Revision Number	Revision Date	Summary of Changes	Changes Made by
0.1	Date of OJEU	Issued at the date of OJEU.	DMO

SCHEDULE 4: SERVICE LEVELS

[Note to Bidders: This Schedule contains Service Levels but does not currently include any KPI provisions. This is currently under review by the Customer.]

1. SCOPE

1.1 This Schedule sets out the Service Levels which the Supplier is required to achieve when providing the Services, the mechanism by which Service Level Failures and Critical Service Level Failures will be managed and the method by which the Supplier's performance in the provision by it of the Services will be monitored.

1.2 This Schedule comprises:

1.2.1 Part A: Service Levels and Service Credits;

1.2.2 Annex 1 to Part A - Service Levels and Service Credits Table;

1.2.3 Annex 1 to Part B: Performance Monitoring; and

1.2.4 Annex 2 to Part B: Additional Performance Monitoring Requirements.

PART A: SERVICE LEVELS AND SERVICE CREDITS

1. GENERAL PROVISIONS

1.1 The Service Levels and Service Credits in this Schedule shall apply in accordance with Clause 13.

1.2 The Supplier shall provide a proactive Service Manager to ensure that all Service Levels in this Contract are achieved to the highest standard throughout, respectively, the Contract Period.

1.3 The Supplier shall provide a dedicated Service Manager where required on matters relating to:

1.3.1 access to support;

1.3.2 response and resolution times;

1.3.3 Default frequencies;

1.3.4 support updates;

1.3.5 complaints handling;

1.3.6 quality of Services; and

1.3.7 accurate and timely invoices.

[Note to Bidders: The list above to be to be reviewed prior to signature of the Contract, after the content of Annex 1 has been finalised.]

1.4 The Supplier accepts and acknowledges that failure to meet the Service Level Performance Measures set out in the table in Annex 1 to this Part A of this Schedule will result in Service Credits (where applicable) being issued to the Customer.

2. PRINCIPAL POINTS

2.1 The objectives of the Service Levels and Service Credits are to:

2.1.1 ensure that the Services are of a consistently high quality and meet the requirements of the Customer;

2.1.2 provide a mechanism whereby the Customer can attain meaningful recognition of inconvenience and/or loss resulting from the Supplier's failure to deliver the level of service for which it has contracted to deliver; and

2.1.3 incentivise the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

2.2 The Parties acknowledge that:

2.2.1 the Customer will, in all cases, prefer to receive the Services that meet or exceed the Service Level Performance Measures in preference to receiving the Service Credits; and

2.2.2 the Supplier shall, in all cases, seek to deliver the Services at or above the Service Level Performance Measure in preference to accepting a liability for Service Credits.

3. SERVICE LEVELS

3.1 Annex 1 to this Part A of this Schedule sets out the Service Levels the performance of which the Parties have agreed to measure. The Priority Levels set out in Part A of this Schedule shall be proposed by the Supplier on a case by case basis and subject to approval by the Customer. Resolution shall be achieved only after: (i) restoration of Service has been achieved; and (ii) the Customer has confirmed to the Supplier that restoration of Service has in fact been achieved.

3.2 The Supplier shall monitor its performance of this Contract by reference to the relevant performance criteria for achieving the Service Levels shown in Annex 1 to this Part A of this Schedule (the "**Service Level Performance Criteria**") and shall send the Customer a Performance Monitoring Report detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.

3.3 The Supplier shall, at all times, provide the Services in such a manner that the Service Levels Performance Measures are achieved.

3.4 If the level of performance of the Supplier of any element of the provision by it of the Services during the Contract Period:

3.4.1 is likely to or fails to meet any Service Level Performance Measure or

3.4.2 is likely to cause or causes a Critical Service Level Failure to occur, then

3.4.3 the Supplier shall immediately notify the Customer in writing and the Customer, in its absolute discretion and without prejudice to any other of its rights howsoever arising including under Clause 13 of this Contract, may:

(a) require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Customer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring; and

(b) if the action taken under paragraph (a) above has not already prevented or remedied the Service Level Failure or Critical Service Level Failure, the Customer shall be entitled to instruct the Supplier to comply with the Rectification Plan Process; or

(c) if a Service Level Failure has occurred, deduct from the Charges the applicable Service Credits payable by the Supplier to the Customer in accordance with the calculation formula set out in Annex 1 of this Part A of this Schedule; or

(d) if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure in accordance with Clause 14 of this Contract (including subject, for the avoidance of doubt, the proviso in Clause 14.2.2 in relation to material Default).

3.5 Approval and implementation by the Customer of any Rectification Plan shall not relieve the Supplier of any continuing responsibility to achieve the Service Levels, or remedy any failure to do so, and no estoppels or waiver shall arise from any such Approval and/or implementation by the Customer.

4. SERVICE CREDITS

4.1 Annex 1 to this Part A of this Schedule sets out the formula used to calculate a Service Credit payable to the Customer as a result of a Service Level Failure in a given service

period which, for the purpose of this Schedule, shall be a recurrent period of **one Month** during the Contract Period (the "**Service Period**"), which shall be calculated as a percentage of the Recurring Charges.

4.2 [The table at Annex 1 to Part A identifies the weightings that shall apply amongst the Service Levels and the Customer is entitled to change the weighting in accordance with Clause 13.7.]

[Note to Bidders: The Customer requires an ability to reallocate available credits between service levels. The applicable mechanism for this will be incorporated into the Bidders' service level/credit proposal prior to signature of the Contract.]

4.3 Annex 1 to this Part A of this Schedule includes details of each Service Credit available to each Service Level Performance Criterion if the applicable Service Level Performance Measure is not met by the Supplier.

4.4 The Customer shall use the Performance Monitoring Reports supplied by the Supplier under Part B (Performance Monitoring) of this Schedule to verify the calculation and accuracy of the Service Credits, if any, applicable to each relevant Service Period.

4.5 Service Credits are a reduction of the amounts payable in respect of the Services and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in Annex 1 of Part A of this Schedule.

4.6 The Service Credits calculated in accordance with this Schedule shall be subject to the limits of liability in Clause 36.2.3.

5. NATURE OF SERVICE CREDITS

5.1 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Charges. Both Parties agree that the Service Credits are a reasonable method of price adjustment to reflect poor performance.

ANNEX 1 TO PART A: SERVICE LEVELS AND SERVICE CREDITS TABLE

[Note to Bidders: In this table, percentages / levels are either left blank or are provided in square brackets. Bidders are invited to make proposals for the applicable service level/credit regime based on the structure and regime set out in this Schedule, along with the criticality of the system to the Customer. See the instructions in Attachment 3 of the ITT in relation to the table below. See also the instruction in Attachment 3 of the ITT about providing a proposal for the Bidder's Service Credit Cap, which also relates to Clause 13.2 of the Terms and Conditions.]

Service Levels					Service Credit for each Service Period
Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Level Threshold	Weighting	
Availability of Solution	Availability	[X]	[X]	[X]	[X]%
Performance of Solution	Availability	[X]	[X]	[X]	[X]%
Access to Customer support on a 24 hours a day 7 days a week basis	Availability	at least [XX.X]% at all times	[X]%	[X]	[X]% Service Credit gained for failure to meet the Service Level Performance Measure and then for each percentage under the specified Service Level Performance Measure

Service Levels					Service Credit for each Service Period
Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Level Threshold	Weighting	
Access to on-site Customer support during Core Service Hours each Working Day for two weeks after Go-Live	Availability	at least [XX.X]% at all times	[X]%	[X]	[X]% Service Credit gained for failure to meet the Service Level Performance Measure and then for each percentage under the specified Service Level Performance Measure
Helpdesk response time. The time it takes to acknowledge a report made to the Helpdesk in a non-automated way, measured from the time of the call or email to the Helpdesk until the time the person making the report is advised that the report has been received and is being addressed (the "**Actual Response Time**"), shall not exceed 30 minutes in the case of phone calls and 30 minutes in the case of emails (the "**Maximum Response Time**").	Availability	at least [XX.X]% at all times	[X]	[X]	[X]% Service Credit gained for failure to meet the Service Level Performance Measure and then for each full minute of delay under the specified Service Level Performance Measure.
Error Resolution Time The time it takes to resolve a Defect	Quality	See Service Level Performance	[X]	[X]	Where Actual Resolution Time exceeds the Maximum Resolution

<table>
<tr><th colspan="5">Service Levels</th><th rowspan="2">Service Credit for each Service Period</th></tr>
<tr><th>Service Level Performance Criterion</th><th>Key Indicator</th><th>Service Level Performance Measure</th><th>Service Level Threshold</th><th>Weighting</th></tr>
<tr><td>reported to the Helpdesk, measured from the time of the report until the Supplier has provided a solution to the designated contact person that is able to effectively and satisfactorily resolve the Defect, with deduction for time referred to in paragraph XX and other delay caused by the Customer (the “Actual Resolution Time”), shall not exceed the maximum resolution time levels set out in the table below (the “Maximum Resolution Time”).
<table>
<tr><th>Priority</th><th>Maximum Resolution Time</th></tr>
<tr><td>High</td><td>[X] hours</td></tr>
<tr><td>Medium</td><td>[X] hours</td></tr>
<tr><td>Low</td><td>[X] Working Days</td></tr>
</table></td><td></td><td>Criterion</td><td></td><td></td><td>Time then Service Credits shall be payable in the amounts specified in the table below.
<table>
<tr><th>Priority</th><th>Service Credit rate</th></tr>
<tr><td>High</td><td>[X]% per hour of delay</td></tr>
<tr><td>Medium</td><td>[X]% per hour of delay</td></tr>
<tr><td>Low</td><td>[X]% per hour of delay</td></tr>
</table></td></tr>
</table>

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<tr><th colspan="5">Service Levels</th><th rowspan="2">Service Credit for each Service Period</th></tr>
<tr><th>Service Level Performance Criterion</th><th>Key Indicator</th><th>Service Level Performance Measure</th><th>Service Level Threshold</th><th>Weighting</th></tr>
<tr><td>Defect Frequency

The number of reported Defects during [one calendar year] [a Service Period] (the “Actual Defect Frequency”), shall not exceed the maximum Defect frequency levels set out in the table below (the “Maximum Defect Frequency”).

<table><tr><th>Priority</th><th>Maximum Defect Frequency</th></tr><tr><td>High</td><td>[X]</td></tr><tr><td>Medium</td><td>[X]</td></tr><tr><td>Low</td><td>[X]</td></tr></table></td><td>Quality</td><td>See Service Level Performance Criterion</td><td>[X]</td><td>[X]</td><td>Where Actual Defect Frequency exceeds the Maximum Defect Frequency then Service Credits shall be payable in the amounts specified in the table below:

<table><tr><th>Priority</th><th>% per Defect</th></tr><tr><td>High</td><td>[X]% per Defect</td></tr><tr><td>Medium</td><td>[X]% per Defect</td></tr><tr><td>Low</td><td>[X]% per Defect</td></tr></table></td></tr>
<tr><td>Support Updates

The time between each update from the Supplier to the designated contact person regarding the status of the work with a reported Defect (the</td><td>Timelines</td><td>[X]</td><td>[X]</td><td>[X]</td><td>N/A</td></tr>
</table>

<table>
<tr><th colspan="5">Service Levels</th><th rowspan="2">Service Credit for each Service Period</th></tr>
<tr><th>Service Level Performance Criterion</th><th>Key Indicator</th><th>Service Level Performance Measure</th><th>Service Level Threshold</th><th>Weighting</th></tr>
<tr><td>“Actual Update Time Lag”), shall not exceed the maximum update time lag levels set out in the table below (the “Maximum Update Time Lag”).
<table>
<tr><th>Priority</th><th>Maximum Update Time Lag</th></tr>
<tr><td>High</td><td>[X] hour</td></tr>
<tr><td>Medium</td><td>[X] hours</td></tr>
<tr><td>Low</td><td>[X]</td></tr>
</table></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Accurate and timely billing of Customer</td><td>Accuracy /Timelines</td><td>at least [XX.X]% at all times</td><td>[XX]%</td><td>[X]</td><td>[X]% Service Credit gained for failure to meet the Service Level Performance Measure and then for each percentage under the specified Service Level Performance Measure</td></tr>
</table>

Service Levels					Service Credit for each Service Period
Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Level Threshold	Weighting	
Complaints handling	Availability/Timelines	At least [XX.X]% at all times	[XX]%	[X]	[X]% Service Credit gained for failure to meet the Service Level Performance Measure and then for each percentage under the specified Service Level Performance Measure
Provision of specific Services	Quality	at least [XX.X]% at all times	[XX]%	[X]	[X]% Service Credit gained for failure to meet the Service Level Performance Measure and then for each percentage under the specified Service Level Performance Measure
All Changes shall be implemented within the timescales set out in the Contract.		At least [XX.X]% at all times	[XX]%	[X]	[X]%

Service Credits:

Unless otherwise specified in this Schedule, the Service Credits shall be calculated on the basis of the following formula:

[Note to Bidder: This is a placeholder for a formula which will demonstrate how the Service Level calculation will work. This example will be populated prior to signature by the Preferred Bidder based on the solution it provides. This example will show how the Service Credit Cap will apply.]

[***Insert Example: XX***]

The Priority Levels set out above shall be defined as set out in the table below:

Priority Level	Definition
High	• Complete Service failure • The Customer is unable to use the Solution • Prevents a significant number of end users from working and where no workaround exists; • has a critical impact on the ability of the Customer to carry out its statutory obligations; • causes major financial loss to the Customer; and/or • results in material loss or corruption of any Customer Data
Medium	• prevents a group of end users from working and where no workaround exists; • has a major (but not critical) adverse impact on the activities of the Customer; and/or • has the potential to cause some financial loss to the Customer
Low	• prevents one or more end users from working and where no workaround exists • has a moderate or low adverse impact on the activities of the Customer.

ANNEX 1 TO PART B: PERFORMANCE MONITORING

1. PRINCIPAL POINTS

1.1 Part B to this Schedule provides the methodology for monitoring the provision of the Services:

1.1.1 to ensure that the Supplier is complying with the Service Levels; and

1.1.2 for identifying any failures to achieve Service Levels, any failures in the performance of the Supplier and/or provision of the Services ("**Performance Monitoring System**").

1.2 Within twenty (20) Working Days (or such other period as the Parties agree in writing) of the Commencement Date the Supplier shall propose and the Parties shall agree a Performance Monitoring System which shall include details of the following:

1.2.1 notifications to the Supplier's helpdesk of Defects in the Supplier's performance and/or delivery of the Services;

1.2.2 satisfaction surveys;

1.2.3 performance review of the Services;

1.2.4 Customer audit;

1.2.5 the process and systems the Supplier shall put in place to effectively monitor its performance of the Services against the Service Level Performance Criterion;

1.2.6 the format and content of the Performance Monitoring Report; and

1.2.7 how the Supplier shall comply with its obligations set out in this Contract.

1.3 The Customer may require, acting reasonably, and the Supplier shall comply with requests for, routine changes to the Performance Monitoring System.

2. REPORTING OF SERVICE LEVEL FAILURES

2.1 The Supplier shall report all Service Level Failures and any Critical Service Level Failure to the Customer in accordance with the processes agreed in paragraph 1.2 of Part B of this Schedule above.

2.2 Without prejudice to the Performance Monitoring System, if there is a Service Level Failure or if there are reasonable grounds for the Supplier to believe that there will be a Service Level Failure having the effect of taking the Services below the Service Level Threshold, the Supplier shall:

2.2.1 immediately notify the Customer in writing;

2.2.2 immediately take all remedial action that is reasonable to mitigate the impact on the Customer of the Service Level Failure and to rectify or to prevent the Service Level Failure from taking place or recurring;

2.2.3 if action taken under paragraphs 2.2.1 or 2.2.2 above has not already remedied the Service Level Failure, provide the Customer with a Correction Plan within four (4) Working Days (or such other period as the Parties agree in writing) from the day the Supplier notifies the Customer under paragraph

2.2.1. The Supplier shall set out in the Correction Plan the action that it shall take to:

(a) rectify or prevent the Service Level Failure; and

(b) prevent the Service Level Failure from recurring

(c) and then obtain the Customer Approval of such Correction Plan; and

(d) carry out the Correction Plan Approved under paragraph 2.2.3 (c) in accordance with its terms.

2.3 Approval and implementation of any Correction Plan by the Customer shall not relieve the Supplier of any responsibility to achieve the Service Levels, or remedy any failure to do so, and no estoppel or waiver shall arise from any such Approval and/or implementation.

3. PERFORMANCE MONITORING AND PERFORMANCE REVIEW

3.1 The Supplier shall provide the Customer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 1.2 of Part B of this Schedule above which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:

3.1.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;

3.1.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;

3.1.3 any Critical Service Level Failures and details in relation thereto;

3.1.4 for any Repeat Failures, actions taken to resolve the underlying cause and prevent recurrence;

3.1.5 the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate;

3.1.6 such other details as the Customer may reasonably require from time to time, including such details referred to in paragraph 1.2 above.

3.2 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a monthly basis (unless otherwise agreed). The Performance Review Meetings will be the forum for the review by the Supplier and the Customer of the Performance Monitoring Reports. The Performance Review Meetings shall (unless otherwise agreed):

3.2.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier;

3.2.2 take place at such location and time (within normal business hours) as the Customer shall reasonably require unless otherwise agreed in advance;

3.2.3 be attended by the Supplier's Representative and the Customer's Representative; and

3.2.4 be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the

Customer's Representative and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Customer's Representative at each meeting.

3.3 The Customer shall be entitled to raise any additional questions and/or request any further information regarding any failure to achieve Service Levels.

3.4 The Supplier shall provide to the Customer such supporting documentation as the Customer 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.

4. SATISFACTION SURVEYS

4.1 In order to assess the level of performance of the Supplier, the Customer may undertake satisfaction surveys in respect of the Supplier's provision of the Services.

4.2 The Customer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Services which the responses to the satisfaction surveys reasonably suggest are not in accordance with this Contract.

4.3 All other suggestions for improvements to the provision of the Services shall be dealt with as part of the continuous improvement programme pursuant to Clause 18 of this Contract.

ANNEX 2 TO PART B: ADDITIONAL PERFORMANCE MONITORING REQUIREMENTS

1. MANAGEMENT OF THE SERVICES

1.1 The Supplier and the Customer shall each appoint a Project Manager for the purposes of this Contract through whom the provision of the Services shall be managed on a day-to-day basis.

1.2 Both parties shall ensure that appropriate resource is made available on a regular basis including, for example, a Technical Board such that the aims, objectives and specific provisions of this Contract can be fully realised.

2. TECHNICAL BOARD

2.1 The Technical Board shall be established by the Customer for the purposes of this Contract on which the Supplier and the Customer shall be represented.

2.2 The Technical Board members, frequency and location of board meetings and planned start date by which the board shall be established shall be set out in Annex [x].

2.3 In the event that either Party wishes to replace any of its appointed board members, that party shall notify the other in writing of the proposed change for agreement by the other Party (such agreement not to be unreasonably withheld or delayed). Notwithstanding the foregoing it is intended that each Customer board member has at all times a counterpart Supplier board member of equivalent seniority and expertise.

2.4 Each Party shall ensure that its board members shall make all reasonable efforts to attend board meetings at which that board member's attendance is required. If any board member is not able to attend a board meeting, that person shall use all reasonable endeavours to ensure that a delegate attends the Technical Board meeting in his/her place (wherever possible) is properly briefed and prepared and that he/she is debriefed by such delegate after the board meeting.

2.5 The Technical Board shall be accountable to the Project Managers for oversight of the technology used by the Supplier and ensuring that technological choices are made to maximise the long term value of the Services.

2.6 The Technical Board shall:

2.6.1 assure compliance with the overall technical architecture of the Customer and with Government IT Strategy (as defined at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85968/uk-government-government-ict-strategy_0.pdf);

2.6.2 grant dispensations for variations from such compliance where appropriate;

2.6.3 assure the coherence and consistency of the systems architecture for the provision of the Services;

2.6.4 monitor developments in new technology and reporting on their potential benefit to the provision of the Services;

2.6.5 provide advice, guidance and information on technical issues; and

2.6.6 assure that the technical architecture for the provision of the Services is aligned to the requirements specified in Schedule 3 (Services) and has sufficient flexibility to cope with future requirements of the Customer.