



4000xxxxxx/25/NL/GM

with

[Contractor]

[Title of Contract]

**ARTES 4.0
FUTURE PREPARATION (FP)
Activity Reference 1A.129**



DRAFT CONTRACT

Between:

The EUROPEAN SPACE AGENCY,
(hereinafter called the “Agency” or “ESA”),

having its seat at: 8-10 rue Mario Nikis, CS 45741, 75738 Paris CEDEX 15, France,
represented by its Director General, Mr Josef Aschbacher,

acting through its establishment:

The European Space Research and Technology Centre (ESTEC),
located at: Keplerlaan 1,
2201 AZ Noordwijk,
The Netherlands,

of the one part,

and:

.....,
(hereinafter called the “Contractor” or “.....”),

whose registered office is at:

.....,
.....,
.....,

represented by its, Ms/Mr

of the other part,

the following has been agreed between the Agency and the Contractor, hereinafter also referred to individually as “Party” and collectively as the “Parties”:



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DEFINITIONS

- “Advance Payment”** means a payment foreseen in the Contract intended to provide the Contractor with liquidity to allow the initiation of the contractual works.
- “Agency’s Own Requirements”** means the activities and programmes undertaken by the Agency in the field of space research and technology and space applications in accordance with Article V 1(a) and (b) of the European Space Agency Convention.
- “Contract”** means an agreement established in writing the subject of which is any activity carried out to- or for the Agency in exchange of a price or another consideration, including any amendment to such agreement via a Contract Change Notice (“CCN”).
- “Day”** means calendar day.
- “Force Majeure”** means an event which is, unforeseeable, unavoidable and external at the time of Contract signature, occurs beyond the control of the affected Party and renders the performance of the Contract impossible for the affected Party, including but not limited to: Acts of God, Governmental Administrative Acts or omissions, consequences of natural disasters, epidemics, war hostilities, terrorist attacks.
- “Intellectual Property Rights”** means all Registered Intellectual Property Rights, and all unregistered intellectual property rights granted by law without the need for registration with an authority or office including all rights in information, data, blueprints, plans, diagrams, models, formulae and specifications together with all copyright, unregistered trademarks, design rights, data base rights, topography rights, know-how and trade secrets or equivalent rights or rights of action anywhere in the world.
- “Legitimate Commercial Interests”** means an interest the Contractor can demonstrate which is important to its ability to commercially exploit Intellectual Property Rights arising from work performed under the Contract for a defined period of time which includes but is not limited to an economic position vis-à-vis a competitor, loss of profits or survival of an undertaking.

“Member State”	means a State which is Party to the Convention of the European Space Agency in accordance with Articles XX and XXII of the said Convention.
“Participating States”	means a Member or non-Member State participating in a given Agency programme according to Article V.1 (a) and (b) of the European Space Agency Convention.
“Participating State’s Own Public Requirements”	means a public programme in the field of space research and technology and their space applications fully funded or funded to a substantial extent by the Participating State.
“Persons and Bodies”	means any individual, partnership, company, research organisation or legal entity under the jurisdiction of a Participating State which, when relevant, meets the criteria set out in Article II (3) of Annex V to the European Space Agency Convention.
“Progress Payment”	means a payment that is made against: (a) successful achievement, certified in writing by the Agency’s representatives, of a milestone defined in the milestone payment plan of a fixed price contract; (b) cost reports approved by the Agency in a cost reimbursement contract for a period agreed in the Contract.
“Registered Intellectual Property Rights”	means all rights granted by law through registration with an authority or office (whether actually registered or in the form of applications) including all registered patents, utility models, designs, topography rights, domain names and trademarks or equivalent rights and rights of action anywhere in the world.
“Subcontractor”	means the economic operator who is under contract to a Contractor of the Agency to provide supplies or services in support of a Contract placed by the Agency.
“Third Party”	means a natural or legal person not having signed the Contract.

ARTICLE 1. SUBJECT OF THE CONTRACT; GENERAL TERMS OF EXECUTION

- 1.1 The Contractor, as further described in the Statement of Work in APPENDIX 1 hereto, undertakes to perform the work related to “Implications of a Zero-Debris Approach to Future Satcom Mission Design” (all hereafter referred to as the “Work”) and to deliver all the items listed in ARTICLE 2 of this Contract.
- 1.2 The Work shall be performed in accordance with the provisions stated in the following documents, listed in order of precedence in case of conflict:
- a) The specific Articles of this Contract and its Appendices;
 - b) APPENDIX 1 hereto: the Agency’s Statement of Work, reference 1A.129, issue 1, revision 0, dated 6/02/2025;
 - c) The signed Minutes of the Negotiation Meeting held on ..., reference ..., issue ..., revision ..., dated ..., not attached hereto but known to both Parties;
 - d) The Contractor’s Proposal, reference ..., issue ..., revision ..., dated ..., not attached hereto but known to both Parties.

1.3 General Terms of Execution

- 1.3.1 The Contractor’s own sales conditions shall not apply.
- 1.3.2 The language of this Contract and of all communications hereunder shall be English. The substantive law according to which this Contract shall be construed is [.....].
- 1.3.3 The Parties shall use their best endeavours to amicably settle any dispute arising out of the Contract. Failing an attempt towards an amicable settlement, all disputes shall be finally settled in accordance with the Rules of Arbitration of the International Chamber of Commerce by one (1) or three (3) arbitrators designated in conformity with such Rules. The Arbitration Tribunal shall sit in [City, Country]. The Tribunal’s award shall be final, binding on the Parties and no appeal shall lie against it. The enforcement of the award shall be governed by the rules of procedure in force in the state/country in which the award is to be executed.
- 1.3.4 The Contractor shall be fully responsible towards the Agency for the proper execution of the Work, **[OPTION: if Subcontractors]** including any subcontract agreed hereunder. Subcontracts other than those specified in Article 3.1 below are expressly excluded.

The conditions of the subcontracts shall secure for the Agency any rights granted to it under the terms of this Contract.

The Subcontractor shall have the same rights and obligations in relation to the work to be performed under the subcontract that the Contractor has agreed in relation to the Work performed under the present Contract.

Notwithstanding the normal communication lines within the consortium, and the overall responsibility of the Contractor to ensure proper and timely placing of subcontracts and

processing of payments throughout the consortium, the Contractor shall ensure that the below provisions are duly reflected in all subcontracts entered into for the purpose of this Contract:

Should any Subcontractor encounter serious difficulties in the process leading to: timely payment of due invoices (i.e. related to a milestone already achieved) to be made by the Subcontractor's direct customer (i.e. not ESA), or contractual coverage of activities already kicked-off, the said Subcontractor may directly contact the Agency at: indirectpayments@esa.int

In doing so, such Subcontractor shall attach the Standard Contact Form, available at: <https://esastar-publication.sso.esa.int/supportingDocumentation> properly filled in or provide the same information in the body of the email.

In case any Subcontractor has SME status, as per the definition of SMEs given by the European Commission: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32003H0361&from=EN>, the Contractor shall ensure that the relevant subcontract foresees an automatic grant of a 35% Advance Payment.

The Contractor shall have the responsibility of obtaining the self-certification of the Subcontractor('s)(s') SME status as per certification model provided in the tender documentation.

[END OPTION]

- 1.3.5 Any publicity material prepared by the Contractor related to an activity performed by the Contractor in the context of this Contract shall acknowledge that the activity is/was carried out "under a programme of, and funded by, the European Space Agency". It shall display the ESA logo if the Agency so requires. It shall also carry a disclaimer stating that the view expressed in such publications can in no way be taken to reflect the official opinion of the European Space Agency.
- 1.3.6 The Contractor shall, in accordance with the Agency's Policy on the Prevention, Detection and Investigation of Fraud, to the extent allowed by applicable national law, cooperate with the Agency's investigation team in any investigation of fraud initiated by the Agency and inform its personnel of their obligation to cooperate accordingly. The Contractor shall ensure that this provision is duly reflected in all subcontracts entered into for the purpose of this Contract.

ARTICLE 2. DELIVERY REQUIREMENTS; PLACE AND DATE OF DELIVERY

2.1 General

- 2.1.1 Delivery shall be considered as effected only when the relevant deliverable items are in the Agency's possession.
- 2.1.2 Should it seem likely that the originally specified delivery date(s) may be exceeded, the Contractor shall immediately notify the Agency in writing and provide a detailed justification for the delay.
- 2.1.3 No price adjustment in favour of the Contractor will be applicable for the period of delay in delivery.

Penalties for late delivery do not apply, and similarly they will not apply in the subcontract(s) that may be placed by the Contractor.

Should the Agency conclude that the delays in delivery have impaired the intended objectives of the Work, the provisions of Article 5.7 below shall apply.

- 2.1.4 The Contractor shall be responsible for the appropriate marking, packing, package labelling, insurance, freight, carriage and delivery relative to all deliverable items due hereunder and shall bear any cost relative to all of the above. Deliverable items shall furthermore be packed to guard against loss, damage or deterioration during transport and delivery. If found damaged or defective upon delivery, the Agency reserves the right to return the affected items at the Contractor's expenses.

Should in the execution of this Contract a need arise to provide the Agency with information which is subject to export control laws and regulations, the Contractor shall be responsible to ensure in all cases that such information is passed on to the Agency in strict compliance with the provisions of such export control laws and regulations.

- 2.1.5 In the event of an alleged delay in delivery due to Force Majeure, the Contractor shall report to the Agency the Force Majeure event and its immediate consequences within one (1) week after its occurrence. The Contractor shall bear the burden of proof for the existence, duration and consequences of Force Majeure, such proof to be provided within one (1) month from the occurrence of the Force Majeure event.

In case of Force Majeure, the Contractor shall not be considered at default and its obligations under the Contract shall be suspended during the Force Majeure event. The Contractor shall make reasonable efforts to mitigate the impact on the schedule and the performance of its contractual obligations.

[OPTION: if Subcontractors]

Force Majeure event at Subcontractor's level shall be considered a case of Force Majeure for the performance of the Contractor's obligations, if the Contractor proves that the delay in the delivery of the equipment or works covered by the subcontract due to the Force Majeure event had an unavoidable impact on the final delivery dates stipulated in the Contract.

[END OPTION]

In case of Force Majeure, an extension of the time-limit for execution or a postponement of delivery dates shall be granted in writing by the Agency.

If the delay due to the Force Majeure exceeds three (3) months, the Parties are entitled to terminate the Contract by giving not less than two (2) months' written notice to the other Party, unless the Parties agree to modify the Contract in order to take into account the effects of the Force Majeure.

In case of termination due to Force Majeure, the amount to be paid shall be calculated as per Articles 5.8.2 and 5.8.4. No other payments, compensation or indemnities shall be due by the Agency to the Contractor.

2.2 Acceptance and Rejection

The acceptance by the Agency of the deliverables shall be declared upon verification, by the Agency, that the Work has been performed in compliance with the Agency's requirements and that the required results have been achieved. The said deliverables shall be considered as accepted in the absence of an explicit reaction in respect to the same, by the Agency, within one (1) calendar month counting from the time of submission for acceptance. The provisions of Article 5.8 below shall apply in this respect.

2.3 Deliverable Documents

The Contractor shall, during the performance of this Contract, deliver all documentation and reports specified in APPENDIX 1, in the format and quantities specified therein.

These shall be sent to the Agency's Technical Officer mentioned in Article 5.1 unless otherwise specified, in accordance with the following specific provisions:

- 2.3.1 The draft versions of the final documents as defined in section 3.5 of APPENDIX 1 shall be submitted for approval, in electronic format, to the Agency's Technical Officer specified herein, not later than [...].

The finalised versions thereof shall be issued not later than four (4) weeks after the approval of the draft versions, as specified in APPENDIX 1.

- 2.3.2 The Contract Closure Documentation (APPENDIX 1, Annex A) shall be delivered to the Agency's Authorised Representatives not later than the time of submitting the invoice for the Final Settlement (Article 4.1.3 here below).

ARTICLE 3. PRICE

- 3.1 The total price of this Contract amounts to:

... EUR
(... Euro),

broken down per Contractor and Subcontractor(s) as follows:

Company Name	ESA Entity Code	Type P/Prime; SI/Subco Indirect	Country (ISO Code)	Total Amount in Euro

The abovementioned price is hereby defined as a Firm Fixed Price and, as such, it shall not be subject to any adjustment or revision by reason of the actual costs incurred by the Contractor in the performance of this Contract.

The Agency may decide that certain items produced or purchased under the Contract during its implementation (see ARTICLE 7 below) shall become ESA Fixed Assets. Such items shall be identified as becoming ESA Fixed Assets by means of a Contract Change Notice.

The abovementioned price is hereby defined as a Firm Fixed Price and, as such, it shall not be subject to any adjustment or revision by reason of the actual costs incurred by the Contractor in the performance of this Contract.

3.2 Any amount stated above does not include any value added taxes (“VAT”) or import duties in the Member States of the Agency.

3.3 **[OPTION 1: for EU Prime Contractors in contract with all ESA establishments and all contracts with ECSAT]**

The price is stated as being “Delivered Duty Paid” (“DDP”) for all deliverables, exclusive of import duties and VAT in accordance with the Incoterms® 2020, to the addressees mentioned, or referred to, in ARTICLE 5 of this Contract. Reference to the Incoterms® in this provision is exclusively for the purpose of price definition. The price furthermore includes all costs relative to the Contractor’s obligations under Article 2.1.4 above.

[END OPTION 1]

[OPTION 2: for non-EU Prime Contractors in contract with all ESA establishments, except ECSAT]

The price is stated as being Delivered At Place (“DAP”) for all deliverables, in accordance with the Incoterms® 2020, to the addressees mentioned, or referred to, in ARTICLE 5 of this Contract. Reference to Incoterms® in this provision is exclusively for the purpose of price definition. The price furthermore includes all costs relative to the Contractor’s obligations under Article 2.1.4 above.

[END OPTION 2]

ARTICLE 4. PAYMENTS AND INVOICING

4.1 Payments

Payments shall be made within thirty (30) Days of submission via esa-p to ESA of the required documents and fulfilment of the requirements specified in Articles 4.1.1 – 4.1.3 below¹. Only upon fulfilment of these requirements shall the Agency regard the invoice as due.

Requirements to be fulfilled:

4.1.1 Advance Payment:

- Advance Payment Request (“APR”) (if any): to be submitted after signature of this Contract by both Parties. The Advance Payment constitutes a debt of the Contractor to the Agency until it has been set-off against subsequent milestone(s) as shown in Article 4.2 here below.

4.1.2 Progress Payment(s)²:

- Milestone Achievement Confirmation (“MAC”) (hereinafter referred to as “confirmation”) with supporting documentation, as necessary, submitted by the Contractor and attached in esa-p. The supporting documentation shall justify the actual achievement of the milestone(s) as defined in the Payment Plan specified in Article 4.2 here below; and
- Invoice.

4.1.3 Final Settlement:

- Confirmation submitted by the Contractor with supporting documentation as necessary attached in esa-p. The supporting documentation shall justify the actual achievement of the milestone(s) as defined in the Payment Plan specified in Article 4.2 here below; and
- Invoice; and
- Delivery, and acceptance by the Agency, of all due items and fulfilment of all other obligations in accordance with the terms of this Contract; and
- Signed Contract Closure Documentation using the template provided in **APPENDIX 1**~~Error! Reference source not found.~~, Annex A.

Payments shall be made according to the provisions hereunder:

4.1.4 The Agency shall credit the account of the Contractor to the Contractor’s benefit [OPTION: if Subcontractor(s)]

and to the benefit of the Contractor’s Subcontractor(s). The Contractor shall be responsible for approving or rejecting, within ten (10) Days of receipt, the relevant Subcontractor(s)’ invoice(s) and related supporting documents (e.g. MACs, Cost Reports). The Contractor shall also be responsible for paying the accounts of its Subcontractor(s), for this Contract, in accordance with the applicable law and normal commercial practice. The Contractor shall indemnify the Agency against any claims arising from such Subcontractor(s), caused by the

¹ This is reflected in esa-p as “30 days upon receipt by ESA, in esa-p, of both the confirmation and the invoice”, see in esa-p GUIDE Frequently Asked Questions & Answers for Suppliers at:

http://esa-p-help.sso.esa.int/FAQ_for_Suppliers.pdf.

² For detailed information on how to submit and approve confirmations, invoices and APR in esa-p, you may consult the following two Quick Guides:

http://esa-p-help.sso.esa.int/Quick_Guide_How_to_submit_a_Confirmation_or_Invoice_or_APR.pdf
http://esa-p-help.sso.esa.int/Quick_Guide_How_to_approve_a_Confirmation_or_Invoice_or_APR.pdf.

Contractor's failure to pay the Subcontractor(s). The Contractor shall supply to the Agency, upon request, evidence of the payment(s) made to its Subcontractor(s).

[END OPTION: if Subcontractor(s)]

The Agency shall be afforded all the necessary visibility, whether remotely or by means of inspection of the Contractor's **[and Subcontractor('s)(s)']** premises, in order to ascertain the progress of the Work prior to authorising the relevant payment.

4.1.5 In the event that the achievement of a milestone is delayed but the milestone is partially met at the milestone planning date foreseen, the Agency may, as an exception, effect a payment against an approved confirmation of the partially achieved milestone, not exceeding the value of the Work performed at the date of payment.

4.1.6 When releasing the payment for a given milestone, if applicable, the Agency's payment shall be made after due deduction of the corresponding off-set of the Advance Payment(s) as per the conditions of Article 4.2 here below.

In case of partial payment(s), the Agency shall deduct from the corresponding invoice(s) relative to the same milestone any outstanding amount of the Advance Payment(s) still to be off-set.

4.1.7 All invoices shall be submitted to the Agency in electronic form through the esa-p on-line system.

- a) The Contractor shall ensure that the APR (if any), all confirmations and all invoices are submitted for payment exclusively through the Agency's esa-p system. If the Contractor has no access to the Agency's esa-p system at the time of signature of this Contract, an immediate request for an esa-p user account shall be made by the Contractor to the ESA Helpdesk (mail to: esait.Service.Desk@esa.int), specifying a contact name, the company name and the ESA Contract Number.
- b) In cases where the Agency's esa-p system is inoperative at the moment of submission of the confirmation, the Contractor may submit the confirmation by email to the Agency's Technical Officer mentioned in Article 5.1.1a) of this Contract. A template confirmation form can be obtained upon request to esait.Service.Desk@esa.int.
- c) The Contractor undertakes to complete confirmations and invoices, and to strictly adhere to the instructions (including those for billing taxes and duties, where applicable) contained in esa-p.

[OPTION FOR COUNTRIES USING VAT]

[SUB-OPTION 1: VAT Exemption Certificate issued:
- ESTEC: when non NL Prime in Contract with ESTEC

If applicable, invoices shall separately show all due taxes or duties.

In the case of invoices submitted by the Contractor which are free of VAT, reference shall be made to the number indicated on the VAT Exemption Form which the Agency provided to the Contractor when forwarding the present Contract for signature. On invoices submitted via esa-p, the number shall be put in the respective field "VAT Exemption Number".

[END SUB-OPTION 1]

[SUB-OPTION 2: Exemption under national law:

- *All establishments: when Prime is an IT entity*
- *ESTEC: when Prime is an NL entity in Contract with ESTEC*

If applicable, invoices shall separately show all due taxes or duties.

Invoices submitted by the Contractor, which are free of VAT due to the applicable national law, shall make reference to the relevant piece of national legislation as shown below:

- **For Italy:** Law Nr. 358 of 9/6/1977 – Gazzetta Ufficiale Numero 184 of 7/7/1977.
- **for the Netherlands:** Art. 32 No. 4 Uitvoeringsregeling Algemene wet inzake rijksbelastingen.
- **for Spain:** B.O.E. 173 20-7-2012 Art. 11. Furthermore, reference shall be made to the number indicated on the VAT Exemption Certificate, which the Agency provided to the Contractor.

[END SUB-OPTION 2]

[SUB-OPTION 3: for ECSAT & for all establishment when Prime is a GB entity & when Prime is a Norwegian entity & for ESOC when Prime is a DE entity]:

If applicable, invoices shall separately show all due taxes or duties.

[END SUB-OPTION 3]

[SUB-OPTION 4: for all Establishments when Prime is a Swiss entity]

In the case of invoices submitted by the Contractor which are free of VAT, reference shall be made to the “Antrag auf Befreiung von der Mehrwertsteuer” which the Agency provided to the Contractor when forwarding the present Contract for signature. On all invoices, (submitted via esa-p) the following note is mandatory: “von der Steuer befreit” or “Befreiung von der MWST nach Art. 144 MWSTV”.

[END SUB-OPTION 4]

[END OPTION VAT]

- 4.1.8 Payments shall be made by the Agency in EURO to the account specified by the Contractor. Such account information shall clearly indicate the IBAN (International Bank Account Number) and BIC/SWIFT (Bank Identification Code). The Parties agree that payments shall be considered as effected by the Agency on time if the Agency’s orders of payment reach the Agency’s bank within the payment period stipulated in Article 4.1 above.
- 4.1.9 Any special charges related to the execution of payments shall be borne by the Contractor.
- 4.1.10 Any questions concerning the operation of esa-p shall be addressed to the ESA Helpdesk (mail to: esait.Service.Desk@esa.int).
- 4.1.11 Any questions concerning the latest status of due invoices can be addressed to the ESA Payment Officer (mail to: esa.payment.officer@esa.int).
- 4.2 The following Payment Plan is agreed for this Contract:

Milestone (MS) Description	Schedule Date	Payments from ESA to (Prime) Contractor (in Euro)	Country (ISO code)
Progress (MS 1): Upon successful completion of WP xxx and/or successful [review and] acceptance of all related deliverable items.	To + ... months		
Progress (MS 2): Upon successful completion of WP xxx and/or successful [review and] acceptance of all related deliverable items.	To + ... months		
Final Settlement (MS 3): Upon the Agency's acceptance of all deliverable items due under the Contract and the Contractor's fulfilment of all other contractual obligations including submission of the Contract Closure Documentation.	To + ... months	(not less than 10% of the total Contract price)	
TOTAL			

Advance Payment(s) and other Financial Conditions:

Prime (P)	Company Name	ESA Entity Code	Country (ISO code)	Advance Payment (in Euro)	Offset against ³	Offset by Euro	Condition for release of the Advance Payment
P				Amount	MS 1	Amount	Upon signature of the Contract by both Parties

[OPTION: if Subcontractor(s)]

For information purposes only, distribution by the Prime Contractor of ESA's payments between the Prime Contractor and the Subcontractor(s):

For information purposes: Amounts in Euro for Contractor and Subcontractor(s)						
Milestone	Insert Prime Contractor	Insert Country (ISO code)	Insert Subcontractor A	Insert Country (ISO code)	Insert Subcontractor B	Insert Country (ISO code)
MS 1						
MS 2						
MS 3						

³ An SME has the right to request offset of the 35% advance at the end of the Contract, i.e. the last two milestones (ideally 25% at the last milestone and 10% at the preceding milestone), if this can be justified in view of the economic progress in the Contract.

TOTAL			
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[SUB-OPTION: if the Advance Payment also applies to Subcontractor(s)]

For information purposes only, distribution by the Prime Contractor of ESA’s Advance Payments between the Prime Contractor and the Subcontractor(s):

For information purposes only:							
Amounts in Euro for Contractor and Subcontractor(s)							
Prime (P) or (SI)	Company Name	ESA Entity Code	Country (ISO code)	Advance Payment (in Euro)	Offset against⁴	Offset by Euro	Condition for release of the Advance Payment
P				Amount	MS ..	Amount	Upon signature of the Contract by both Parties
SI				Amount	MS ..	Amount	Upon signature of the Contract by both Parties
SI				Amount	MS ..	Amount	Upon signature of the Contract by both Parties

[END SUB-OPTION]

[END OPTION]

⁴ An SME has the right to request offset of the 35% advance at the end of the Contract, i.e. the last two milestones (ideally 25% at the last milestone and 10% at the preceding milestone), if this can be justified in view of the economic progress in the Contract.

ARTICLE 5. SPECIFIC PROVISIONS

5.1 Approval / Representatives of the Parties during Contract Execution

For the purpose of this Contract, the authorised representative of the Agency’s Director General is **Ms/Mr** [Name/Title].

5.1.1 The Agency’s representatives are:

- a) **Mr/Ms(XXX-XXX)** for technical matters or a person duly authorised by **him/her** (the “Technical Officer”).

All correspondence for technical matters shall be addressed as follows:

	To:	With copy to:	
Name	Ms/Mr	Ms/Mr	Ms/Mr (name of ACO) (Contractor
Telephone No.	+xx xx xxx xxxx	+xx xx xxx xxxx	+xx xx xxx xxxx
Email Address	@esa.int	@esa.int	@esa.int
Mail address			

- b) **Mr/Ms(CIC-CXXX)** for contractual and administrative matters or a person duly authorised by him/her (the “Contracts Officer”).

All correspondence for contractual and administrative matters (with the exception of invoices as mentioned in ARTICLE 4 above) shall be addressed as follows:

	To:	With copy to:	
Name	Ms/Mr	Ms/Mr (name of ACO) (Contractor Company for ESA)	Ms/Mr
Telephone No.	+xx xx xxx xxxx	+xx xx xxx xxxx	+xx xx xxx xxxx
Email Address	@esa.int	@esa.int	@esa.int
Mail address			

- c) Personal Data Protection matters shall be addressed to the ESA Data Protection Officer at the following email address:
dpo@esa.int

5.1.2 Contractor’s Representatives:



All correspondence for the Contractor shall be addressed as follows:

.....,
.....,
.....,
.....,

a) for technical matters as follows:

	To:	With copy to:
Name		
Telephone No.		
Email Address		

b) for contractual and administrative matters as follows:

	To:	With copy to:
Name		
Telephone No.		
Email Address		

c) Personal Data Protection matters shall be addressed to the Data Protection contact point as follows:

	To:
Name	
Telephone No.	
Email Address	
Mail Address	

5.1.3 Communications related to the Contract affecting its terms and conditions shall only bind the Parties, if signed by the Agency’s and the Contractor’s duly Authorised Representatives.

[OPTION 1 or 2 below to be selected by the Contractor. N.B. electronic signature encompasses both, simple electronic signature (handwritten scanned) or the use of e-signing digital tools]

[OPTION 1: electronic signature using digital signatures only, both Parties to sign using e-signing digital tools]

The Parties agree that digital signature of this Contract shall have the same force and effect as hand-signed originals and shall be binding on both Parties to this Contract.

[END OPTION 1]

[OPTION 2: electronic signature. Each of the Parties can use either e-signing digital tools or simple electronic signature (handwritten scanned)]

The Parties agree that electronic signature of this Contract shall have the same force and effect as hand-signed originals and shall be binding on both Parties to this Contract.

[END OPTION 2]

5.2 Personal Data Protection

- 5.2.1 The Agency shall be a separate Data Controller of the personal data of the Contractor specified in Article 5.1.2, as well as in the Proposal.
- 5.2.2 The Agency processes Personal Data subject to the ESA PDP Framework, i.e. the Personal Data Protection Framework applicable to ESA and available at http://www.esa.int/About_Us/Law_at_ESA/Highlights_of_ESA_rules_and_regulations
- 5.2.3 A Privacy Notice regarding the processing of the Personal Data by the Agency for this processing operation is available at (<https://esastar-publication.sso.esa.int/supportingDocumentation/details/39>)
- 5.2.4 The Contractor shall share the above-mentioned ESA Privacy Notice, with all Key Personnel whose Curricula Vitae were submitted to ESA.
- 5.2.5 The Contractor shall be a separate Data Controller of the contact details of the Agency's Representatives as specified in Article 5.1.1.
- 5.2.6 The Contractor shall process the above-mentioned contact details of the Agency's Representatives subject to the Personal Data protection laws and regulations applicable to the Contractor (e.g EU Regulations in the field of personal data protection, including but not limited to the General Data Protection Regulation (Regulation (EU) nr. 2016/679) (hereinafter "GDPR").
- 5.2.7 The Personal Data exchanged by the Parties in the frame of this Contract will only be processed for:
- the performance of the Contract, including implementation, management, monitoring, audits and the fulfilment of the obligations set out in herein.
 - the management of the relationship of the Parties in relation to the Contract, notably for administrative, financial, audit or for communication purposes;
 - the compliance with any legal or regulatory obligation to which a Party is subject.
- 5.3 Infringement of the Law – Infringement of Third-Party Rights
- 5.3.1 The Agency shall not be responsible if the Contractor infringes the laws or statutes of its country or of any other country whatsoever.
- 5.3.2 In the event of a reasonable suspicion of infringement of any patent rights and other Intellectual Property Rights of a Third Party, the Work being performed under this Contract shall be stopped immediately. Assessment of the suspicion shall be performed by the Contractor and, if confirmed, both Parties shall agree on a new approach to achieve the objectives of this Contract, either by obtaining the applicable licence(s) from the Third Party by the Contractor and/or by signing a Contract Change Notice (CCN) agreed upon between both Parties, in order to avoid the infringement. The purpose of the CCN shall be either to (i) restart the Work, if plausible, due under the changed circumstances; or (ii) terminate the Contract, in accordance with Article 5.7.4 hereunder, if the infringement cannot be avoided.

Notwithstanding the above, the Contractor shall indemnify the Agency from and against all claims, proceedings, damages, costs and expenses arising from infringement or alleged infringement of any patent rights and other Intellectual Property Rights of a Third Party with respect to the Work under this Contract. This obligation does not extend to infringements resulting from the use of documents, patterns, drawings or items supplied by the Agency or from

a modification or combination of the deliverables due hereunder made by the Agency after their acceptance.

5.4 Liabilities

5.4.1 Claims between the Parties in respect of damages to staff and goods occurring during the execution of the Contract shall be settled in the following manner:

5.4.1.1 Claims for injuries, including death, sustained by the Parties' representatives or employees (staff) by virtue of their involvement in the Contract shall be settled in accordance with the Law governing the Contract.

5.4.1.2 Claims for damage caused by one of the Parties to goods owned by the other Party shall be settled in accordance with the Law governing the Contract. Except in case of gross negligence or wilful misconduct, the total aggregate liability of either Party for damage to goods owned by the other Party shall not exceed the amount which is quoted in the Contract as the total Contract price.

5.4.2 Except in case of gross negligence and wilful misconduct, the Parties shall not be liable towards each other for consequential damages sustained by the Parties, arising from and during the execution of the Contract. For the sake of clarity and as an example, consequential damages include, but are not limited to: loss of contract, income or revenue; loss of profit or interests; loss of financing; loss of customer; loss of availability and use of facilities; loss of availability and use of employees' productivity or loss of services of such persons; loss of opportunity; loss of rental expenses.

5.5 Customer Furnished Items (CFI)

It is not foreseen that the Agency will provide any items to the Contractor.

5.6 Items Made Available by the Agency

It is not foreseen that the Agency will make any items available to the Contractor.

5.7 Agency's Rights in Case of Contractor's Under-Performance

5.7.1 Should any of the results of the Work fail to meet the agreed requirements and/or specifications, the Agency reserves the right to reject such results and require their resubmission following an iteration of the relevant Work by the Contractor at no additional charge.

5.7.2 Should any of the results of the Work fail to meet any of the agreed requirements and/or specifications to such an extent as to seriously jeopardise the performance of this Contract and/or to defeat its objectives, the Agency reserves the right to terminate this Contract by giving written notice by registered mail.

5.7.3 Should the Contractor fail to obtain an export authorisation from the competent national authority, the Agency shall have the right to terminate this Contract without further notice.

5.7.4 Termination of this Contract as specified above shall entail no compensation being due to the Contractor other than the amounts corresponding to the milestone payments already made hereunder at the time of serving the termination notice. Any amounts corresponding to Advance Payments not entirely offset hereunder shall remain payable to the Agency.

5.8 Termination without fault of the Contractor

5.8.1 The Agency shall have the right at any time to terminate this Contract either wholly or in part by giving written notice by registered mail. In the case of termination of a Contract by the Agency without fault of the Contractor, the Contractor shall, on receipt of the Agency's instructions, forthwith take the necessary steps to implement them. The Parties shall use their best efforts to mitigate the consequences of the termination. The period to be allowed to implement them shall be agreed between the Parties but shall not exceed three (3) months.

5.8.2 Subject to the Contractor conforming with the instructions referred in Article 5.8.1, the Agency shall take over from the Contractor at a fair and reasonable price all finished parts not yet delivered to the Agency, all unused and undamaged material, bought-out components and items in the course of manufacture in the possession of the Contractor and properly obtained by or supplied to the Contractor for the performance of the Contract, except such materials, bought-out components and items in the course of manufacture as the Contractor shall, with the agreement of the Agency, elect to retain.

5.8.3

- a) The Agency shall indemnify the Contractor against such part of any loss of profit as is attributable to the termination of the Contract and against any damage resulting from the termination of the Contract, in particular against any commitments, liabilities or expenditure which are reasonably and properly chargeable by the Contractor and are related to the Contract, in so far as the said commitments, liabilities or expenditure would otherwise, subject to the conditions stated in Article 5.7.1, represent a loss by the Contractor by reason of the termination of the Contract.
- b) The amount of compensation payable under Article 5.8.3a) shall be fixed on the basis of evidence produced by the Contractor and accepted by the Agency. It shall take account of the proportion of the Contract completed and shall be consistent with the provisions of Article 5.8.4

5.8.4 The Agency shall in no circumstances be liable to pay any sum which, when added to the other sums paid, due or becoming due to the Contractor under the Contract, exceeds the total price for the Work set forth in the Contract.

5.9 Changes to this Contract

5.8.1 The Agency reserves the right at any time to request a change to the requirements covered by this Contract. The Agency may also accept changes proposed by the Contractor. The requesting Party shall communicate all change requests to the other Party in writing through the Parties' Representatives indicated in Article 5.1 above.

5.8.2 The cost impact relative to any change resulting from a request, by the Agency, to modify the requirements covered by this Contract shall be borne by the Agency. The Contractor shall be responsible for the consequences and shall bear the cost of any other change.

5.8.3 When responding to a change request issued by the Agency or as a means to propose changes to the Agency, the Contractor shall submit a committing change proposal including a detailed quotation of the effects of the change on the contractual Work, price, schedule, deliverable items and any other contractual terms and conditions.



5.8.4 Upon evaluation and acceptance by the Agency of a change proposal, any amendment to this Contract shall be introduced in the form of a Contract Change Notice (CCN) according to the CCN form attached in APPENDIX 2. In case of rejection, the Agency shall inform the Contractor accordingly, together with the reasons for the rejection.

ARTICLE 6. INTELLECTUAL PROPERTY RIGHTS

6.1 Information to be provided by the Contractor – Protection of information.

6.1.1 Information, data, reports and results arising from Work performed under this Contract shall be delivered to the Agency. The Agency shall have the right to make such information, data, reports and results available to the Participating States and any Persons and Bodies under their jurisdiction, to use on the terms set forth in the following clauses.

6.1.2 For the purpose of this Contract, “Proprietary Sensitive Information” shall mean information corresponding to business related information (e.g., business plans) and/or Intellectual Property Rights vesting in an entity, the uncontrolled dissemination of which is likely to impair the entity’s long-term ability to use and exploit the aforesaid and/or to maintain a competitive advantage.

The Contractor shall not mark any (electronic) documentation as Proprietary Sensitive Information, unless agreed in advance with the Agency in writing. Any request from the Contractor shall be submitted in writing and accompanied by an appropriate justification.

6.1.3 Neither Party shall disclose any documentation obtained from the other Party, and which both Parties recognise as being Proprietary Sensitive Information without the other Party’s previous written authorisation. Without prejudice to the foregoing and limited to the purpose and scope of this Contract, both Parties may circulate such documentation to their employees or collaborators that require the said documentation for the sole purpose of complying with, or inspecting the progress of, this Contract.

6.1.4 The obligations provided in Articles 6.1.2 and 6.1.3 shall not apply to (electronic) documentation which:

- at the time of circulation has already entered in public domain or which after circulation enter in public domain other than through a breach of the Contract;
- at the time of circulation is already known by the receiving Party and is not hindered by any obligation not to circulate;
- is later acquired by the receiving Party from another source and is not hindered by any obligation not to circulate; or
- is required to be circulated by law or order of a court of competent jurisdiction.

6.2 Ownership and Use of Intellectual Property Rights

6.2.1 Ownership of Intellectual Property Rights

The Contractor shall own all Intellectual Property Rights and have the right to apply for, and to own, any Registered Intellectual Property Rights arising from Work performed under this Contract. The Contractor shall as soon as possible report to the Agency any results arising from such a Work which may in its opinion be protected as Registered Intellectual Property Rights and state whether it intends to apply for such protection. At the Contractor’s specific request in order to allow for filing of patent applications, the Agency shall not disclose any relevant information and results for a period of twelve (12) months from the date it was reported to the Agency.

The Contractor shall subsequently inform the Agency of any application to register such results arising from Work performed under this Contract and, within two (2) months of the date of filing,

provide the Agency with all details on that application. The Agency shall have an irrevocable right to use the information used in that application, for its own requirements on the terms set out in Article 6.2.2 below but, unless agreed otherwise with the Contractor, the Agency shall not disclose such information until publication of the registration application.

6.2.2 Use of Intellectual Property Rights

All Intellectual Property Rights arising from Work performed under the Contract shall be available to:

- a) the Agency, Participating States and Persons and Bodies, to use on a free of charge, worldwide licence, with the right to disseminate and/or to grant sub-licences, for the Agency's Own Requirements.

For the avoidance of doubt, the term "use" for the purposes of software and/or hardware (design) shall include, but not be limited to, use to operate, integrate, validate, maintain, modify and upgrade items developed under the Contract.

In view of the objectives of this activity, the Agency explicitly reserves the right to widely disseminate [any] [the items listed below being the] output of the activity, partial or otherwise, both during the execution of this Contract or after its end, without any restriction.

6.3 Background Intellectual Property.

a. Background Intellectual Property - Definition

For the purpose of this Contract, "Background Intellectual Property" means all Intellectual Property, belonging to the Contractor or to a Third Party, which:

- a) has not been generated under contract with the Agency either prior to or during execution of this Contract, and
- b) is relevant to the Work carried out under this Contract, and
- c) the Contractor uses to achieve the objectives of this Contract, and
- d) is delivered to the Agency to enable it to use, operate, copy, distribute and sublicense the deliverable items due under this Contract as specified in the Agency's requirements, and
- e) is duly identified as such in this Contract.

Conversely, "Foreground Intellectual Property" means all Intellectual Property generated through Work carried out under, or directly or indirectly funded through, this Contract.

b. Use of Background Intellectual Property

[OPTION 1: the Contractor has declared the use of BIP]

[Option A]

The Agency acknowledges that the Contractor will use Background Intellectual Property to achieve the objectives of this Contract.

The price agreed for this Contract includes all the fees relative to access to and use of the said Background Intellectual Property, including, but not limited to, the right to sublicense, by the Agency, for the purposes set forth in this Contract.



Any deliverable documents and reports containing Background Intellectual Property shall consist of distinct, appropriately marked and separable parts or volumes in order to precisely identify and segregate the Background Intellectual Property itself.

The above-mentioned Background Intellectual Property is identified as follows:

Exact name of BIPR Item	Owner	Description	Patent # or Ref./ Issue/ Revision/Version #	Contract/ Funding Details under which the IPR was created	Date of creation of the version of the BIPR listed here	Type of Licence	Affected deliverable with comments	Protected Format (Y/N)

The Background Intellectual Property owned by the Contractor or a Third Party shall remain the property of the owner.

Background Intellectual Property to which the Agency requires access for the sole purpose of technical or legal inspection during the execution of this Contract shall be treated as Proprietary Sensitive Information as set forth under Articles 6.1.2 and 6.1.3 above.

The following conditions shall apply to Background Intellectual Property which the Contractor delivers together with, or as part of, the deliverable items due under this Contract:

- a) For Background Intellectual Property delivered in a format making it readily decipherable and meaningful by inspecting, accessing or using the said deliverable items:
 - i. The Contractor shall grant to the Agency, or ensure that the Agency be granted, an irrevocable, free of charge, worldwide licence to enable the Agency to autonomously use, operate, copy, modify and sublicense the Background Intellectual Property limited to the Agency’s Own Requirements relative to this Contract and/or the projects or activities listed under ii. below;
 - ii. Projects or activities for which the Agency is entitled to a licence as described under i. above:

All present and future activities in the context of the ARTES project

- b) For Background Intellectual Property delivered in protected format:
 - i. The Contractor shall grant the Agency, or ensure that the Agency be granted, an irrevocable, free of charge, worldwide licence to enable the Agency to autonomously use, copy, distribute and sublicense, without any restrictions, the Background Intellectual Property delivered in protected format under this Contract as part of other deliverable items, limited to the Agency’s Own Requirements relative to this Contract and/or the projects or activities listed under a)ii. above;

- ii. The Contractor shall grant the Agency, or ensure that the Agency be granted, an irrevocable, free of charge, worldwide licence to enable the Agency to autonomously use, operate, copy, distribute and sublicense the Background Intellectual Property delivered in protected format as a separate item under this Contract, limited to the Agency's Own Requirements relative to this Contract and/or the projects or activities listed under a)ii. above;
- iii. The Agency shall not decrypt, decompile or reverse-engineer Background Intellectual Property delivered in protected format and shall reflect this obligation onto any (sub)licence or agreement into which it may enter to further distribute to any Third Party the said Background Intellectual Property as the Agency sees fit.

[End Option A]

[END OPTION 1]

[OPTION 2: the Contractor has declared that no BIP will be incorporated in the deliverables]

[Option B]

The Contractor has confirmed that all results of this Contract (or any part thereof) shall be deemed and treated as not containing any Background Intellectual Property.

Nevertheless, should the Contractor unilaterally decide to use existing Intellectual Property to achieve the objectives of this Contract, all results of this Contract (or any part thereof) shall be deemed and treated as Foreground Intellectual Property not containing any Background Intellectual Property. The Contractor shall grant to the Agency, and/or ensure that the Agency be granted, all the necessary rights in this respect.

[End Option B]

[END OPTION 2]

6.4 The free licences provided for the benefit of ESA

The free licences provided on Intellectual Property arising from Work performed under this Contract and/or Background Intellectual Property indicated in Article 6.3 for the benefit of ESA shall be deemed granted through signature of the present Contract and without the need to implement a separate licence.

6.5 Transfer outside the ESA Member States

Any transfer of Intellectual Property Rights or any product, process, application or result arising from Work performed under the Contract by the Contractor to any entity in a non-Member State or any international organisation shall comply with all applicable laws including all export control laws, regulations, rules and procedures and any relevant international agreements relating to the export of goods and services.

ARTICLE 7. MANAGEMENT AND CONTROL OF INVENTORY ITEMS/FIXED ASSETS UNDER THE CONTRACT

The following provisions apply to any items other than those items which fall within the scope of ARTICLE 2 of the Contract.

The Contractor shall specify, record, manage and control any and all customer items and ESA Fixed Assets under construction (reference is made to Article 3.1 above) that are subject to this Contract. Such items are:

- i. items produced or purchased under the Contract, including electronic components, special jigs, tools, test equipment, which are paid for under the Contract with an individual or batch value (value of group of items) in the national currency equivalent to or above five thousand (5,000) Euro;
- ii. if any, items identified as becoming ESA Fixed Assets in ARTICLE 3 above or in a subsequent CCN;

The Contractor shall operate an inventory control system (“Inventory Control System”) of all the above-mentioned items and shall mark them as falling under this Article of the Contract.

The Inventory Control System shall:

- record the existence, location, operational status and condition of all inventory items, and
- record the value and estimated life duration of all inventory items, and
- record changes in inventory value, and
- enable financial reconciliation to be made and status reports to be prepared for incorporation of the relevant data into the Agency’s annual financial accounts.

The Contractor shall, as part of the Inventory Control System, maintain an Inventory/Fixed Asset Record (in an electronic tool of its choice) which shall, as a minimum, contain the information as shown in APPENDIX 3 to this Contract.

The Inventory/Fixed Asset Record shall be kept updated by the Contractor. It shall be made available to the Agency upon request but as a minimum yearly during the execution of the Contract (and at completion of each Project Phase as per ECSS-M-ST-10 if applicable). A final consolidated record shall be submitted with the final contractual deliverables as foreseen in APPENDIX 1 to this Contract.

If the Inventory/Fixed Asset Record also includes any of those items which fall within the scope of ARTICLE 2 of the Contract, these items are to be clearly set apart.

Items, for which no place of delivery has been identified in ARTICLE 2 of this Contract, are subject to the following provisions:

Upon completion of the Work specified in the Contract, the Agency shall take decisions regarding the final destination and final ownership of each item listed in the Inventory/Fixed Asset Record. The Agency shall be free to choose amongst the following options with respect to the final destination and final ownership of such items:

- a) the right to claim delivery to the Agency and transfer of ownership (the latter if applicable) - with issue of appropriate instructions concerning packing and shipment (at the Contractor’s expense);
- b) the right to claim or retain ownership and to negotiate with the Contractor a loan agreement if the Contractor is interested in keeping and using an item, with loan conditions making the Contractor

responsible for the custody, the delayed delivery and the risks involved (at the Contractor's expenses).

- c) the right to extend the custody of an item to the Contractor and to postpone its delivery to the Agency and the associated transfer of ownership – on conditions to be negotiated;
- d) the renunciation of any rights to claim delivery and to claim transfer of ownership, leaving the item definitively in the possession and in the ownership of the Contractor, with or without financial compensation for the Agency (e.g., repurchase by the Contractor) and with or without special instruction,
- e) the right to request the Contractor to dispose of an item on conditions to be negotiated.

Should the Agency decide to transfer an ESA Fixed Asset to a Third Party or to dispose of the Fixed Asset, the Contractor shall provide the full inventory information of the Fixed Asset to the Agency and complete the transfer or disposal forms to be provided by the Agency upon request by the Contractor. The information to be given by the Contractor in the forms shall be agreed with the Agency.

The decisions taken by the Agency shall lead to instructions or negotiations, as the case may be, and the results shall be recorded in the relevant sections of the Contract Closure Documentation (CCD) as found in Annex A to APPENDIX 1 to the Contract. The CCD shall not be finalised and signed before disposition of all items has been given by the Agency and recorded in the documentation



Electronically/Digitally signed by the Parties to this Contract,

In:

In:

On:

On:

For

For the European Space Agency (ESA)

..... [Name]
..... [Title]

..... [Name]
..... [Title]

[OPTION FOR CONTRACTS PLACED UNDER ITALIAN LAW ONLY]
SPECIFIC APPROVAL

The Contractor certifies its explicit approval of the following conditions expressed herein:

- [Art. 1.3.4: **Subcontracts**]
- Art. 5.3: Infringement of the Law - Infringement of Third Party rights
- Art. 5.4.1: Damage to Staff and Goods
- Art. 5.4.2: Liability for Consequential Damages during the Execution of the Contract
- Art. 5.7: Agency's Rights in case of Contractor's Under-Performance

On behalf of the Contractor,

on this day

..... [Name]
..... [Title]

[END OPTION]



Appendix 2 to
ESA AO/1-12496/25/NL/GM
Appendix 2 to
ESA Contract No. 4000xxxxxx/xx/XX/XXX/xxx

APPENDIX 1

STATEMENT OF WORK

APPENDIX 2

CONTRACT CHANGE NOTICE

For submission of a change, the Contractor shall submit its proposal in the format of a CCN using the cover page included below. The form shall be filled with the following information as a minimum:

- The Contractor's name and the ESA Contract number;
- The title of the area affected by the change (Work Package reference, new work, etc.);
- The name of the initiator of the change (Contractor or ESA);
- The description of the change (including Work Package Descriptions, Work Breakdown Structure);
- The reason for the change;
- The price breakdown in Euro (€), if any (breakdown by company, Phase, etc., including PSS A2 and PSS A8 forms);
- The Milestone Payment Plan for the CCN, if any;
- Effect on other Contract provisions;
- Start of Work - end of Work (including contractual delivery dates and overall planning, milestones, etc.);
- A CCN Form, as per the format below, signed by the Contractor's representatives.

The Contractor shall, on request of the Agency, provide additional documentary evidence. At the request of either Party, the proposed change may be discussed at a Change Review Board, consisting of both the Contracts Officer and the Technical Officer of each Party.



	DIRECTORATE:	Contractor: [REDACTED]
		ESA Contract No.: 4000XXXXXXXX/xx/XX/XXX/xxx
CONTRACT CHANGE NOTICE No. [REDACTED]		DATE: [REDACTED]
TITLE OF AREA AFFECTED (WORK PACKAGE ETC): [REDACTED]	WP REF: [REDACTED]	
	INITIATOR OF CHANGE: [REDACTED]	
DESCRIPTION OF CHANGE [REDACTED]		
REASON FOR CHANGE [REDACTED]		
PRICE BREAKDOWN (Currency)/PRICE-LEVEL		
EFFECT ON OTHER CONTRACT PROVISIONS [REDACTED]	START OF WORK [REDACTED]	
	END OF WORK [REDACTED]	
CONTRACTOR'S PROJECT MANAGER:	CONTRACTOR'S CONTRACTS OFFICER:	
DATE:	DATE:	
[DISPOSITION RECORD OR OTHER AGREED CONDITION RECORDED WITH THE CCN APPROVAL]		
ESA TECHNICAL OFFICER:	ESA CONTRACTS OFFICER:	
DATE:	DATE:	

APPENDIX 3

INVENTORY/FIXED ASSET RECORD

1.1. Content of electronic Inventory/Fixed Asset Record

The Contractor shall establish an electronic Inventory/Fixed Asset Record with, as a minimum, the following information:

For all items:

- Contract number/subcontract number, if applicable;
- unique item number;
- confirmation that the item has been marked with the unique item number;
- description of item;
- part number/serial number/type code;
- quantity;
- system/subsystem;
- property owner;
- manufacturer;
- classification (category – see section 1.2 below);
- acquisition value (i.e. original purchase price or price at Contract signature as applicable);
- date of purchase or production (“in service date” if not corresponding with date of purchase/production);
- in-service date;
- foreseen useful life (to be agreed with ESA);
- physical location (e.g. facility, building, room);
- entity responsible for care and custody;
- related WBS code or other identifier (to be coordinated with the Agency);
- description and date of any change to the property item;
- planned method of disposal (if applicable).

In addition to the above, the following information shall be added to those items that are identified as becoming ESA Fixed Assets in Article 3 of the Contract, as applicable:

- Acquisition value
 - revision of this value as a result of change(s) to the asset;
- Impairment report of each ESA Fixed Asset remaining in the custody of the Contractor after its acceptance by ESA (using the template that will be provided by the Agency upon announcement by the Contractor that the item has been impaired);
- date of acceptance by ESA (planned date of acceptance);
- foreseen handling after ESA’s acceptance (e.g. transfer to ESA, continuing in custody of the Contractor).



1.2. Classification of Inventory/Fixed Assets items

For the purpose of Inventory/Fixed Asset Control, items shall be classified into five (5) categories, according to the source and intended use of the items, as follows:

Source/Purpose	Supplier-acquired Items	Customer-furnished Items
Consumable items (e.g. parts, materials, supplies)	Class 1	Class 2
Capital items/production support equipment and tools (e.g. instruments, jigs, fixtures)	Class 3	Class 4
Items purchased by the supplier or his lower tier suppliers on their own account but amortised under the Contract	Class 5	

Note 1: Consumable items are parts, materials, supplies, components, modules, minor expendable tools, assemblies, units and subsystems, which through the production process lose their identity and are absorbed directly or indirectly by the system/product to be provided under the Contract.

Note 2: Consumable items are in principle not capitalised per item; however, before consumption they are identified as assets of the Agency under the collective term “Consumable”.

Note 3: Capital items/production support equipment and tools are jigs, fixtures, devises, apparatus, instruments, machines, installations, technical facilities, buildings, computer programmes, documentation, models, samples or any other item, which, after their use in or in conjunction with the production process under the Contract, are expected to have a residual utility or other value for the Agency.

Note 4: Capital items have a useful life of more than one (1) year and are identified as individual items in the supplier’s and its lower tier suppliers’ list of Agency’s assets.