Schedule 6.4 - Operational Readiness and Transformation Trials

Part A - Operational Readiness Testing

1 Operational Readiness Testing

1.1 Prior to the Operational Readiness Completion Date the Supplier shall:

1.1.1 provide a report to the Authority detailing all elements of the Implementation Services that have been completed and confirming the processes, procedures, documentation, equipment and sub-contracts that the Supplier has in place in order to commence provision of the Operational Services (an **Operational Readiness Report**); and

1.1.2 undertake Operational Readiness Testing in accordance with the Operational Readiness Test Plan.

1.2 The Authority shall review the Operational Readiness Report and the outcome of the Operational Readiness Testing to assess whether the Supplier has, in the reasonable opinion of the Authority, achieved Operational Readiness.

2 Results of Operational Readiness Testing

2.1 If the Authority considers that the Supplier has achieved Operational Readiness, the Authority shall notify the Supplier in writing that this is the case and the Supplier shall continue preparations for the Operational Services Commencement Date.

2.2 If the Authority considers that the Supplier has not achieved Operational Readiness (**Operational Readiness Failure**), the Authority shall categorise the Operational Readiness Failure as Serious or Minor (as defined in the table below) and the consequences set out in the table below shall apply:

Degree of failure	Definition	Consequences
Serious	One or more material elements of the Supplier's preparation for Operational Readiness have not been completed in accordance with the requirements of this Agreement and in the Authority's reasonable opinion such failure(s) will prevent the Supplier from being able to commence delivery of Operational Services on the Operational Service Commencement Date in accordance with the requirements of this Agreement.	The Operational Readiness Failure shall be deemed to be a Notifiable Default by the Supplier and the Supplier shall be required to prepare a Rectification Plan in accordance with the Rectification Plan Process.
Minor	One or more non-material elements of the Supplier's preparation for Operational Readiness have not been completed in accordance with the requirements of this	The Supplier may proceed with delivery of the Operational Services from the Operational Service Commencement Date provided that the Supplier agrees in writing with the Authority the steps that the Supplier

	Agreement but in the Authority's reasonable opinion such failures shall not have a material impact on the Supplier's ability to deliver the Operational Services by the Operational Service Commencement Date.	shall take to remedy the failures and implements those steps in accordance with agreed timescales.

Part B – Transformation Trials

1 Transformation Trials

1.1 Prior to implementing approved Security Plans for the first time under this Agreement, the Supplier shall perform trial implementation of Security Plans (**Transformation Trials**) at up to a maximum of 10 Affected Properties agreed with the Authority (**Trial Sites**).

1.2 The Transformation Trials shall be carried out in accordance with the Trialling Detailed Solution and the Supplier shall agree with the Authority:

1.2.1 timescales for roll-out of Transformation Trials;

1.2.2 measures that the Supplier shall take to monitor the success of roll-out of the Transformation Trials, including measures to identify any areas where Operational Services at the Trial Sites could be improved and aspects of roll-out which worked well and which should be replicated at future Sites; and

1.2.3 any other issues required to be agreed in accordance with the Trialling Detailed Solution.

2 Outcome of Transformation Trials

2.1 At the end of the Transformation Trials, the Authority will confirm whether delivery of the Operational Services at the Trial Sites:

2.1.1 meets the Authority's Requirements (**Trial Success**); or

2.1.2 does not meet the Authority's Requirements under this Agreement (**Trial Failure**), in which case the Authority shall detail the reasons for the Trial Failure in writing.

2.2 In the event of Trial Success, the Supplier shall proceed with delivery of the Transformation Services at all Sites in accordance with the Implementation Plan.

2.3 In the event of a Trial Failure, the Supplier shall undertake all necessary steps to rectify the Trial Failure, which may include:

2.3.1 amending relevant Detailed Solutions (in which case the process for approving Detailed Solutions set out in Schedule 6.1 (Implementation and Detailed Solution Development) shall apply); and

2.3.2 updating processes, procedures, training materials and documentation.

2.4 The Supplier shall undertake the steps identified pursuant to paragraph 2.3 above and shall undertake repeat Transformation Trials at no additional cost to the Authority.

2.5 If Trial Failure continues at the second attempt, without prejudice to any other remedies available to the Authority, the Authority shall, at its sole discretion, be entitled to:

2.5.1 confirm Trial Success but subject to certain conditions;

(a) deem such Trial Failure a Notifiable Default for the purposes of Clause 27.1 (Rectification Plan Process); or

(b) terminate the Agreement due to material Default under limb (b) of the definition of a Supplier Termination Event and the provisions of Clause 35 (Termination Rights).

2.6 The Authority shall be entitled, without prejudice to any other rights and remedies that it has, to recover from the Supplier any Losses or other reasonable additional costs it

incurs as a direct result of further review or further Transformation Trials pursuant to this Part B which are required to achieve Trial Success.