

Hosting

Schedule 2.2: Service Performance Management

REDACTED

1 INTRODUCTION

1.1 Principles

- 1.1.1 The Hosting Supplier shall ensure that Hosting Services perform in accordance with all the performance characteristics for the relevant Service, or component thereof, agreed between the Hosting Supplier and Authority and captured in the documentation for the Service.
- 1.1.2 Service Levels are set out in this Schedule for specific performance characteristics for certain Hosting Services. Any failure by the Hosting Supplier to maintain the Hosting Services at the levels described herein will have significant impact on the Authority's operational efficiency.
- 1.1.3 The Hosting Supplier shall therefore ensure that the Hosting Services are designed such that the performance characteristics proposed for each Service, or component thereof, and captured in the documentation for the Service, enable the Hosting Services to be delivered to the Service Levels specified in this Schedule.
- 1.1.3A REDACTED.
- 1.1.4 In the event that any Service or component thereof, does not perform in accordance with the agreed performance characteristics, the Authority reserves the right to invoke a review of the Service Levels in this Schedule, regardless of whether the Service Levels for the relevant Service have been achieved. Any amendment to or addition of Service Levels resulting from such a review shall be agreed under the Change Control Procedure.
- 1.1.5 The Hosting Supplier shall co-operate with any review of Service Levels undertaken in accordance with the provisions of paragraph 1.1.4. Any Change to the Service Levels shall be conducted in accordance with the Change Control Procedure and the Hosting Supplier shall not unreasonably withhold agreement to the introduction of new Service Levels or the amendment of existing Service Levels if such new or amended Service Levels shall support the performance of a Service, or component thereof, in accordance with its agreed performance characteristics. The Parties agree that it will be reasonable for the Hosting Supplier to withhold consent for any new Service Level if such Service Level increases the costs for the Hosting Supplier of providing the Service in question and such increased costs are not compensated by a proportionate increase in the Charges.
- 1.1.6 The principles governing the establishment and review of Service Levels and the application of Service Credits during the Term of this Agreement shall be as follows:
- (a) All Service Levels shall be relevant and important to the effective delivery of the Authority's business;
 - (b) All Service Levels shall be measurable;
 - (c) The cost to the Authority of Service Level Failure shall be appropriate to the impact of the failure on the business;
 - (d) Service Levels must be consistently achievable;
 - (e) The Service Level and Service Credit regime should be simple and easy for both Parties to operate; and
 - (f) The Hosting Supplier will be most effective if motivated through success.

1.2 Incidents and Problems open at Service Commencement

- 1.2.1 Not applicable.

1.3 Social value key performance indicators

- 1.3.1 Key performance indicators for social value can be found at paragraphs 3.4 and 4.3 of Annex 1 (Sustainability and Social Value Requirements) of Schedule 2.1 (Service Requirements).

2 SERVICE LEVEL OVERVIEW

2.1 Introduction

- 2.1.1 The Hosting Supplier shall measure the performance of the Hosting Services against the Service Levels specified herein and shall provide the Authority with a report for each Reporting Period setting out how the Hosting Services have performed and whether the Service Levels associated with that Service have been met within the relevant measurement period. The Hosting Supplier shall also include in the report for the Reporting Period, information about the general performance of the Service with reference to the agreed performance characteristics for the Service.
- 2.1.2 Unless the provisions of this Schedule explicitly state otherwise:
- (a) the measurement period shall be 1 (one) Month;
 - (b) the Hosting Supplier shall commence measurement of Service performance on the Effective Date;
 - (c) Service Credits shall accrue from the Effective Date.
- 2.1.3 The Hosting Supplier shall report on performance, capacity and availability, as appropriate, of all Hosting Services for each Reporting Period.
- 2.1.4 Systems of measurement for those Service Levels for which the Hosting Supplier has responsibility shall be defined in this Schedule 2.2 and/or in the monthly service report.
- 2.1.5 Not used.

2.2 Continuous Service Level Improvement

2.2.1 Principles

- (a) The Parties acknowledge that the Service Levels should be challenging and encourage behaviour that seeks to continually improve upon the levels of Service provided by the Hosting Supplier.
- (b) The Hosting Supplier shall record the performance level achieved in respect of each Service Level for each measurement period throughout the Contract Year. The Hosting Supplier shall also record sufficient additional information about its performance of the Hosting Services to enable the Service Levels to be reviewed and reset in accordance with paragraph 2.2.2.
- (c) The Hosting Supplier and the Authority shall review performance against the Service Levels on an annual basis on the first anniversary of the Effective Date.
- (d) The Hosting Supplier and the Authority shall take account of the performance achieved over the previous Contract Year and, based upon that performance and the provisions of this Schedule, shall agree new Service Levels that will motivate the Hosting Supplier to deliver an improved level of Service for the coming Contract Year.
- (e) Subject to the Change Control Procedure the Service Levels shall not at any point be reduced other than by agreement between the Parties.

2.2.2 Mechanism for setting new Service Levels

- (a) For each of those Service Levels expressed as a percentage:
 - (i) the Hosting Supplier shall present to the Authority, within two (2) weeks of the end of the Contract Year, a statement of the actual performance achieved during each measurement period of the Contract Year.
 - (ii) The proposed Service Level for the new Contract Year shall be calculated by taking the average performance level achieved during the preceding Contract Year save that in no event shall an increase in any Service Level calculated in accordance with this paragraph exceed ten percent (10%) of the difference between

one hundred percent (100%) and the Service Level for the preceding Contract Year. (For example, if the Service Level being adjusted were 99.60%, the maximum increase for that Service Level would be 0.04% (i.e. from 99.60% to 99.64%).)

- (b) For each of those Service Levels not expressed as a percentage, the Hosting Supplier shall co-operate with third party providers to propose to the Authority, new Service Levels for those Hosting Services that have consistently performed above the established Service Level.
- (c) The Hosting Supplier shall co-operate with the Authority to present, agree and implement where possible the revised Service Levels within one Month of the end of the preceding Contract Year or any such other period as reasonably agreed.

2.2.3 **End to End Service Levels**

- (a) The Authority's requirement is for an acceptable level of end-to-end Service and the Hosting Supplier shall co-operate with the Authority to establish Service Levels that effectively measure the availability and performance of the end-to-end service.
- (b) To the extent that the Hosting Supplier can demonstrate that a Service Level Failure was due to Other FITS Supplier Cause or an Authority Cause or due to a Force Majeure Event, the Hosting Supplier may rely upon the reliefs set out in Clauses 12, 13 or 52 as appropriate.

2.2.4 **Not used**

3 SERVICE CREDITS REGIME

3.1 Service Credit Principles

- 3.1.1 The Hosting Supplier shall be liable for remedies in the form of Service Credits where the Hosting Supplier fails to deliver certain Hosting Services in accordance with the Service Levels set out in this Schedule. The Service Levels for which Service Level Failures will cause Service Credits to accrue are set out in this Schedule.
- 3.1.2 Service Credits represent the abatement of Charges to compensate the Authority for the reduction in the level of Service provided by the Hosting Supplier.
- 3.1.3 The Hosting Supplier shall measure and report the performance of Hosting Services against all relevant Service Levels. Where failure by the Hosting Supplier to deliver a Service, or component thereof, results in two or more Service Levels not being achieved, the Hosting Supplier shall be liable only for the highest value Service Credit, accrued as a result of the relevant Service Level Failure, during the relevant measurement period.
- 3.1.4 The Service Credits that shall be applied in respect of each incidence of Service Level Failure during each Reporting Period are identified in schedule 7.1 (Charging and Invoicing). Service Credits shall continue to accrue at set intervals, as further defined in this Schedule, until the Service Level Failure is rectified.
- 3.1.5 The Authority may add, change or remove Service Credits subject to the Change Control Procedure set out in schedule 8.2 (Change Control Procedure).
- 3.1.6 Where there have been incidences of persistent Service Level Failure in respect of Service Levels without associated Service Credits, the Authority may invoke a Recovery Plan in accordance with Clause 12.3. In the event that the Service Level Failures have not been addressed to the reasonable satisfaction of the Authority following the agreement and completion of the Recovery Plan, the Authority may exercise the rights and remedies set out in Clause 12.6.
- 3.1.7 The Hosting Supplier shall calculate the Service Credits accrued during each Reporting Period. These Service Credits shall be applied to the next invoice for Charges due in the Month immediately following the completion of the monthly review for each Reporting Period.

3.2 Not Used

3.3 Infrastructure Service Credit Implementation

- 3.3.1 The Hosting Supplier shall be responsible for the performance and availability of all Hosting Services and shall therefore be responsible for delivering those Hosting Services in accordance with the relevant Service Levels.
- 3.3.2 The Hosting Supplier shall support the delivery of the Hosting Services into the Authority's ICT Environment in accordance with the relevant Service Levels.
- 3.3.3 The Hosting Supplier shall accrue Service Credits arising from any failure to deliver the Hosting Services in accordance with the Service Levels set out in paragraphs 7 to 12 of this schedule 2.2 (Service Performance Management) from the Effective Date.
- 3.3.4 The Hosting Supplier shall receive the relevant infrastructure Service Credit for each incidence of Service Level Failure.
- 3.3.5 A Service Credit shall accrue in respect of each Authority Site where the Service performance or availability fails to achieve the relevant Service Level.
- 3.3.6 The Authority shall determine which Service Credits shall be applied in accordance with the terms of this Agreement. The Hosting Supplier shall apply such Service Credits to the next invoice for Charges due in the Month immediately following the completion of the monthly review for each Reporting Period. In reviewing Service Credits, the Authority shall act reasonably in taking account of any unforeseen peaks in business usage during the Reporting

Period, where such peaks were significantly over and above the performance characteristics for that Service or component thereof, and the extent to which failure to meet a specific Service Level should be mitigated by such circumstances

Service Credit Types

3.3.7 The value of each Service Credit type is recorded in schedule 7.1 (Charging and Invoicing).

Ref.	Service Credit	Description
SCD	Device Level Service Credit	<u>Service Level Failure impacting single client device.</u> A Service Credit shall apply for each occurrence of a Service Level Failure below the applicable Service Level during each Reporting Period. The potential for additional Service Credits shall exist until the Service Level Failure is rectified.
SCP	Partial Functionality Service Credit	<u>Service Level Failure impacting reduced functionality</u> A Service Credit shall apply for each occurrence of a Service Level Failure below the applicable Service Level during each Reporting Period. The potential for additional Service Credits shall exist until the Service Level Failure is rectified.
SCG	Group Level Service Credit	<u>Service Level Failure impacting multiple End Users</u> A Service Credit shall apply for each occurrence of a Service Level Failure below the applicable Service Level during each Reporting Period. The potential for additional Service Credits shall exist until the Service Level Failure is rectified.
SCA	Service Availability Service Credit	<u>Service Level Failure impacting Business Application availability</u> A Service Credit shall apply for failure to achieve availability to the applicable Service Level during the Reporting Period. The potential for additional Service Credits shall exist down to the actual Service Level achieved for the Reporting Period.

3.4 Weighting

3.4.1 The Hosting Supplier shall multiply the Service Credits accrued for failures to achieve each of the Service Levels set out in this Schedule by the weighting factor associated with each Service Level.

4 SERVICE INCENTIVE REGIME

4.1 Principles

4.1.1 No Service Incentives shall apply to the Hosting Services.

5 UNACCEPTABLE SERVICE PERFORMANCE

5.1 Service Level Threshold

5.1.1 The Service Level Threshold shall have been breached when, due to the Default of the Hosting Supplier, any of the following events occur:

- (a) the number of failures to resolve, or provide a workaround, for a Priority 1 Incident within the timescales defined in paragraph **Error! Reference source not found.** of this schedule 2.2 (Service Performance Management) exceeds three (3) in each of any three (3) Reporting Periods in a rolling twelve (12) Reporting Periods; or
- (b) the availability of any Business Applications is less than 95.00% as a result of failure in delivery of the Hosting Services in any three (3) Reporting Periods in a rolling twelve (12) Reporting Periods; or
- (c) Any part of the infrastructure facility for web hosting covering servers, virtual LAN and WAN is less than 99.00% in any three (3) Reporting Periods in a rolling twelve (12) Reporting Periods.

5.2 Termination Thresholds

5.2.1 The Termination Thresholds shall have been breached when, due to the Default of the Hosting Supplier, any of the following events occurs:

- (a) where there are more than five (5) Priority 1 Incidents recorded during any Reporting Period and more than 75% of the total number those Incidents, that are the responsibility of the Hosting Supplier, have accrued Service Credits during any Reporting Period; or
- (b) more than 80% of the total number of all Incidents recorded during any Reporting Period, that are the responsibility of the Hosting Supplier, remain open on the first Service Day of the subsequent Reporting Period; or
- (c) the availability of any Hosted Business Application as measured at any Authority Site falls below 70% for any Reporting Period as a result of the failure of the Hosting Supplier to deliver the Hosting Services; or
- (d) the Service Credit limit set out in schedule 7.1 (Charging and Invoicing) for any Reporting Period is reached on any three consecutive Reporting Periods; or
- (e) for the avoidance of doubt, ICT Environment incidents are excluded as any relevant events leading to Termination Thresholds being breached by the Hosting Supplier provided that the Hosting Supplier has complied with its obligations under this Agreement including Clauses 3.3 and 54.10.

End of Schedule