organisation and / or consortium members, including any sub-contractors at any time during the procurement process. This may affect our decision to award a contract to you.

Contract Conditions

A20. The Contract Conditions can be found at Terms and Conditions of the Contract. Consultation with Credit Reference Agencies

A21.The Authority may consult with credit reference agencies to assess your creditworthiness. This information may be used to support and influence decisions to enter into a contract with you.

Other Information

A22. Not Applicable.

Section B – Key Tendering Activities

The key dates for this procurement are currently anticipated to be as follows:

Stage	Date and Time	Initiated By	Submit to:
Final date for Clarification Questions / Requests for additional information	17/07/2020	Tenderer	[REDACTED]
Final Date for Requests for Extension to return date	NOT APPLICABLE	Tenderer	[REDACTED]
The Authority issues Final Answers and Clarifications	24/07/2020	The Authority	Tenderer
Tender Return	28/07/2020	Tenderer	[REDACTED]
Value For Money (VFM) Assessment in accordance with NAPNOC – see Section D of this DEFFORM 47ST	14-JUL-2020	The Authority	N/A
The following are indicative timescales for planning purposes only			
Revise Or Confirm Offer	14-AUG-2020	The Authority	N/A
Start of Negotiation	03-AUG-2020	The Authority	N/A
Best And Final Offer	10-AUG-2020	The Authority	N/A

Section C - Instructions on Preparing

Tenders for Selected Contractor Deliverables

C1. You must respond to the requirement for all the Contractor Deliverables listed in the attached Schedule of Requirements.

Construction of Tenders

C2. Your Tender must be written in English, using Arial font size 11. Prices must be in GBP. Prices must be Firm Price.

C3. To enable the Authority to complete its Value For Money (VFM) assessment, your price must be broken down. If the resultant contract is a Qualifying Defence Contract (QDC) under the Defence Reform Act (DRA) and Single Source Contract Regulations (SSCR) you must price your bid accordingly. Please set out your Tender response in accordance with Section D.

Validity

C4. Your Tender must be valid / open for acceptance for 30 calendar days from the Tender return date.

Variant Bids

C5. The decision to invite a Single Source response is based on the scope of the requirement. Where you submit a variant bid that is outside the scope of the requirement the Authority may be obliged to compete the requirement.

Qualifying Defence Contracts

Defence Reform Act 2014 – Part 2, Single Source Contracts

C6. This ITT may result in a Qualifying Defence Contract (QDC) under the provisions of the Defence Reform Act 2014 (DRA). You should therefore understand the implications in the event that it does result in a QDC.

C7. The DRA enables secondary legislation, called Single Source Contract Regulations 2014 (SSCR), which applies:

- a. to new contracts with a value of £5M (ex VAT) or above;
- b. to amended contracts where the amended contract has a value of £5M (ex VAT) or above, and both parties agree that the amended contract should be a QDC.

C8. The DRA and SSCR set out the criteria for determining when a single source contract is a Qualifying Defence Contract (QDC). Any new single source contract which meets the criteria will be a QDC, unless exempt by the Secretary of State for Defence. Exemptions will only be granted in exceptional circumstances.

C9. The DRA and SSCR cover such matters as the pricing of QDCs, the information, openness and transparency that the parties must provide to each other, and the rights and obligations of both parties to a QDC once on contract.

C10. The DRA requires a primary contractor to be satisfied that the costs proposed for inclusion in the price of a QDC are Allowable Costs, in that they are appropriate, attributable to the contract and reasonable in the circumstances. The MOD is obliged to ensure that you meet the criteria and at any time you may be required to show that this is the case in relation to any particular cost. The Single Source Regulations Office (SSRO) has issued Statutory Guidance on Allowable Costs (SGAC) which can be found on their website and which the parties to a QDC will be expected to adhere to, other than in exceptional circumstances. Either party to a QDC may subsequently make a referral to the SSRO for an adjustment of the contract price, if that party believes the price agreed was not in accordance with the requirements of the DRA / SSCR.

C11. The DRA requires that the contract Profit Rate agreed between the parties for QDCs must be agreed in accordance with the provisions of the DRA and SSCR.

C12. The DRA also sets out the criteria for determining when a contract is a Qualifying Sub-Contract (QSC) to which the DRA and SSCR will apply. Any single source sub-contract in excess of £25M, placed in support of a QDC or another QSC and which meets the criteria in the DRA and SSCR, is potentially a QSC. Responsibility for assessing whether a sub-contract is a QSC lies with the party placing the sub-contract. The Tenderer therefore has an obligation to determine whether any planned sub-contract is a QSC. The Tenderer must keep a record of any determinations and notify both the Secretary of State for Defence and the sub-contractor in writing when a sub-contract is determined to be a QSC.

Section D – Details of Price Breakdown and Mandatory Criteria

The MOD Commercial Toolkit provides further information about the new single source legal framework.

1. When placing any contract the Authority is required to satisfy itself that the agreed price represents Value for Money (VFM). In single source contracting you must provide to the Authority sufficient information in support of your price proposal and during subsequent price negotiation, to enable the Authority to fulfil its obligation to assure VFM. The Authority approaches all contract pricing on the basis of the NAPNOC principle (No Acceptable Price, No Contract). We will not enter into any contract that is unacceptably priced. Details can be found on MOD Commercial Toolkit.

2. Price breakdown requirements for a non-qualifying contract

This contract is expected to be a non-QDC. The contract is therefore not subject to the provisions of the DRA/SSCR 2014. It is your responsibility to decide the level of information you need to provide to the Authority in support of your price proposal and subsequent price negotiation, to enable the Authority to fulfil its obligation to assure VFM and sign the contract. The following table shows the Authority's suggestion of the minimum level of information you must provide.

For a non-qualifying contract, as a minimum your Offer should detail the following:	
Hours / Days	The number of hours / days it takes to complete the requirement.
Hourly / Day Rates	The rate used. Where available these should be agreed CAAS (Cost Assurance and Analysis Services) rates and Grades.
Materials	The cost of any raw materials. Please provide a copy of any quotes or invoices with your Tender.
Significant Sub-contractor Costs, e.g. >£50k	The cost of bought in facilities, services and / or parts. Please provide a copy of the sub-contractor quotation / invoice with your Tender. You are encouraged to run a competition at sub-contractor level and advertise opportunities in the MOD Defence Contracts Bulletin, where
Other costs	List any rates used to recover overhead costs not otherwise recovered through the activity-based hourly and daily rates stated above. These rates are usually recovered by the application of a percentage uplift to a base cost (e.g.
Profit Rate	State the Profit Rate you are proposing to apply to the contract costs. The process you should apply for evidencing your profit rate is set out below
Risk / Opportunities	State whether you have included any contingency for risks and the details on how this has been calculated. State any opportunities that you foresee, for example, exchange rate movement.

T&S	When including Travel and Subsistence you must include details of the assumptions you have made about travel and the rates used. Claims for T&S should be in line with the Civil Service Code which states civil servants must ensure "public money and other resources are used efficiently" for example, travel should be the most economic option available.
Assumptions	State any assumptions made about your proposal, such as the process, when decisions will be made etc.
Exclusions	State any matters that are excluded which, if they subsequently occur, you would expect the MOD to share cost liability.

For a Non-Qualifying Contract, the profit rate should be calculated as follows:

Step 1)	Baseline Profit Rate – 8.23%
Step 2)	Cost Risk Adjustment
Step 3)	Profit on Cost Once Adjustment
Step 4)	Incentive Adjustment
Step 5)	Capital Servicing Adjustment

Mandatory Criteria, applicable to QDCs and non-qualifying contracts	
Full completion of the table in DEFFORM 47ST Annex A (Offer) (See section F, paragraph 19)	Pass / Fail
Minimum Technical Requirements met set out in Schedule 2 Annex A – Statement of Requirements	Pass / Fail
Evidence of Profit Rate in accordance with five step process listed above	Pass / Fail
Compliance with SC2 Terms and Conditions	Pass / Fail
Compliance with Cyber Essentials and DEFCON 658 Cyber Risk Level is Very Low Cyber Risk Assessment Reference is RAR-QNZ34TBR	Pass / Fail
Compliance for TT Electronics to adhere to Prompt Payment Guidelines.	Pass / Fail

Prompt Payments

Please confirm if you intend to use a supply chain for this Contract. If you answer “No” you do not need to complete the rest of the sections	Yes / No
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Please confirm that you have systems in place to pay those in your supply chain promptly and effectively, i.e. within your agreed contractual terms	Yes / No
Please confirm you have procedures for resolving disputed invoice with those in your supply chain promptly and effectively.	Yes / No

Failure to meet the Mandatory Criteria will result in the Authority being unable to award a contract.

Section E – Instructions on Submitting your Tender

Submission of your Tender

E1. You must send your Tender to the Commercial Officer stated in the covering letter to this DEFFORM 47ST.

E2. The electronic copies of the Tenders must be compatible with Microsoft Office Word 2010 and other MS Office 2010 applications. If you, password protect or encrypt any information containing prices you must supply the password / use compatible encryption methods so that the Authority can undertake a pricing evaluation.

E3. You must complete and include DEFFORM 47ST Annex A (Offer) with your Tender. Where you select 'Yes' to any questions you must attach the relevant information.

E4. You must include the original signed DEFFORM 47ST Annex A (Offer) with one paper copy of your Tender.

E5. You must submit your paper and CD copies in a sealed envelope or box. For health and safety reasons, no individual envelope or box should weigh more than 11 kilos.

Samples

E7. Where samples are required for testing purposes you must be prepared to submit them without charge. You should clearly label samples with the following particulars:

- a) your name and a. address;
- b) the Tender Reference Number and due date for return of the Tender; and
- c) the Description and Item Number as shown in the Schedule of Requirements.

E8. The Authority may retain all samples for twelve (12) months from the Tender return date. After this period, the Authority will destroy the samples unless you specifically state you require them to be returned. The samples associated with a successful Tender may be kept by the Authority indefinitely.

E9. Samples that are consumed will not be returned.

Section F – Conditions of Tendering

F1. The issue of ITT Documentation or ITT Material is not a commitment by the Authority to place a contract as a result of this ITT or at a later stage. Any expenditure, work or effort undertaken by you prior to an offer and subsequent acceptance of contract, is a matter solely for your commercial judgement. In addition to its legal rights in relation to qualifying contracts, under the Defence Reform Act 2014 the Authority reserves the right to:

- a. seek clarification or additional documents in respect of your submission;
- b. visit your site;
- c. not enter into a contract if you are found guilty of serious misrepresentation in relation to your Tender or the Tender process;
- d. re-assess your suitability. For example, where there is a material change of control from supplier selection;
- e. reject / negotiate your Tender or part of your Tender;
- f. withdraw this ITT at any time, or invite other Tenders on the same or any alternative basis;
- g. choose not to award any contract as a result of the current procurement process;
- h. award a contract for some of the Contractor Deliverables, unless you specifically oppose this in your Tender or state any minimum order quantities.

F2. The contract will be entered into when the Authority sends written notification of its entry into the contract, either accepting your offer via DEFFORM 159 or by issuing an offer via DEFFORM 8 and you accept via a DEFFORM 10. Written notification will be issued, to the address you provide, on or before the end of the validity period specified in paragraph C4.

Conforming to the Law

F3. You must comply with the UK Bribery Act 2010, applicable EU and UK legislation and any equivalent legislation in a third state.

F4. Your attention is drawn to legislation relating to canvassing of a public official, collusive behaviour and bribery. If you act in breach of this legislation your Tender may be disqualified from this procurement. Disqualification will be without prejudice to any civil remedy available to the Authority or any criminal liability that your conduct may attract.

Fraud and Other Illegal Practices

F5. You must report any, fraud, bribery, corruption, or any other dishonest irregularity in connection to this tendering exercise to:

Defence Regulatory Reporting Cell Hotline

0800 161 3665 (UK) or

+44 1371 85 4881 (Overseas)

Conflicts of Interest

F6. You must notify the Authority immediately of any new Conflicts of Interest (COI) that have arisen or that arise at any point prior to the contract award decision.

F7. It is essential that you do not have a Conflict of Interest (COI).

Government Furnished Assets

F8. Where the Authority provides Government Furnished Assets (GFA) in support of this procurement, you must include details of the GFA in your Public Store Account and treat it in accordance with Def Stan 05-099. If the Authority decides not to proceed with this procurement, you must seek instructions for the GFA from the named Commercial Officer.

Publicity Announcement

F9. The Authority will publish notification of the contract and shall publish contract documents under the FOI Act except where publishing such information would hinder law enforcement; would otherwise be contrary to the public interest; would prejudice the legitimate commercial interest of any person, or might prejudice fair competition in the supply chain. You should complete and return DEFFORM 539A as explained in the DEFFORM 47ST Annex A and associated Appendix 1.

F10. If you wish to make a similar announcement you must seek approval from the named Commercial Officer.

F11. Under no circumstances should you confirm to any Third Party the Authority's acceptance of an offer of contract prior to either informing the Authority of your acceptance or the Authority's announcement of the award of contract, whichever occurs first.

Sensitive Information

F12. All Central Government Departments and their Executive Agencies and Non Departmental Public Bodies are subject to control and reporting within Government. In particular, they report to the Cabinet Office and HM Treasury for all expenditure. Further, the Cabinet Office has a cross-governmental role delivering overall Government policy on public procurement, including ensuring value for money and related aspects of good procurement practice and answering Freedom of Information requests.

F13. For these purposes, the Authority may share within Government any of your documentation / information (including any that you consider to be confidential and / or commercially sensitive such as specific bid information) submitted by you to the Authority during this procurement. The information will not be disclosed outside Government. You must identify any sensitive material in the DEFFORM 539A (or SC1B Schedule 4 or SC2 Schedule 5) and consent to these terms as part of the tendering process. This allows the MOD to share information with other Government Departments while complying with our obligations to maintain confidentiality.

F14. The Authority reserves the right to disclose on a confidential basis any information it receives from you during the procurement process (including information identified by you as Commercially Sensitive Information in accordance with the provisions of this ITT/ITN) to any third party engaged by the Authority for the specific purpose of evaluating or assisting the Authority in the evaluation of your Tender. In providing such information the you consent to such disclosure.

Remedies for Actionable Contraventions under the Defence Reform Act 2014

F15. If you have a Qualifying Defence Contract under the DRA 2014 you should be aware that if you fail to comply with certain aspects of the legislation then the Authority may issue a Compliance Notice to you. If you continue to fail to comply, the Authority may serve you with a Civil Penalty, as provided in the Single Source Contract Regulations 2015. If you believe either a Compliance Notice or a Civil Penalty is unjustified, you may appeal the matter to the independent Single Source Regulations Office.

Reportable Requirements

F16. Listed in the DEFFORM 47ST Annex A (Offer) are the Mandatory Declarations. It is a Condition of Tendering that you complete and attach the returns listed in the Annex and, where you select "Yes", you attach the relevant information.

F17. Failure to complete this part of the Annex in full makes your Tender non-compliant.

Additional information provided in response to Appendix 1 may be used to support the Authority's evaluation of your tender, as detailed in Section D.

F18. If you are an overseas Contractor and your Tender is successful you will be required to provide the name and address of your bank and the relevant bank account number on contract award.