

- 6.7.1.3. an explanation of the solution deployed by the Service Provider and a summary statement as to how well (or otherwise) the Service Provider handled the Major Incident;
 - 6.7.1.4. the lessons learned by the Service Provider as a result of the Major Incident;
 - 6.7.1.5. any proposed changes to the Service Provider's procedures and the Major Incident Plan; and if appropriate, the Major Incident List
 - 6.7.1.6. proposed amendments to Third Party procedures, systems and plans in the event that the Service Provider's investigations into the trigger for the Major Incident reveal that the Major Incident was caused as the result of an act or omission of a Third Party.
- 6.7.2. A draft of the Major Incident Report shall be prepared and submitted to the Authority within five (5) Business Days of any Major Incident having been resolved and in the event that the Service Provider fails to do so a Corrective Action Notice may be issued to the Service Provider by the Authority.
- 6.7.3. the Service Provider shall meet to discuss the draft Major Incident Report within five (5) Business Days of its submission and the Service Provider shall finalise the Major Incident Report within a further five (5) Business Days of such meeting.
- 6.7.4. The Service Provider shall include a summary of all Major Incidents in the Service Performance Report as per Appendix 2 (Service Performance Reports).

7. Problem Management

7.1. Overview

- 7.1.1. Problem Management is defined as the process used to determine the root cause of one or more Incidents and to develop workarounds and/or permanent fixes in order to minimise the frequency and/or impact of the Incidents

7.2. Requirements

- 7.2.1. Upon request from the Authority the Service Provider shall initiate or assist in a Problem investigation for a particular Incident or set of Incidents.
- 7.2.2. As part of any Problem investigation, if requested, the Service Provider shall produce a Problem Report, for each Problem, containing a description of the Incidents, a trend analysis or timeline of the Incidents, the root cause of the Incidents, potential workarounds, and potential permanent fixes.
- 7.2.3. The Service Provider shall provide the Problem Report to the Authority within the Service Levels in Appendix 1 (Service Levels).
- 7.2.4. The Service Provider shall, upon agreement with the Authority, schedule and implement the workaround and/or permanent fix and apply the Change Management process if required.

8. Service Performance Report

- 8.1. The Service Provider shall prepare and submit to the Authority a Service Performance Report. The Service Provider acknowledges that the timely submission of the Service Performance Report following the end of each Period and properly addressing any comments made by the Authority is essential to the processing of the invoice for the Period by the Authority. Any delay in the submission of the Service Performance Report shall extend the period set out in Clause 11.4 (Payment Procedures and Approvals) for review of any associated Invoice by an equivalent period of time.
- 8.2. The Service Provider shall deliver a report which details the Service Provider's performance of the Services (the "**Service Performance Report**") each Period by 8:00 of 2nd Business Day following the end of each Period. The structure and contents of the report is detailed in Appendix 2 (Service Performance Reports). Additionally, the Service Provider shall provide information in an Excel format or as agreed by the Authority by 8:00 of 2nd Business Day of the Period end showing the overall performance against each Service Level of the Contract.
- 8.3. The Authority may apply Service Credits (and, where applicable, Service Bonuses) according to clause 5.3 (Performance Regime) based on the data, including raw supporting data, provided by the Service Provider as part of the Service Performance Report which demonstrates the Service Provider's compliance with the Service Levels specified in Appendix 1 (Service Levels).
- 8.4. The Authority may, at the Service Review Meeting, advise the Service Provider of any items contained in the Service Performance Report that require correction. The Service Provider shall ensure that agreed corrections are communicated to the Authority.

9. Service Review Meetings

9.1. Overview

- 9.1.1. The purpose of the Service Review Meeting is to review the performance of the Service Provider over the previous Period to ensure the best quality and standards of performance in the provision of the Services.
- 9.1.2. A Periodic Service Review Meeting shall be held within five (5) Business Days of Period end, unless otherwise agreed between the Parties.

9.2. Requirements

- 9.2.1. The Service Provider shall send suitably qualified Service Provider Personnel to attend a Periodic Service Review Meeting with the Authority which shall be held at an Authority Premises in London, unless otherwise agreed by the Authority.
- 9.2.2. The agenda for the Service Review Meeting shall initially cover:
 - 9.2.2.1. the previous minutes;
 - 9.2.2.2. a review of the Service Provider's Service Performance Report;
 - 9.2.2.3. other matters as jointly agreed;

- 9.2.2.4. Service operation, Contract performance and Contract compliance where appropriate;
- 9.2.2.5. Assurance feedback; and
- 9.2.2.6. Transition, where applicable.
- 9.2.3. The Authority shall be responsible for the creation and distribution of the agenda and meeting minutes.
- 9.2.4. The Service Provider shall attend scheduled and ad-hoc operational meetings as reasonably requested by the Authority.

10. Asset Management

10.1. Overview

- 10.1.1. The Authority may make available Authority Assets to the Service Provider to use on their premises for the sole purpose of performing the Service. The use of Authority Assets may require the Service Provider to assist the Authority and its sub-contractor(s) in maintaining the Authority Assets in accordance with the requirements in this paragraph.

10.2. Requirements

- 10.2.1. The Service Provider shall provide access, at no charge, to the Authority Personnel for the purpose of planned maintenance, repairs or replacement of any Authority Assets held on the Service Provider's premises.
- 10.2.2. The Service Provider shall provide the Authority with the Service Providers access procedures and arrange any access provisions which may include badges, keys, or passes.
- 10.2.3. The Service Provider shall raise an Incident with the Authority Service Desk for any issues affecting the Authority Assets that could result in an Authority Event.
- 10.2.4. The Service Provider shall provide safe and secure electrical and communication connections to Authority Assets, at no charge, in order for the Authority Assets to operate effectively and safely.

11. Continual Service Improvement

11.1. Overview

- 11.1.1. Continual service improvement uses methods from quality management in order to learn from past successes and failures with the aim of continually improving the effectiveness and efficiency of the Service Management processes and Services.

11.2. Requirements

The Service Provider shall:

- 11.2.1. Review the Services on a regular basis and identify opportunities to improve Service quality where necessary, and identify more economical ways of delivering the Service where possible;
- 11.2.2. Evaluate the Service Management processes on a regular basis. This includes identifying opportunities for establishing process metrics, setting targets for process metrics, identify where targeted process metrics are not reached, and holding regular benchmarking, audits, maturity assessments and reviews;
- 11.2.3. Define specific initiatives aimed at improving the Services and Service Management processes, based on the results of service reviews and process evaluations;
- 11.2.4. Implement initiatives where appropriate to improve the Services and the Service Management; and
- 11.2.5. Verify if improvement initiatives are proceeding according to plan, and to introduce corrective measures where necessary.

APPENDIX 1 - SERVICE LEVELS

1. Service Levels denoted with "*" shall be treated as a separate group of Service Levels, which are subject to paragraph 2.1.2 of this Schedule, where only the highest value single set of Service Credits shall be applied to each group each Period.
2. Service Credits shall be measured and applied on the basis that is stipulated in brackets in second column titled Service Level.
3. All "Daily" reporting requirements are required 7 days a week including Bank Holidays, Christmas Day and New Year's Day.
4. The Authority may, acting reasonable, grant the Service Provider a period of relief of Service Credits and/or relaxed Service Levels, which may be applied during the Transition Phase of the implementation of the initial Service, or part thereof, and subject to paragraph 5 of this Appendix in the event of a Variation to the Services ("**Grace Period**").
5. The Grace Period, if any, set by the Authority shall be dependent on the Detailed Transition Plan and the transition plan of a Variation and may not be applied across all elements of the Service i.e. various call handling subject types, correspondence subject types, Key Fulfilment subject types of the Contract. Application of the Grace Period on the Service elements would depend on the criticality of the Service element/subject type and the complexity of the Variation. In all cases the Authority shall act reasonably when granting such Grace Periods.

No.	Service Level	Parameter	Target	Service Credits
1	Time to answer calls (Periodic)*	Percentage of calls answered within set amount of time (20 seconds) Start time applies from the time the call enters the Service Provider's phone queue to speak to an Agent (after the a call has been routed through the IVR) until such time the call is answered by an Agent	80% of calls within 20 seconds	A 5% deduction of the call handling Charges for the reported Period for each 10% range below the target. For example: Time to answer calls within 71% – 80% range = 0% deduction Time to answer calls within 61% -70% range = 5% deduction Time to answer calls within 51% -60% range = 10% deduction

2	Call abandonment rate (Daily)*	Percentage of calls that have been abandoned (where the caller terminates the call before the call is answered by an Agent, provided that the caller has waited at least 10 seconds in the telephony queue) Calculated as: (no. of all inbound calls abandoned - no. of inbound calls abandoned before 10 seconds) / total inbound calls	Less than or equal to 10%	A 5% deduction of call handling Charges for the reported day for every 1% over the target For example i.e. 12% call abandonment rate = 10% deduction.
3	Average Talk Time (Periodic)*	Average time Customer spent on the call with an Agent (including hold time during the call) for LCHS calls. Measured from the time the call is answered by an Agent until the call is terminated or is transferred via the IVR to another IVR service option.	4 minutes 30 seconds	A 5% deduction of call handling Charges for the reported Period for every 20 seconds over the first 20 seconds. For example: ATT is within 4min 30 sec – 4min 49sec range = 0% deduction ATT within 4min 50 sec - 5min 9sec range = 5% deduction ATT within 5min 10 sec - 5min 29sec range = 10% deduction
4	Contact centre availability by percentage - Calls only (Periodic)	The percentage of time per Period that the Service Provider's contact centre is operational during the operational hours detailed in Schedule 4 (Service Scope Specification)to: 1. Receive calls; 2. Make calls; 3. Maintain a VPN connection to Authority systems; and 4. Is not affected by an outage in the Service Provider's systems**. **Excluding those as a result of a Force Majeure Event.	99.5% Contact Centre availability	The 99.5% applied to the associated Period's daily operating hours. A £10 deduction from the total Periodic Charges for each minute over the applicable Period's non-operational availability. For example Period 1 of FY 2017-18 is from 01/04/17 to 30/04/17. These dates include 20 weekdays (2 of which are Bank Holidays) and 5 weekends. To calculate the unavailability % of the above Period: 18 weekdays X (13 operational hours) + 10 weekend days X (10 operational hours) +

				<p>2 Bank Holiday days X (9 operational hours) = 352 operational hours</p> <p>0.5% unavailability equates to 105 minutes & 36 seconds of non-operational availability.</p> <p>Deduction for the above Period are applied to each minute above a unavailability of 106 minutes i.e. 107m 20s = £20 deduction.</p>
5	<p>Contact centre availability by number of outages - Calls only</p> <p>(Periodic)</p>	<p>The number of instances per Period where the Contact Centre is not operational during the operational hours detailed in Schedule 4 (Service Scope Specification). to:</p> <ol style="list-style-type: none"> 1. Receive calls; 2. Make calls; 3. Maintain a VPN connection to Authority system; and 4. Is not affected by an outage in the Service Provider's systems***. <p>***Excluding those as a result of a Force Majeure Event.</p>	<p>No more than two (2) outages per Period</p>	<p>A £1000 deduction from the total Periodic Charges for each additional outage above 2.</p>
6	<p>Category 1 - Contact Follow-up</p> <p>(per request)</p>	<p>Time to respond (via outbound call handling or correspondence) to a LCHS correspondence received from a Customer.</p> <p>This includes:</p> <ul style="list-style-type: none"> • Key activation • Customer authentication • Balance enquiry • Request for DSA Map • Customer reports Third Party Incident • Provide scheme information • Refund/Billing enquire where value is up to the Refund Threshold value; • Statement request <p>The processing time shall be measured as the duration between the time and date on which the inbound contact is recorded as a Service Ticket in the MSD</p>	<p>24 hours</p>	<p>A 20% deduction of the per contact cost of LCHS correspondence of each individual correspondence applied for each Business Day of delay.</p>

		<p>CRM to the time and date of closure of the Service Ticket within the MSD CRM following despatch of the response to the Customer.</p> <p>24 hours is applicable to Business Days only.</p>		
7	<p>Priority 2 Contact Follow-up (per Period)</p>	<p>Time to respond (via outbound call handling or correspondence) to a LCHS correspondence received from a Customer.</p> <p>A "Priority 2 Contact Follow-Up" is any Contact from a Customer received via the correspondence, which is not classed as Priority 1 Contact Follow-up.</p> <p>This includes but not limited to;</p> <ul style="list-style-type: none"> • Refund/Billing enquire where value is above the Refund Threshold; • Complaints; • any Contact from a Customer received via the correspondence, which is not classed as Priority 1 Contact Follow-up <p>The processing time shall be measured as the duration between the time and date on which the inbound contact is recorded as a Service Ticket in the MSD CRM to the time and date of closure of the Service Ticket within the MSD CRM following despatch of the response to the Customer.</p>	<p>95% shall be accurately responded to within five (5) Business Days.</p>	<p>A 20% deduction of the per contact cost of LCHS correspondence of each individual correspondence applied for each Business Day of delay.</p>
8	<p>Mystery Shopper Surveys - call handling (Periodic)</p>	<p>As per Appendix 5 (Quality Measurement Criteria) of Schedule 4 (Service Scope Specification), surveys conducted by the Authority and by a Third Party appointed by Authority providing quantitative and qualitative feedback</p>	<p>85% average satisfaction rate</p>	<p>A 5% deduction of total call handling Charges reported for the Period for every 5% below the target. For example:</p> <p>Satisfaction rate within 81% – 85% range = 0% deduction</p> <p>Satisfaction rate within 76% -80% range = 5% deduction</p>

				Satisfaction rate within 71% -75% range = 10% deduction
9	Mystery Shopper Surveys - correspondence (Periodic)	As per Appendix 5 (Quality Measurement Criteria) of Schedule 4 (Service Scope Specification), surveys conducted by the Authority and by a Third Party appointed by Authority providing quantitative and qualitative feedback	85% average satisfaction rate	A 5% deduction of total correspondence Charges reported for the Period for every 5% below target. For example: Satisfaction rate within 81% – 85% range = 0% deduction Satisfaction rate within 76% -80% range = 5% deduction Satisfaction rate within 71% -75% range = 10% deduction
10	Freedom of Information Act Data requested by the Authority (per request)	In the event the Authority has request information from the Service Provider as detailed in Clause 30.8.5.	5 Business Days to retrieve and provide all relevant Data to the Authority, unless otherwise agreed in writing between the Parties, as per Clause 32.2.2.	A £500 deduction applied per/day per/request for each Business Day after the target that the request is not entirely fulfilled.
11	Freedom of Information Act request notification (per request)	Applicable to all Information Access Requests received by the Service Provider and it's sub-contractors as detailed in Clause 32.2.1.	2 Business Days to notify the Authority of the request, as per Clause 32.2.1.	A £500 deduction applied per/day per/request for each Business Day after the target that the notification has not been sent to the Authority.

12	Accuracy of reporting Data (Daily) (Weekly) (Periodic) (Daily 9:30, 14:00, 20:15)	All reporting data as detailed in Appendix 4 (Reporting Requirements) of Schedule 4 (Service Scope Specification) has been included and contains correct data.	100%	Corrective Action Notice
13	Acknowledgement of ad-hoc report request	As per paragraph 13.11 of Schedule 4 (Service Scope Specification) acknowledge such request and agree with the Authority of a reasonable timeframe as to when the report will be provided to the Authority.	Request made before midday - by 20:00 of that same Business Day, otherwise 17:00 of following Business Day	A Service Credit of £50 is levied per report, where a report is delivered more than 1 hour later than the target,
14	Provision of daily reporting Data (Daily)	As per Appendix 4 (Reporting Requirements) of Schedule 4 (Service Scope Specification), the Service Provider shall provide complete and correct reports. For recurring reports each instance of a report delivered on its due date shall be deemed to be a unique report.	Every day 10:00 AM	A Service Credit of £50 is levied per report, where a report is delivered more than 1 hour later than the target,

15	Provision of weekly reporting Data (Weekly)	As per Appendix 4 (Reporting Requirements) of Schedule 4 (Service Scope Specification), the Service Provider shall provide complete and correct reports. For recurring reports each instance of a report delivered on its due date shall be deemed to be a unique report.	Every Monday 10:00 AM	A Service Credit of £50 is levied per report, where a report is delivered more than 1 hour later than the target.
16	Provision of Periodic reporting Data (Periodic)	As per Appendix 4 (Reporting Requirements) of Schedule 4 (Service Scope Specification), the Service Provider shall provide complete and correct reports. For recurring reports each instance of a report delivered on its due date shall be deemed to be a unique report.	2 nd Business Day (usually a Tuesday) after Period end 10:00 AM	A Service Credit of £50 is levied per report, where a report is delivered more than 1 hour later than the target.
17	Provision of intraday reporting Data (3 times daily)	As per Appendix 4 (Reporting Requirements) of Schedule 4 (Service Scope Specification), the Service Provider shall provide complete and correct reports. For recurring reports each instance of a report delivered on its due date shall be deemed to be a unique report.	Every day 09:00, 14:00 and 20:15	A Service Credit of £50 is levied per report, where a report is delivered more than 1 hour later than the target.

18	Key Fulfilment (Daily)	Measured from the time a request is received until such time the Key has been dispatched in the Welcome Pack.	17:00 of the first Business Day following the request.	A 20% deduction of the applicable Key Fulfilment Charge of the request for each 24hr in which the Key is not fulfilled. For example: Individual order dispatched within 48hr – 71hr range (after target) = 20% deduction of individual Key Fulfilment Charge Individual order dispatched within 72hr – 96hr range (after target) = 40% deduction of individual Key Fulfilment Charge
19	Problem Report submission (per report)	Submission to the Authority as stated in paragraph 7.2.3 of Schedule 8 (Service Management)	10 calendar days	None
20	Category 1 Major Incident notification (per notification)	To notify the Authority within 15 min of a Category Major Incident as stated in paragraph 6.4.1 of Schedule 8 (Service Management)	15 min	None
21	Category 2 & 3 Major Incident notification (per notification)	To notify the Authority within 1 hr of a Category 2 or Category 3 Major Incident as per paragraph 6.4.1 of Schedule 8 (Service Management)	1 hr	none

APPENDIX 2 - SERVICE PERFORMANCE REPORTS

The Service Performance Report will consist of the following:

Commentary	The Service Provider shall provide a commentary on Service Levels performance, in the format detailed in Schedule 4 (Service Scope Specification),
Complaints and Commendations	The Service Provider shall provide summary information of any complaint or commendation reported to the Authority in the Period, in the format detailed in Schedule 4 (Service Scope Specification).
Incident Management Report	<p>A Periodic report which details the following for each priority level:</p> <ul style="list-style-type: none"> ➤ The total number of Incidents raised: <ul style="list-style-type: none"> ▪ The number of Incidents by open/close status; ▪ Average time of resolution. ➤ Repeat failures ➤ For Incidents not resolved within Service Levels: <ul style="list-style-type: none"> ▪ Incident reference; ▪ Status; ▪ Date raised; ▪ Raised by name; ▪ Incident description; and ▪ Reason for resolution outside of Service Levels. ➤ Summary of Major Incidents
Service Levels performance	<p>The Service Provider shall provide a report in an Excel format or as agreed by the Authority showing the overall Service Level performance against each Service Level of the Contract detailing:</p> <ul style="list-style-type: none"> ➤ The degree of compliance against each and every Service Level specified in Appendix 1: ➤ The Service Levels that attract a Service Credit or/and, where applicable, Service Bonus ➤ The Service Provider's performance against the Service Levels

	<ul style="list-style-type: none"> ➤ Calculation of total Service Credits or/and, where applicable, Service Bonuses ➤ any claim for relief from performance at Service Level and/or the application of Service Level Credits to which the Service Provider is entitled
Correct Action Notice	Update and status
Other	Service specific reporting requirement will be detailed in Schedule 4 (Service Scope Specification) and the Authority, may from time to time, request additional reporting information to support the management of a systems and the Service.

APPENDIX 3 - MAJOR INCIDENT LIST

This Appendix contains:-

1. An initial list (in the table below) of Incidents which are considered as Major Incidents for the purposes of this Contract, and
2. The categorisation of those Incidents, in accordance with the following:
 - Category 1 – a Major Incident which involves a material failure of any part, or all, of the Services or the material unavailability of any Service Provider Site for more than one (1) hour;
 - Category 2 – a Major Incident which is not a Category 1 Major Incident but which involves a material failure of a part of the Services at a Service Provider Site or a prolonged customer-facing system failure for more than one (1) hour but less than four (4) hours. Where a Category 2 Major Incident continues for more than four (4) hours, it shall be deemed a Category 1 Major Incident; and
 - Category 3 – a Major Incident that is not classified as Category 1 or 2.

Category 1	Category 2	Category 3
<ul style="list-style-type: none"> ❖ Complete loss of communications or power to a Service Provider Site ❖ Any security breach ❖ Any software change results in unavailability or degradation of all of the Service 	<ul style="list-style-type: none"> ❖ System or telephone fault prevents 25% or more of Services being available ❖ System or telephone fault prevents 25% of staff on the Contract being able to fulfil all Services ❖ Loss of alternative back-up to a Service Provider Site ❖ None of any individual stock or other consumable item required for the performance of the contract is available ❖ Intermittent communications availability at a Service Provider Site ❖ Any software change results in unavailability or degradation of part of the Service 	<ul style="list-style-type: none"> ❖ Individual stock or other consumable item required for the performance of the Contract fall below agreed levels and replenishment not available such that it will run out in three days (or other agreed timescale)