# Call-Off Schedule 14 (Service Levels)

1. **Definitions**
   1. In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

|  |  |
| --- | --- |
| **“Critical Service Level Failure”** | has the meaning given to it in the Order Form; |
| **"Service Credits"** | any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to the Authority in respect of any failure by the Supplier to meet one or more Service Levels; |
| **"Service Credit Cap"** | has the meaning given to it in the Order Form; |
| **"Service Level Failure"** | means a failure to meet the Service Level Performance Measure in respect of a Service Level; |
| **"Service Level Performance Measure"** | shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and |
| **"Service Level Threshold"** | shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule. |

1. **What Happens If You Don’t Meet The Service Levels**
   1. The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
   2. The Supplier acknowledges that any Service Level Failure shall entitle the Authority to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Authority as a result of the Supplier’s failure to meet any Service Level Performance Measure.
   3. The Supplier shall send Performance Monitoring Reports to the Authority detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.
   4. A Service Credit shall be the Authority’s exclusive financial remedy for a Service Level Failure except where:
      1. the Supplier has over the previous 12 Month period exceeded the Service Credit Cap; and/or
      2. the Service Level Failure:
         1. exceeds the relevant Service Level Threshold;
         2. has arisen due to a Prohibited Act or wilful Default by the Supplier;
         3. results in the corruption or loss of any Government Data; and/or
         4. results in the Authority being required to make a compensation payment to one or more third parties; and/or
      3. the Authority is entitled to or does terminate this Contract pursuant to Clause 10.4 (When the Authority Can End the Contract).
   5. Not more than once in each Contract Year, the Authority may, on giving the Supplier at least 3 Months’ notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Supplier shall not be entitled to object to, or increase the Charges as a result of such changes, provided that:
      1. the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;
      2. the principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards; and
      3. there is no change to the Service Credit Cap.
2. **Critical Service Level Failure**

On the occurrence of a Critical Service Level Failure:

* 1. any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
  2. the Authority shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this Paragraph 3 shall be without prejudice to the right of the Authority to terminate this Contract and/or to claim damages from the Supplier for Material Default.

# Part A: Service Levels and Service Credits

1. **Service Levels**

If the level of performance of the Supplier:

* 1. is likely to or fails to meet any Service Level Performance Measure; or
  2. is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Authority in writing and the Authority, in its absolute discretion and without limiting any other of its rights, may:

* + 1. require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Authority and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring;
    2. instruct the Supplier to comply with the Rectification Plan Process;
    3. if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Supplier to the Authority; and/or
    4. if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for Material Default).

1. **Service Credits**
   1. The Authority shall use the Performance Monitoring Reports supplied by the Supplier to verify the calculation and accuracy of the Service Credits, if any, applicable to each Service Period.
   2. Service Credits are a reduction of the amounts payable in respect of the Deliverables and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with the calculation formula in the Annex to Part A of this Schedule.

# Annex A to Part A: Services Levels and Service Credits Table

[**Guidance Note:** The following are included by way of example only. Procurement-specific Service Levels should be incorporated]

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Service Levels | | | | Service Credit for each Service Period |
| Service Level Performance Criterion | Key Indicator | Service Level Performance Measure | Service Level Threshold |
| **[**Accurate and timely billing of Authority | Accuracy /Timelines | at least 98% at all times | [ ] | 0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure |
| Access to Authority support | Availability | at least 98% at all times | [ ] | 0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure |

The Service Credits shall be calculated on the basis of the following formula:

[Example:

|  |  |  |
| --- | --- | --- |
| Formula: x% (Service Level Performance Measure) - x% (actual Service Level performance) | = | x% of the Charges payable to the Authority as Service Credits to be deducted from the next Invoice payable by the Authority |
| Worked example: 98% (e.g. Service Level Performance Measure requirement for accurate and timely billing Service Level) - 75% (e.g. actual performance achieved against this Service Level in a Service Period) | = | 23% of the Charges payable to the Authority as Service Credits to be deducted from the next Invoice payable by the Authority] |

# Part B: Performance Monitoring

1. **Performance Monitoring and Performance Review**
   1. Within 20 Working Days of the Start Date the Supplier shall provide the Authority with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
   2. The Supplier shall provide the Authority with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to Paragraph 3.1 of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
      1. for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
      2. a summary of all failures to achieve Service Levels that occurred during that Service Period;
      3. details of any Critical Service Level Failures;
      4. for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
      5. the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
      6. such other details as the Authority may reasonably require from time to time.
   3. The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and the Authority of the Performance Monitoring Reports. The Performance Review Meetings shall:
      1. take place within 1 week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Authority shall reasonably require;
      2. be attended by the Supplier's Representative and the Authority’s Representative; and
      3. be fully minuted by the Supplier and the minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Authority’s Representative and any other recipients agreed at the relevant meeting.
   4. The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Authority’s Representative at each meeting.
   5. The Supplier shall provide to the Authority such documentation as the Authority may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.
2. **Satisfaction Surveys**
   1. The Authority may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Authority shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract.