



Crown
Commercial
Service

Data Services and Analytics

Cerberus Product Development and Associated Services

Reference: C22535

RM6100 Lot 3d

Contract Documentation

21st December 2022



RM6100 Technology Services 3 Agreement Framework Schedule 4 - Annex 1 Lots 2, 3 and 5 Order Form

Order Form

This Order Form is issued in accordance with the provisions of the Technology Services 3 Framework Agreement RM6100 dated 16 June 2021 between the Supplier (as defined below) and the Minister for the Cabinet Office (the "**Framework Agreement**") and should be used by Buyers after making a direct award or conducting a further competition under the Framework Agreement.

The Contract, referred to throughout this Order Form, means the contract between the Supplier and the Buyer (as defined below) (entered into pursuant to the terms of the Framework Agreement) consisting of this Order Form and the Call Off Terms. The Call-Off Terms are substantially the terms set out in Annex 2 to Schedule 4 to the Framework Agreement and copies of which are available from the Crown Commercial Service website <http://ccs-agreements.cabinetoffice.gov.uk/contracts/rm1234>. The agreed Call-Off Terms for the Contract being set out as the Annex 1 to this Order Form.

The Supplier will provide the Services and/or Goods specified in this Order Form (including any attachments to this Order Form) to the Buyer on and subject to the terms of the Contract for the duration of the Contract Period.

In this Order Form, capitalised expressions will have the meanings set out in Schedule 1 (Definitions) of the Call-Off Terms

This Order Form will comprise:

1. This document headed "Order Form";
2. Attachment 1 – Services Specification.
3. Attachment 2 – Charges and Invoicing.
4. Attachment 3 – Implementation Plan;
5. Attachment 4 – Service Levels and Service Credits.
6. Attachment 5 – Key Supplier Personnel and Key Sub-Contractors.
7. Attachment 6 – Software.
8. Attachment 7 – Financial Distress.
9. Attachment 8 - Governance
10. Attachment 9 – Schedule of Processing, Personal Data, and Data Subjects;
11. Attachment 10 – Transparency Reports
12. Attachment 11 – Operational Contract Management; and
13. Annex 1 – Call Off Terms and Additional/Alternative Schedules and Clauses.
14. Annex 1A - The Collaboration Agreement



The Order of Precedence will be as set out below, superseding that as set out in Clause 2.2 of the Call-Off Terms being:

- a) the Framework, except Framework Schedule 18 (Tender);
- b) the Order Form except Section D (Supplier Response to the Further Competition Procedure);
- c) the Call Off Terms; and
- d) Framework Schedule 18 (Tender); and
Section D (Supplier Response to the Further Competition Procedure) to the Order Form.



Section A General information

Contract Details	
Contract Reference:	C22535
Contract Title:	Cerberus Product Development and Associated Services
Contract Description:	Provision of Product Development and Associated Services
Contract potential up to a maximum Value: The Buyer provides no guarantee as to the number of SoWs or value applicable to the contract?	£38,000,000.00
Estimated Year 1 Charges:	£18,000,000.00 (Non-committed)
Commencement Date: this should be the date of the last signature on Section E of this Order Form	21 st December 2022
Buyer details	
Buyer organisation name The Secretary of State for the Home Department	
Billing address See Attachment 2 Charges and Invoicing Part D Billing Information	
Buyer representative name Alex Joseph – Commercial Manager	



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Buyer representative contact details

Data Services and Analytics (DSA)
Enterprise Services, Digital, Data & Technology
Capabilities & Resources
Home Office

E. Alex.Joseph2@homeoffice.gov.uk

Buyer Project Reference: C22535

Supplier details**Supplier name**

BAE Systems Applied Intelligence Ltd

Supplier address

Waterside House,
170 Priestley Road
Surrey Research Park
Guildford
Surrey
GU2 7RQ

Supplier representative name

[Redacted]

Supplier representative contact details

[Redacted]

Order reference number or the Supplier's Catalogue Service Offer Reference Number

C22535 - Cerberus Product Development and Associated Services



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Guarantor details

Guidance Note: Where the additional clause in respect of the guarantee has been selected to apply to this Contract under Part C of this Order Form, include details of the Guarantor immediately below.

Guarantor Company Name

N/A – See Attachment 7 – Financial Distress

Guarantor Company Number

Guarantor's registered company number

-

Guarantor Registered Address

-



Section B

Part A – Framework Lot

Framework Lot under which this Order is being placed

- | | |
|---|--------------------------|
| 1. TECHNOLOGY STRATEGY & SERVICES DESIGN | <input type="checkbox"/> |
| 2. TRANSITION & TRANSFORMATION | <input type="checkbox"/> |
| 3. OPERATIONAL SERVICES | |
| a: End User Services | <input type="checkbox"/> |
| b: Operational Management | <input type="checkbox"/> |
| c: Technical Management | <input type="checkbox"/> |
| d: Application and Data Management | X |
| 5. SERVICE INTEGRATION AND MANAGEMENT | <input type="checkbox"/> |



Part B – The Services Requirement

Commencement Date: See above in Section A

Contract Period

Initial Term Months

32 months (2 years and 8 months)
20 August 2025

Extension Period (Optional) Months

+12

Minimum Notice Period for exercise of Termination Without Cause (see Clause 35.1.9 of the Call-Off Terms) 90 Calendar days

Sites for the provision of the Services

The Supplier will provide the Services from the following Sites:

Buyer Premises: Home Office premises Croydon, South London and as set out in each Statement of Work (SOW) – As a result of moves to Hybrid working arrangements within the Home Office following Covid, the contract will not include estate allocation for Supplier resources. They will be expected to work from home or from their own business premises. Supplier Resources will be able to attend sites and use drop seats when attending the Home Office premises referred to above, where the activity requires this. For example where face to face meetings are needed or where security consideration, i.e. restricted on site access to specific system require it. However, they will not be part of the desk allocation for each Home Office team or business area they support.

Supplier Premises: Waterside House, 170 Priestley Road, Surrey Research Park Guildford, Surrey, GU2 7RQ, or as set out in the respective SOW where applicable.

Third Party Premises: As set out in the respective SOW where applicable.

Buyer Assets: Not Applicable

Additional Standards: As set out in each respective SOW where applicable.

Buyer Security Policy: Consisting of
- Security Incidents Policy



- Information Assurance Policy
- General Security Classification Guidance
- Government Security Classifications:
<https://www.gov.uk/government/publications/government-security-classifications>
- General Data Protection Regulations:
<https://www.gov.uk/government/publications/guide-to-the-general-data-protection-regulation>
- HMG Security Policy Framework:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710816/HMG-Security-Policy-Framework-v1.1.doc.pdf

Buyer ICT Policy: Attachments Redacted

Insurance

As per the terms set put in Framework Schedule 14 and with the following exceptions.

Third Party Public Liability Insurance (£) - £5,000,000.00

Professional Indemnity Insurance (£) - £5,000,000.00

Buyer Responsibilities

As set out in the Supplier's proposal (Ref: C22535) and in any respective SOW.

Goods: Not Applicable



Governance – Option Part A or Part B

Governance Schedule	Tick as applicable
Part A – Short Form Governance Schedule	
Part B – Long Form Governance Schedule	X

The Part selected above will apply this Contract.

Change Control Procedure – Option Part A or Part B

Change Control Schedule	Tick as applicable
Part A – Short Form Change Control Schedule	
Part B – Long Form Change Control Schedule	X

Section C

Part A - Additional and Alternative Buyer Terms

Additional Schedules and Clauses (see Annex 3 of Framework Schedule 4)

This Annex can be found on the RM6100 CCS webpage. The document is titled RM6100 Additional and Alternative Terms and Conditions Lots 2, 3 and 5.

Part A – Additional Schedules

Guidance Note: Tick any applicable boxes below

Additional Schedules	Tick as applicable
S1: Implementation Plan	X
S2: Testing Procedures	X
S3: Security Requirements (either Part A or Part B)	Part B: X
S4: Staff Transfer	X
S5: Benchmarking	X
S6: Business Continuity and Disaster Recovery	X
S7: Continuous Improvement	X
S8: Guarantee	See Attachment 7
S9: MOD Terms	N/A



Part B – Additional Clauses

Additional Clauses	Tick as applicable
C1: Relevant Convictions	X
C2: Security Measures	X
C3: Collaboration Agreement	X
C4: Staff Transfer	X

Where selected above the Additional Schedules and/or Clauses set out in document RM6100 Additional and Alternative Terms and Conditions Lots 2, 3 and 5 will be incorporated into this Contract.

Part C - Alternative Clauses

The following Alternative Clauses will apply:

Alternative Clauses	Tick as applicable
Scots Law	N/A
Northern Ireland Law	N/A
Joint Controller Clauses	N/A

Where selected above the Alternative Clauses set out in document RM6100 Additional and Alternative Terms and Conditions Lots 2, 3 and 5 will be incorporated into this Contract

Part B - Additional Information Required for Additional Schedules/Clauses Selected in Part A

Additional Schedule S3 (Security Requirements)

Guidance Note: where Schedule S3 (Security Requirements) has been selected in Part A of Section C above, then for the purpose of the definition of “Security Management Plan” insert the Supplier’s draft security management plan below.

Attached: Security Management Plan (SMP) and Solutions Security Document (SSD) referenced in the SMP.

Attachments redacted



Additional Schedule S4 (Staff Transfer):

Additional Clause C1 (Relevant Convictions)

Guidance Note: where Clause C1 (Relevant Convictions) has been selected in Part A of Section C above, then for the purpose of the definition of “Relevant Convictions” insert any relevant convictions which will apply to this contract below.

N/A

Section D

Supplier Response

Commercially Sensitive information

Any confidential information that the Supplier considers sensitive for the duration of an awarded Contract should be included here. Please refer to definition of Commercially Sensitive Information in the Contract – *use specific references to sections rather than copying the relevant information here.*

[insert details of any agreed Supplier Confidential Information which is commercially sensitive in nature] Description of the Supplier’s Commercially Sensitive Information: List here

- Rate Card
- Supplier specific Methods and Approaches
- Supplier Personal information



Section E Contract Award

This Call Off Contract is awarded in accordance with the provisions of the Technology Services 3 Framework Agreement RM6100.

SIGNATURES

For and on behalf of the Supplier

Name	
Job role/title	
Signature	
Date	

For and on behalf of the Buyer

Name	[REDACTED]
Job role/title	[REDACTED]
Signature	
Date	



Attachment 1 – Services Specification

Cerberus:

Cerberus delivers an advanced, highly capable analytics and targeting system. It enables analysis of a wider range of datasets within a single system to allow intelligence officers and operational teams to analyse passenger and freight data across different transport modes, with more targeted interventions based on a richer assessment of threat and risk. This approach will increase threat detections and seizures while reducing nugatory interventions and increasing the flow rate of legitimate traffic. By connecting intelligence and data across modes the system will enable insights into the activity of organised crime groups (OCGs), preventing intelligence failure and reducing the economic and social harm those OCGs cause.

The Contract:

The Cerberus Product Development and Associated Services contract is required to continually develop the Cerberus System, in accordance with the attached Service Specification, to ensure that it remains relevant for emerging missions and supports critical activities at the border.

Specification Redacted

Note: The attached Service Specification is as issued as part of the ITT document titled “C22535 - Vol.2 (2 of 4) - Appendix 1 Background and Requirements Master v1.0”. The references to the Contract Management approach in Annex 3 have been superseded by Attachment 11 – Operational Contract Management herein.



Attachment 2 – Charges and Invoicing

1. Milestone Payments

Statement of Work will be agreed between the Parties from time to time. Where SOW milestones are agreed, payment profiles will be agreed for each SoW (e.g. invoicing against achievement of milestones)

2. SOW Milestone Retentions

Milestone retention of 10% will be applied to all SOW conducted by the Supplier which will be paid on satisfactory acceptance of the last milestone.

3. Transition Payments

In the event Transition payments are applicable they will be subject to payment on agreed deliverables and acceptance criteria to be agreed with the Buyer.

4. Service Charges

The Service Charges will be agreed in each individual SOW. For the avoidance of doubt all charges will be paid in arrears.



5 Supplier Personnel Rate Card for Calculation of Time and Materials Charges

Supplier Rate Card

Cluster	Role	SFIA Level 3 Daily Rate (£)	SFIA Level 4 Daily Rate (£)	SFIA Level 5 Daily Rate (£)	SFIA Level 6 Daily Rate (£)
Architecture	Technical Architecture				
	Data Architecture				
	Security Architecture				
	Principle Technical Architect				
Delivery	Technology Delivery Manager				
	Outcome Technology Delivery Manager				
	Lead Technology Delivery Manager				
Data	Data Engineering				
	Data Science				
Engineering	Software Engineer				
	DevOps Engineer				
	Infrastructure Engineering				
	Site Reliability Engineer				
IT Operations	Design & Transition				
	Plan, Engage and Improve				
	Deliver & Support				
Product	Product Manager				
	Business Analyst				
	Principle Business Analyst				
User Centered Design	Interaction Designer				
	User Researcher				



Supplier Rate Card (Extended Hours) - Hourly Rate

Cluster	Role	SFIA Level 3 Hourly Rate (£)	SFIA Level 4 Hourly Rate (£)	SFIA Level 5 Hourly Rate (£)	SFIA Level 6 Hourly Rate (£)
Architecture	Technical Architecture				
	Data Architecture				
	Security Architecture				
	Principle Technical Architect				
Delivery	Technology Delivery Manager				
	Outcome Technology Delivery Manager				
	Lead Technology Delivery Manager				
Data	Data Engineering				
	Data Science				
	Data Analysis				
Engineering	Software Engineer				
	DevOps Engineer				
	Infrastructure Engineering				
	Site Reliability Engineer				
IT Operations	Design & Transition				
	Plan, Engage and Improve				
	Deliver & Support				
Product	Product Manager				
	Business Analyst				
	Principle Business Analyst				
User Centered Design	Interaction Designer				
	User Researcher				



Supplier Rate Card (Extended Hours) - Daily Rate

Cluster	Role	Daily Rate (£)
Extended Hours	Daily Extended Hours Cost	

Charges will be based on a combination of Fixed Price, Incremental Fixed Price, Time and Materials (T&M) and capped T&M as set out in individual Statements of Works agreed between the Parties.

Rate Card - Volume Discounts

The following table shows the level of discount offered by the Supplier, which shall be applied by the Supplier when calculating the Charges, based upon the total Charges paid under the Contract.

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The discounts shall not be applied retrospectively, i.e. when the Contract value increases to reach a new level of discount that level of discount shall not apply to previous discount bands.

Note: If the Supplier has committed to providing separate volume discounts as part of the offer to buying organisations on the RM6100 Framework to CCS, then those discounts will also apply when applicable.

6 Gain Share and Value for Money

The Parties acknowledge that suggestions for gainsharing may arise or be negotiated at any time during the life of this agreement to provide additional (one-time or ongoing) benefit. Where such initiatives are identified the Parties shall agree in good faith the appropriate mechanism for adoption which may or may not include one of the options outlined in the Suppliers response. The agreed mechanism shall be formalised in the respective Statement of Work as appropriate.



7. Billing Information

All invoices must include the following information:

- Contract reference number; C22535
- Statement of Works reference number; To be issued following Contract Award
- The unique purchase order number; To be issued following Contract Award
- The services detailed in the Statement of Work (SoW) to which the invoice relates
- The line value
- Total value excluding Value Added Tax
- Value Added Tax percentage
- The total value including Value Added Tax
- The tax point date relating to the rate of Value Added Tax shown;
- Supplier SAP number (if applicable)
- Breakdown of charges supported by approved timesheets (if applicable)
- Expenses receipts (if applicable)

7.1 Invoice Billing Address

All invoices must be sent to the address below: -

Home Office Shared Service Centre
HO Box 5015
Newport, Gwent
NP20 9BB
United Kingdom
Tel: 08450 100125
Fax: 01633 581514
Email: HOSupplierInvoices@homeoffice.gov.uk

7.2 Billing Frequency

Monthly in Arrears or invoiced against achievement of milestones

Note: Please also refer to the Attachment 11 - Operational Contract Management in relation to Charges and Invoicing.



8. Risk Register

[illegible]



Category	Item 1	Item 2	Item 3	Item 4	Item 5
Category 1					<div>Item 5.1</div> <div>Item 5.2</div> <div>Item 5.3</div> <div>Item 5.4</div> <div>Item 5.5</div> <div>Item 5.6</div> <div>Item 5.7</div> <div>Item 5.8</div> <div>Item 5.9</div> <div>Item 5.10</div>
Category 2	<div>Item 2.1</div> <div>Item 2.2</div> <div>Item 2.3</div> <div>Item 2.4</div> <div>Item 2.5</div>	<div>Item 2.6</div>	<div>Item 2.7</div>	<div>Item 2.8</div>	<div>Item 2.9</div> <div>Item 2.10</div> <div>Item 2.11</div> <div>Item 2.12</div> <div>Item 2.13</div> <div>Item 2.14</div> <div>Item 2.15</div> <div>Item 2.16</div> <div>Item 2.17</div> <div>Item 2.18</div> <div>Item 2.19</div> <div>Item 2.20</div> <div>Item 2.21</div> <div>Item 2.22</div> <div>Item 2.23</div> <div>Item 2.24</div> <div>Item 2.25</div> <div>Item 2.26</div> <div>Item 2.27</div> <div>Item 2.28</div> <div>Item 2.29</div> <div>Item 2.30</div>
Category 3	<div>Item 3.1</div> <div>Item 3.2</div> <div>Item 3.3</div> <div>Item 3.4</div> <div>Item 3.5</div>	<div>Item 3.6</div>	<div>Item 3.7</div>	<div>Item 3.8</div>	<div>Item 3.9</div> <div>Item 3.10</div> <div>Item 3.11</div> <div>Item 3.12</div> <div>Item 3.13</div> <div>Item 3.14</div> <div>Item 3.15</div> <div>Item 3.16</div> <div>Item 3.17</div> <div>Item 3.18</div> <div>Item 3.19</div> <div>Item 3.20</div> <div>Item 3.21</div> <div>Item 3.22</div> <div>Item 3.23</div> <div>Item 3.24</div> <div>Item 3.25</div> <div>Item 3.26</div> <div>Item 3.27</div> <div>Item 3.28</div> <div>Item 3.29</div> <div>Item 3.30</div>
Category 4	<div>Item 4.1</div> <div>Item 4.2</div> <div>Item 4.3</div> <div>Item 4.4</div> <div>Item 4.5</div> <div>Item 4.6</div> <div>Item 4.7</div> <div>Item 4.8</div>	<div>Item 4.9</div>	<div>Item 4.10</div>	<div>Item 4.11</div>	<div>Item 4.12</div> <div>Item 4.13</div> <div>Item 4.14</div> <div>Item 4.15</div> <div>Item 4.16</div> <div>Item 4.17</div> <div>Item 4.18</div> <div>Item 4.19</div> <div>Item 4.20</div> <div>Item 4.21</div> <div>Item 4.22</div> <div>Item 4.23</div> <div>Item 4.24</div> <div>Item 4.25</div> <div>Item 4.26</div> <div>Item 4.27</div> <div>Item 4.28</div> <div>Item 4.29</div> <div>Item 4.30</div>



Dependency	Party/service/capability on which dependent
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED] [REDACTED] [REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]



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9. Early Termination Fee(s)

Not applicable to the Order Form. Any early termination fees will be as set out in the respective SOW if applicable.



Attachment 3 – Outline Implementation Plan

Redacted

[Redacted content]



Attachment 4 – Service Levels and Service Credits

Redacted

[Redacted]

[Redacted]

[Redacted]



Attachment 5 – Key Supplier Personnel and Key Sub-Contractors

The Parties agree that they will update this Attachment 5 periodically to record any changes to Key Supplier Personnel and/or any Key Sub-Contractors appointed by the Supplier after the Commencement Date for the purposes of the delivery of the Services.

Part A – Key Supplier Personnel

Key		

Part B – Key Sub-Contractors

Note: The Service Provider utilises the services of CACI and 6 Point 6



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Attachment 6 – Software

This Attachment 6 is not applicable as at the Contract Commencement Date. The Attachment may however be relied upon during the life of the Contract and as such a mutually agreeable format (i.e. Change Control Notice) will be used to formalise any requirements for Software.

Attachment 7 – Financial Distress

1 DEFINITIONS

In this Schedule, the following definitions shall apply:

“Accounting Reference Date”	means in each year, the date to which each entity in the FDE Group prepares its annual audited financial statements;
“Applicable Financial Indicators”	means the financial indicators from Paragraph 5.1 of this Schedule which are to apply to the Monitored Suppliers as set out in Paragraph 6 of this Schedule;
“Appropriate Accepted Mitigation”	<p>means a mitigation to a Financial Distress Event as agreed between the Parties, as follows:</p> <ul style="list-style-type: none"> (a) as at the Effective Date, as set out in Annex 2 of this Schedule; and (b) during the term of the Contract, as set out in Paragraph 3.4 of this Schedule. <p>All Appropriate Accepted Mitigations, including any new or amended Appropriate Accepted Mitigations must be documented and recorded in a format and location agreed between the Parties;</p>
“Confirmation”	means written confirmation from the Supplier in accordance with Paragraph 8 of this Schedule;
“Credit Rating Level”	means a credit rating level as specified in Annex 1 of this Schedule;
“Credit Rating Threshold”	means the minimum Credit Rating Level for each entity in the FDE Group as set out in Annex 3 of this Schedule;
“Financial Distress Event” or “FDE”	means the occurrence of one or more events as listed in Paragraph 3.1 of this Schedule;



“Financial Distress Event Group” or “FDE Group”	means the Supplier, Key Sub-contractors, the Guarantor, the Supplier’s ultimate parent undertaking, Key Sub-contractors’ ultimate parent undertakings, and the Monitored Suppliers;
"Financial Distress Service Continuity Plan"	a plan setting out how the Supplier will ensure the continued performance and delivery of the Deliverables in accordance with the Contract in the event that a Financial Distress Event occurs. This plan should include what CCS or the Buyer would need to put in place to ensure performance and delivery of the Deliverables in accordance with this Contract up to and including any Insolvency Event in respect of the relevant FDE Group entity;
“Financial Indicators”	in respect of the Supplier, Key Sub-contractors, the Guarantor, the Supplier’s ultimate parent undertaking, the Key Sub-contractors’ ultimate parent undertakings, means each of the financial indicators set out at Paragraph 5.1 of this Schedule; and in respect of each Monitored Supplier, means those Applicable Financial Indicators;
“Financial Target Thresholds”	means the target thresholds for each of the Financial Indicators set out at Paragraph 5.1 of this Schedule;
“Monitored Suppliers”	means those entities specified at Paragraph 6 of this Schedule;
“Primary Credit Ratings”	means Dun & Bradstreet credit ratings
“Primary Credit Ratings Agency”	means Dun & Bradstreet;
“Rating Agencies”	means the rating agencies listed in Annex 1 of this Schedule or such other rating agencies as CCS or the Buyer may decide to use;

1.1 WHEN THIS SCHEDULE APPLIES

1.2 The Parties shall comply with the provisions of this Schedule in relation to the assessment of the financial standing of the Monitored Companies and the consequences of a change to that financial standing.

1.3 The terms of this Schedule shall survive termination or expiry of this Contract:

1.3.1 under the DPS Contract until the later of (a) the termination or expiry of the DPS Contract or (b) the latest date of termination or expiry of any Order Contract entered into under the DPS Contract (which might be after the date of termination or expiry of the DPS Contract); and

1.3.2 under the Order Contract until the termination or expiry of the Order Contract.

2 WARRANTIES AND DUTY TO NOTIFY

1.1 The Supplier warrants and represents to CCS or the Buyer for the benefit of the Buyer that as at the Effective Date:

(a) the long-term Primary Credit Ratings issued for each entity in the FDE Group by each of the Rating Agencies are as set out in Annex 3 of this Schedule; and

(b) either:

(i) the financial position or, as appropriate, the financial performance of

each of the Supplier, Guarantor, Supplier's ultimate parent undertaking, Key Sub-contractors, and Key Subcontractors' ultimate parent undertakings satisfies the Financial Target Thresholds, or

(ii) the relevant Appropriate Accepted Mitigations are in place.

- 2.2 The Supplier shall promptly notify (or shall procure that its auditors promptly notify) CCS and the Buyer in writing if there is any downgrade in the credit rating issued by the Primary Credit Ratings Agency for any entity in the FDE Group, which results in the level of risk being assessed as high or greater than average (and in any event within 5 Working Days of the occurrence of the downgrade). The categorisation of credit ratings by risk level is defined in Annex 1.
- 2.3 The Supplier shall:
- (a) regularly monitor the credit ratings of each entity in the FDE Group with the Primary Credit Ratings Agency;
 - (b) (i) monitor and report on the Financial Indicators for each entity in the FDE Group against the Financial Target Thresholds at least quarterly from the effective date, noting that if no new public information is available since the previous quarterly report then confirmation of this fact will be deemed to have met the quarterly reporting requirement, and (ii) update the Financial Indicators when public information becomes available, and in any event, no less than once a year within 285 days after the Accounting Reference Date;
 - (c) provide regular updates to CCS and the Buyer on, as a minimum, the Primary Credit Ratings for each entity in the FDE Group;
 - (d) promptly notify (or shall procure that its auditors promptly notify) CCS and the Buyer in writing following the occurrence of a Financial Distress Event or any fact, circumstance or matter which could cause a Financial Distress Event (and in any event, ensure that such notification is made within 10 Working Days of the date on which the Supplier first becomes aware of the Financial Distress Event or the fact, circumstance or matter which could cause a Financial Distress Event).; and
 - (e) ensure when complying with this Paragraph 2.3 that it complies with the law of England and Wales, including all market regulations and local law that applies to England and Wales.
- 2.4 For the purposes of determining whether a Financial Distress Event has occurred pursuant to the provisions of Paragraphs 3.1(a), the credit rating of an FDE Group entity shall be deemed to have dropped below the applicable Credit Rating Threshold if:

- (a) any of the Rating Agencies have given a Credit Rating Level for that entity which is below the applicable Credit Rating Threshold; or
 - (b) a Rating Agency that is specified as holding a Credit Rating Level for an entity as set out at Annex 3 of this Schedule ceases to hold or is unable to provide a Credit Rating Level for that entity, and the Supplier fails to provide an acceptable explanation to the Buyer.
- 2.5 Each report submitted by the Supplier pursuant to Paragraph 2.3(b) shall:
- (a) be a single report with separate sections for each of the FDE Group entities;
 - (b) contain a sufficient level of information to reasonably enable the Buyer to verify the calculations that have been made in respect of the Financial Indicators;
 - (c) include key financial, explanatory narrative, and other supporting information (including any accounts data that has been relied on) as separate annexes;
 - (d) be based on the audited accounts or any other publicised financial information for the date or period on which the Financial Indicator is based or, where the Financial Indicator is not linked to an accounting period or an accounting reference date, on unaudited management accounts prepared in accordance with their normal timetable; and
 - (e) include a history of the Financial Indicators reported by the Supplier in graph form to enable the Buyer to easily analyse and assess the trends in financial performance
- .

3 FINANCIAL DISTRESS EVENTS AND APPROPRIATE ACCEPTED MITIGATIONS

- 3.1 The following shall be Financial Distress Events, unless an Appropriate Accepted Mitigation is in place:
- (a) the credit rating of an FDE Group entity dropping below the applicable Credit Rating Threshold;



- (b) an FDE Group entity issuing a profits warning to a stock exchange or making any other public announcement, in each case about a material deterioration in its financial position or prospects;
- (c) there being a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety of an FDE Group entity;
- (d) an FDE Group entity committing a material breach of covenant to its lenders;
- (e) a Key Sub-contractor notifying CCS or the Buyer that the Supplier has not satisfied any material sums properly due under a specified invoice and not subject to a genuine dispute;
- (f) any FDE Group entity extends the filing period for filing its accounts with the Registrar of Companies so that the filing period ends more than 9 months after its accounting reference date without an explanation to CCS or the Buyer which CCS or the Buyer (acting reasonably) consider to be adequate;
- (g) any FDE Group entity is late to file its annual accounts without a public notification or an explanation to CCS or the Buyer which CCS or the Buyer acting reasonably considers to be adequate;
- (h) the directors and/or external auditors of any FDE Group entity conclude that a material uncertainty exists in relation to that FDE Group entity's going concern in the annual report including a reasonable but plausible downside scenario. This includes, but is not limited to, commentary about liquidity and trading prospects in the reports from directors or external auditors;
- (i) any of the following:
 - (i) any FDE Group entity makes a public announcement which contains adverse commentary with regards to that FDE Group entity's liquidity and trading and trading prospects, such as but not limited to, a profit warning or ability to trade as a going concern;
 - (ii) commencement of any litigation against an FDE Group entity with respect to financial indebtedness greater than £5m or obligations under a service contract with a total contract value greater than £5m;

- (iii) non-payment by an FDE Group entity of any financial indebtedness;
- (iv) any financial indebtedness of an FDE Group entity becoming due as a result of an event of default;
- (v) the cancellation or suspension of any financial indebtedness in respect of an FDE Group entity; or
- (vi) the external auditor of an FDE Group entity expressing a qualified opinion on, or including an emphasis of matter in, its opinion on the statutory accounts of that FDE entity,

in each case which CCS or the Buyer reasonably believes (or would be likely reasonably to believe) could directly impact on the continued performance and delivery of the Deliverables in accordance with this Contract;

- (j) any one of the Financial Indicators set out at Paragraph 5 for any of the FDE Group entities failing to meet the required Financial Target Threshold; or
- (k) if a previously Appropriate Accepted Mitigation is no longer available for a particular FDE or is no longer sufficient to constitute an Appropriate Accepted Mitigation.

3.2 On the occurrence of an FDE pursuant to Paragraph (j) to (k):

- (a) the Supplier shall:
 - (i) notify CCS and the Buyer in accordance with Paragraph 22.3(d) above; and
 - (ii) provide to CCS and the Buyer in writing within 10 Working Days or as otherwise agreed between the Parties of the date on which the Supplier first becomes aware of the FDE or of the date on which CCS or the Buyer has brought the FDE to the Supplier's attention, its proposed mitigation; and
- (b) the Parties shall then discuss the proposed mitigation in good faith and CCS or the Buyer shall, as soon as practicable, either:

- (i) agree that the proposed mitigation constitutes an Appropriate Accepted Mitigation; or
- (ii) exercise its rights under Paragraph 4 of this Schedule.

3.3 Failure by CCS or the Buyer to exercise its rights under Paragraph 4 of this Schedule shall constitute acceptance of the Appropriate Accepted Mitigation, unless such failure was due to an act or omission of the Supplier.

3.4 For the purposes of this Paragraph 3 Appropriate Accepted Mitigations include:

- (a) for the Supplier:
 - (i) the existence of a valid Guarantee provided by a Parent Undertaking as Guarantor: and
 - (ii) the Guarantor is not subject to an FDE for which there is no Appropriate Accepted Mitigation; and
 - (iii) the Supplier's ultimate parent undertaking is not subject to an FDE for which there is no Appropriate Accepted Mitigation; and
- (b) for Sub-contractors:
 - (i) The existence of a valid Guarantee provided by a Parent Undertaking as Guarantor: and
 - (ii) the Guarantor is not subject to an FDE for which there is no Appropriate Accepted Mitigation; and
 - (iii) the Sub-contractor's ultimate parent undertaking is not subject to an FDE for which there is no Appropriate Accepted Mitigation; and

- (c) for all entities within the FDE Group:

a mitigation that reduces the level of risk of the FDE to a level acceptable to CCS or the Buyer. This may include access to sufficient unused credit facilities or other risk mitigations, as listed in the Outsourcing Playbook '*Assessing and Monitoring the Economic and Financial Standing of Suppliers*' Guidance note available at:

[Assessing and monitoring the economic and financial standing of suppliers guidance note May 2021.pdf \(publishing.service.gov.uk\)](#).

- 3.5 All Appropriate Accepted Mitigations including any new or amended Appropriate Accepted Mitigations will be documented and recorded in a format and location agreed between the Parties (for example in a dedicated and access-controlled area of the Virtual Library).

4 CONSEQUENCES OF FINANCIAL DISTRESS EVENTS

- 4.1 Immediately upon notification by the Supplier of a Financial Distress Event in accordance with Paragraph 22.3(d) (or if CCS or the Buyer becomes aware of a Financial Distress Event without notification and brings the event to the attention of the Supplier) and subject to Paragraph 3, the Supplier shall have the obligations and CCS and the Buyer shall have the rights and remedies as set out in Paragraphs 4.3 to 4.6.
- 4.2 In the event of the first instance within a rolling 3-month period, of a late or non-payment of a Key Sub-contractor pursuant to Paragraph 3.1, CCS and the Buyer shall not exercise any of its rights or remedies under Paragraph 4.3 without first giving the Supplier 10 Working Days to:
- (a) rectify such late or non-payment; or
 - (b) demonstrate to CCS and the Buyer's reasonable satisfaction that there is a valid reason for late or non-payment.
- 4.3 The Supplier shall (and shall procure that any Guarantor, Key Sub-contractor, Monitored Supplier, and any relevant Parent Undertaking (for the Supplier or a Key Sub-contractor) shall):
- (a) at the reasonable request of CCS or the Buyer, meet CCS or the Buyer as soon as reasonably practicable (and in any event within 3 Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as CCS or the Buyer may permit and notify to the Supplier in writing) to review the effect of the Financial Distress Event on the continued performance and delivery of the Deliverables in accordance with this Contract; and
 - (b) where CCS or the Buyer reasonably believes (taking into account the discussions and any representations made under Paragraph 4.3(a)) that the Financial Distress Event could impact on the continued performance and delivery of the Deliverables in accordance with this Contract:

- (i) submit to CCS or the Buyer for its approval, a draft Financial Distress Service Continuity Plan as soon as reasonably practicable (and in any event, within 10 Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as CCS or the Buyer may permit and notify to the Supplier in writing); and
- (ii) to the extent that it is legally permitted to do so and subject to Paragraph 4.8, provide such information relating to the Supplier, Guarantor, Key Sub-contractor, Monitored Supplier, and any relevant Parent Undertaking (for the Supplier or a Key Sub-contractor), as CCS or the Buyer may reasonably require in order to understand the risk to the Deliverables, which may include forecasts in relation to cash flow, orders and profits and details of financial measures being considered to mitigate the impact of the Financial Distress Event.

4.4 CCS or the Buyer shall not withhold its approval of a draft Financial Distress Service Continuity Plan unreasonably. If CCS or the Buyer does not approve the draft Financial Distress Service Continuity Plan, it shall inform the Supplier of its reasons and the Supplier shall take those reasons into account in the preparation of a further draft Financial Distress Service Continuity Plan, which shall be resubmitted to CCS or the Buyer within 5 Working Days of the rejection of the first draft. This process shall be repeated until the Financial Distress Service Continuity Plan is either:

- (a) approved by CCS or the Buyer;
- (b) referred, by notice sent by either Party to the other Party explaining why it thinks the Financial Distress Service Continuity Plan has not been approved, to commercial negotiation led by senior representatives who have Buyer to agree the Financial Distress Service Continuity Plan to be held within 28 days of the date of the notice; or
- (c) finally rejected by CCS or the Buyer.

- 4.5 If CCS or the Buyer considers that the draft Financial Distress Service Continuity Plan is insufficiently detailed to be properly evaluated, will take too long to complete or will not ensure the continued performance of the Supplier's obligations in accordance with the Contract, then it may either agree a further time period for the development and agreement of the Financial Distress Service Continuity Plan or escalate any issues with the draft Financial Distress Service Continuity Plan using the Dispute Resolution Procedure.
- 4.6 Following approval of the Financial Distress Service Continuity Plan by the CCS or Buyer, the Supplier shall:
- (a) on a regular basis (which shall not be less than fortnightly):
 - (i) review and make any updates to the Financial Distress Service Continuity Plan as the Supplier may deem reasonably necessary and/or as may be reasonably requested by CCS or the Buyer, so that the plan remains adequate, up to date and ensures the continued performance and delivery of the Deliverables in accordance with this Contract; and
 - (ii) provide a written report to CCS or the Buyer setting out its progress against the Financial Distress Service Continuity Plan, the reasons for any changes made to the Financial Distress Service Continuity Plan by the Supplier and/or the reasons why the Supplier may have decided not to make any changes;
 - (b) where updates are made to the Financial Distress Service Continuity Plan in accordance with Paragraph 4.6(a), submit an updated Financial Distress Service Continuity Plan to CCS and the Buyer for its approval, and the provisions of Paragraphs 4.4 and 4.5 shall apply to the review and approval process for the updated Financial Distress Service Continuity Plan; and
 - (c) comply with the Financial Distress Service Continuity Plan (including any updated Financial Distress Service Continuity Plan).
- 4.7 Where the Supplier reasonably believes that the relevant Financial Distress Event under Paragraph 4.1 (or the circumstance or matter which has caused or otherwise led to it) no longer exists, it shall notify CCS and the Buyer and the Parties may agree that the Supplier shall be relieved of its obligations under Paragraph 4.6.

- 4.8 The Supplier shall use reasonable endeavours to put in place the necessary measures to ensure that the information specified at Paragraph 4.3(b)(ii) is available when required and on request from CCS and the Buyer and within reasonable timescales. Such measures may include:
- (a) obtaining in advance written confirmation from Key Sub-contractors, the Guarantor, Monitored Suppliers, and any relevant Parent Undertaking (for the Supplier or a Key Sub-contractor) authorising the disclosure of the information to the CCS and Buyer and/or entering into confidentiality agreements which permit disclosure;
 - (b) agreeing in advance with CCS and the Buyer, the Key Sub-contractors, the Guarantor Monitored Suppliers, and any relevant Parent Undertaking (for the Supplier or a Key Sub-contractor) a form of confidentiality agreement to be entered by the relevant parties to enable the disclosure of the information to the CCS and the Buyer;
 - (c) putting in place any other reasonable arrangements to enable the information to be lawfully disclosed to the CCS and the Buyer (which may include (without limitation) making information available to nominated CCS and Buyer personnel through confidential arrangements, subject to their consent); and
 - (d) disclosing the information to the fullest extent that it is lawfully entitled to do so, including through the use of redaction, anonymisation and any other techniques to permit disclosure of the information without breaching a duty of confidentiality.

5 FINANCIAL INDICATORS

- 5.1 Subject to the calculation methodology set out at Annex 4 of this Schedule, the Financial Indicators and the corresponding calculations and thresholds used to determine whether a Financial Distress Event has occurred in respect of those Financial Indicators, shall be as follows:

Financial Indicator	Calculation ¹	Financial Target Threshold:	Monitoring and Reporting Frequency (if different from the default position set out in Paragraph 2.3(b))
1. The higher of (a) the Operating Margin for the most recent 12-month period and (b) the average Operating Margin for the last two 12-month periods	$\frac{\text{Operating Margin}}{\text{Operating Profit} / \text{Revenue}} =$	> 5%	Tested and reported at least quarterly in arrears based on the latest publicly available information. Calculation as a minimum should be updated within 285 days of each Accounting Reference Date based upon figures for the 12 months ending on the relevant accounting reference date.
2. Net Debt to EBITDA Ratio	$\frac{\text{Net Debt to EBITDA ratio}}{\text{Net Debt} / \text{EBITDA}} =$	< 3.5 times	Tested and reported at least quarterly in arrears based on latest publicly available information. Calculation as a minimum should be updated within 285 days of each accounting reference date based upon EBITDA for the 12 months ending on, and Net Debt at, the relevant accounting reference date

3. Net Debt + Net Pension Deficit to EBITDA ratio	Net Debt + Net Pension Deficit to EBITDA Ratio = (Net Debt + Net Pension Deficit) / EBITDA	< 5 times	<p>Tested and reported quarterly in arrears based on latest publicly available information. Calculation as a minimum should be updated within 285 days of each accounting reference date based upon EBITDA for the 12 months ending on, and the Net Debt and Net Pension Deficit at, the relevant accounting reference date.</p>
4. Net Interest Cover	<i>Net Interest Payable Cover = Earnings Before Interest and Tax / Net Interest Payable</i>	> 3 times	<p>Tested and reported at least quarterly in arrears based on latest publicly available information. Calculation as a minimum should be updated within 285 days of each accounting reference date based upon figures for the 12 months ending on the relevant accounting reference date.</p>
5. Current Ratio	<i>Current Ratio = Current Assets / Current Liabilities</i>	> 1 times	<p>Tested and reported quarterly in arrears based on latest publicly available information. Calculation as a minimum should be updated within 285 days of each accounting reference date based upon figures at the relevant accounting reference date.</p>

6. Net Asset value	<i>Net Asset Value = Net Assets</i>	> £0	Tested and reported quarterly in arrears based on latest publicly available information. Calculation as a minimum should be updated within 285 days of each accounting reference date based upon figures at the relevant accounting reference date.
7. Group Exposure Ratio	<i>Group Exposure Ratio = Current Assets – Group Assets – Current Liabilities</i>	> £0 If lower a PCG may be required	Tested and reported quarterly in arrears based on the latest publicly available information. Calculation as a minimum should be updated within 285 days of each accounting reference date based upon figures at the relevant accounting reference date.

Key: ¹ – See Annex 4 of this Schedule which sets out the calculation methodology to be used in the calculation of each Financial Indicator.

6 MONITORED SUPPLIERS

- 6.1 Monitored Suppliers shall be designated at contract signature.
- 6.2 A Monitored Supplier could include any Sub-contractor that is not a Key Subcontractor, which in the opinion of CCS or the Buyer, performs (or would perform if appointed) a role:
- (a) in the provision of all or any part of the Deliverables that is such that the discontinued provision of that role would be detrimental to the ability of the Supplier to deliver the Deliverables to its established performance standards; and/or
 - (b) in the provision of all or any part of the deliverables that is such that the discontinued provision of that role may affect the Supplier's financial stability; and/or
 - (c) for which it would be difficult for the Supplier to find a replacement Sub-contractor within a reasonable time.

Monitored Supplier	Applicable Financial Indicators (these are the Financial Indicators from the table in Paragraph 5.1 which are to apply to the Monitored Suppliers)
N/A at Contract Commencement	N/A at Contract Commencement

7 TERMINATION RIGHTS

- 7.1 CCS shall be entitled to terminate this Contract and Buyers shall be entitled to terminate their Order Contracts for material Default if under Clause 14.4.2 if:
- (a) the Supplier fails to notify the Buyer of a Financial Distress Event in accordance with Paragraph 2.3(c);
 - (b) the supplier fails to comply with any part of Paragraph 4.3;

- (c) the Buyer finally rejects a Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with Paragraphs 4.4 to 4.5; and/or
- (d) the Supplier fails to comply with the terms of the Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with Paragraph 4.6(c).
- (e) If the Contract is terminated in accordance with Paragraph 7.1, the provisions set out in term 35 - Termination and Expiry of the Call-Off contract shall apply.

8 CONFIRMATION

- 8.1 The Supplier, subject to Paragraph 8.4 of this Schedule, shall within 120 days after each Accounting Reference Date or within 15 months of the previous Confirmation (whichever is the earlier) provide a Confirmation to the Buyer in the form set out at Annex 5 of this Schedule, confirming that to the best of the Supplier's knowledge and belief, it is not aware of and has no knowledge:
- (a) that a Financial Distress Event has occurred since the later of the Effective Date or the previous Confirmation or is subsisting; or
 - (b) of any matters which have occurred or are subsisting that could reasonably be expected to cause a Financial Distress Event.
- 8.2 The Supplier shall ensure that in its preparation of the Confirmation it exercises due care and diligence and has made reasonable enquiry of all relevant Supplier Personnel and other persons as is reasonably necessary to understand and confirm the position.
- 8.3 In respect of the first Confirmation to be provided under this Contract, the Supplier shall provide the Confirmation within 15 months of the Effective Date if earlier than the timescale for submission set out in Paragraph 8.1 of this Schedule.



- 8.4 Where the Supplier is unable to provide a Confirmation in accordance with Paragraphs 8.1 to 8.3 of this Schedule due to the occurrence of a Financial Distress Event or knowledge of subsisting matters which could reasonably be expected to cause a Financial Distress Event, it will be sufficient for the Supplier to submit in place of the Confirmation, a statement from the Supplier to the Buyer (and where the Supplier is a Strategic Supplier, the Supplier shall send a copy of the statement to the Cabinet Office Markets and Suppliers Team) setting out full details of any Financial Distress Events that have occurred and/or the matters which could reasonably be expected to cause a Financial Distress Event.

ANNEX 1: RATING AGENCIES AND THEIR STANDAR RATING SYSYTEM

This Annex sets out the standard rating scales for each of the Rating Agencies selected. CCS and the Buyer reserves the right to use other rating scales from other Rating Agencies that are not listed in this Annex.

Rating Agency	Credit Rating Level	Risk level
Standard and Poor's	Credit Rating Level 1 = [AAA] [AA+] [AA] [AA-] [A+] [A] [A-]	Low Risk
	Credit Rating Level 2 = [BBB+] [BBB] [BBB-] [BB+] [BB] [BB-] [B+] [B] [B-]	Greater Than Average Risk
	Credit Rating Level 3 = [CCC] [CC] [C] [D] [NR]	High Risk
Moody's	Credit Rating Level 1 = [Aaa] [Aa] [A]	Low Risk
	Credit Rating Level 2 = [Baa] [Ba] [B]	Greater Than Average Risk
	Credit Rating Level 3 = [Caa] [Ca] [C]	High Risk
Dun and Bradstreet	Credit Rating Level 1 = Failure Score of 51 or above	Low Risk
	Credit Rating Level 2 = Failure Score of 11 to 50	Greater Than Average Risk
	Credit Rating Level 3 = Failure Score of 10 or below	High Risk



Experian	Credit Rating Level 1 = 51 or above	Low Risk
	Credit Rating Level 2 = 26 to 50	Greater Than Average Risk
	Credit Rating Level 3 = 25 or below	High Risk
Companywatch	Credit Rating Level 1 = 36 and above	Low Risk
	Credit Rating Level 2 = 26 to 35	Greater Than Average Risk
	Credit Rating Level 3 = 25 or below	High Risk



ANNEX 2: APPROPRIATE ACCEPTED MITIGATIONS

Redacted

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ANNEX 3: Credit Ratings And Credit Rating Thresholds

Entity	Credit Rating (long term) <i>(insert the actual credit rating issued for the entity at the Effective Date)</i>	Credit Rating Threshold <i>(insert the minimum actual rating (e.g. AA-) or the minimum Credit Rating Level (e.g. Credit Rating Level 3))</i>
BAE Systems Applied Intelligence Limited	Dunn & Bradstreet – Failure Score 89	Dunn & Bradstreet – Failure Score 11

ANNEX 4: Calculation Methodology for Financial Indicators

The Supplier shall ensure that it uses the following general and specific methodologies for calculating the Financial Indicators against the Financial Target Thresholds:

General methodology

1. **Terminology:** The terms referred to in this Annex are those used by UK companies in their financial statements. Where the entity is not a UK company, the corresponding items should be used even if the terminology is slightly different (for example a charity would refer to a surplus or deficit rather than a profit or loss).
2. **Groups:** Where the entity is the holding company of a group and prepares consolidated financial statements, the consolidated figures should be used.
3. **Foreign currency conversion:** Figures denominated in foreign currencies should be converted at the exchange rate in force at the relevant date for which the Financial Indicator is being calculated.
4. **Treatment of non-underlying items:** Financial Indicators should be based on the figures in the financial statements before adjusting for non-underlying items.

Specific Methodology

Financial Indicator	Specific Methodology
1 <u>Operating Margin</u>	<p>The elements used to calculate the Operating Margin should be shown on the face of the Income Statement (or Statement of Financial Activities) in a standard set of financial statements.</p> <p>Operating Profit is to exclude exceptional items, such as restructuring costs or impairments, and to include any share of Subsidiaries' Operating Profit.</p>

Financial Indicator	Specific Methodology
	<p>Where an entity has an operating loss (i.e. where the operating profit is negative), Operating Profit should be taken to be zero.</p> <p>For Charities Operating Profit would be Net Income or Expenditure after Charitable Activities / Income</p>
<p>2 <u>Net Debt to EBITDA Ratio</u></p>	<p><i>“Net Debt” = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents</i></p> <p><i>“EBITDA” = Operating profit + Depreciation charge + Amortisation charge. EBITDA is to exclude exceptional items, such as restructuring costs or impairments, and to include any share of Subsidiaries’ EBITDA.</i></p> <p>The majority of the elements used to calculate the Net Debt to EBITDA Ratio should be shown on the face of the Balance sheet, Income statement (or Statement of Financial Activities) and Statement of Cash Flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements.</p> <ul style="list-style-type: none"> • <i>Net Debt:</i> The elements of Net Debt may be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest-bearing liabilities (other than retirement benefit obligations) should be included as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but not non-designated hedges). Borrowings should also

Financial Indicator	Specific Methodology
	<p>include balances owed to other group members.</p> <p>Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing.</p> <p>Cash and cash equivalents should include short-term financial investments shown in current assets.</p> <p>Where Net debt is negative (i.e. an entity has net cash), the relevant Financial Target Threshold should be treated as having been met.</p> <p><i>EBITDA: Operating profit should be shown on the face of the Income Statement (or Statement of Financial Activities) and, for the purposes of calculating this Financial Indicator. The depreciation and amortisation charges for the period may be found on the face of the Statement of Cash Flows or in a Note to the Accounts. Where EBITDA is negative, the relevant Financial Target Threshold should be treated as not having been met (unless Net Debt is also negative, in which case the relevant Financial Target Threshold should be treated as having been met).</i></p> <p>For Charities Operating Profit would be Net Income or Expenditure after Charitable Activities / Income</p>
<p>3 [Net Debt + Net Pension Deficit to EBITDA ratio]</p>	<p><i>"Net Debt" = Bank overdrafts + Loans and borrowings + Finance leases + Deferred consideration payable – Cash and cash equivalents</i></p> <p><i>"Net Pension Deficit" = Retirement Benefit Obligations – Retirement Benefit Assets</i></p>

Financial Indicator	Specific Methodology
	<p><i>“EBITDA” = Operating profit + Depreciation charge + Amortisation charge. EBITDA is to exclude exceptional items, such as restructuring costs or impairments, and to include any share of Subsidiaries’ EBITDA.</i></p> <p>The majority of the elements used to calculate the Net Debt + Net Pension Deficit to EBITDA Ratio should be shown on the face of the Balance sheet, Income statement (or Statement of Financial Activities) and Statement of Cash Flows in a standard set of financial statements but will otherwise be found in the notes to the financial statements.</p> <ul style="list-style-type: none"> • <u>Net Debt</u>: The elements of Net Debt may be described slightly differently and should be found either on the face of the Balance Sheet or in the relevant note to the financial statements. All interest-bearing liabilities (other than retirement benefit obligations) should be included as borrowings as should, where disclosed, any liabilities (less any assets) in respect of any hedges designated as linked to borrowings (but <i>not</i> non-designated hedges). Borrowings should also include balances owed to other group members. Deferred consideration payable should be included in Net Debt despite typically being non-interest bearing. Cash and cash equivalents should include short-term financial investments shown in current assets. • <u>Net Pension Deficit</u>: Retirement Benefit Obligations and Retirement Benefit Assets may be shown on the face of the Balance Sheet or in the notes to the financial



Financial Indicator	Specific Methodology
	<p>statements. They may also be described as pension benefits / obligations, post-employment obligations or other similar terms.</p> <p>Where 'Net Debt + Net Pension Deficit' is negative, the relevant Financial Target Threshold should be treated as having been met.</p> <ul style="list-style-type: none"> • EBITDA: Operating profit should be shown on the face of the Income Statement (or Statement of Financial Activities) and, for the purposes of calculating this Financial Indicator. <p>The depreciation and amortisation charges for the period may be found on the face of the Statement of Cash Flows or in a Note to the Accounts.</p> <p>Where EBITDA is negative, the relevant Financial Target Threshold should be treated as not having been met (unless 'Net Debt + Net Pension Deficit' is also negative, in which case the relevant Financial Target Threshold should be regarded as having been met).</p> <p>For Charities Operating Profit would be Net Income or Expenditure after Charitable Activities / Income</p>
<p>4 Net Interest Payable Cover</p>	<p><i>"Earnings Before Interest and Tax"</i> = Operating profit</p> <p><i>"Net Interest Payable"</i> = Interest payable – Interest receivable</p> <p>Operating profit should be shown on the face of the Income Statement (or Statement of Financial Activities) in a standard set of financial</p>

Financial Indicator	Specific Methodology
	<p>statements. Operating Profit is to exclude exceptional items, such as restructuring costs or impairments, and to include any share of Subsidiaries' Operating Profit</p> <p>Interest receivable and interest payable should be shown on the face of the Cash Flow statement.</p> <p>Where Net interest payable is negative (i.e. the entity has net interest receivable), the relevant Financial Target Threshold should be treated as having been met.</p> <p>For Charities Operating Profit would be Net Income or Expenditure after Charitable Activities / Income</p>
5 Current Ratio	<p>All elements that are used to calculate the Current Ratio are available on the face of the Balance Sheet in a standard set of financial statements.</p>
6 Net Asset value	<p>Net Assets are shown (but sometimes not labelled) on the face of the Balance Sheet of a standard set of financial statements. Net Assets are sometimes called net worth or 'Shareholders' Funds'. They represent the net assets available to the shareholders. Where an entity has a majority interest in another entity in which there are also minority or non-controlling interests (i.e. where it has a subsidiary partially owned by outside investors), Net Assets should be taken inclusive of</p>



Financial Indicator	Specific Methodology
	<p>minority or non-controlling interests (as if the entity owned 100% of such entity).</p> <p>For Charities Net Assets would be Total Charity Funds</p>
7 Group Exposure Ratio	<p><i>“Group Assets” = Current and Non-Current Balances owed by Group Undertakings</i></p> <p><u>Group Exposure:</u> Balances owed by (i.e. receivable from) Group Undertakings are shown within Non-Current assets or Current assets either on the face of the Balance Sheet or in the relevant notes to the financial statements. In many cases there may be no such balances, in particular where an entity is not a member of a group or is itself the ultimate holding company of the group.</p> <p><u>Current Assets & Current Liabilities:</u> Both Current assets and Current Liabilities are shown on the face of the Balance Sheet</p>



ANNEX 5: CONFIRMATION

Supplier Name:

Contract Reference Number:

The Supplier acknowledges the requirements set out at Paragraph 8 of Joint Schedule 7 (Financial Difficulties]) and confirms that the Supplier has exercised due care and diligence and made reasonable enquiry of all relevant Supplier Staff and other persons as is reasonably necessary to enable the Supplier to prepare this statement.

The Supplier confirms, to the best of its knowledge and belief, that as at the date of this Confirmation it is not aware of and has no knowledge:

1. that a Financial Distress Event has occurred since the later of the previous Confirmation and the Effective Date or is subsisting; or
2. of any matters which have occurred or are subsisting that could reasonably be expected to cause a Financial Distress Event

On behalf of the Supplier:

Name
Title ...Director / CFO.....
Signed
Date



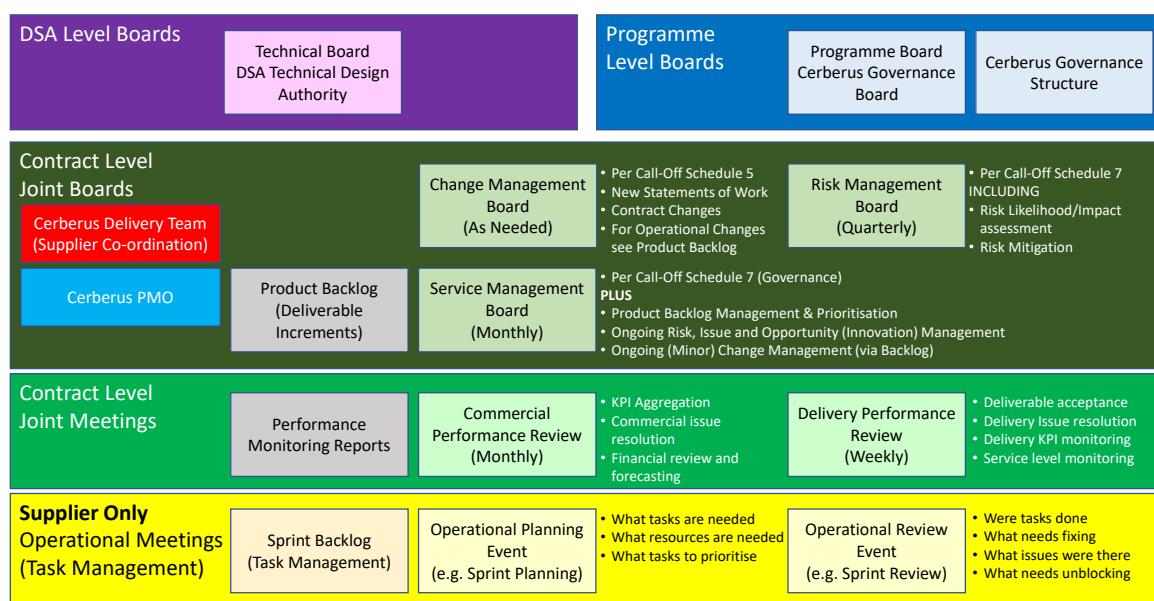
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ANNEX 6: PARENT COMPANY GUARENTEE – TEMPLATE

If relied upon the terms of the Deed of Guarantee shall be agreed.

Attachment 8 – Governance

- 1.1 The terms contained in Call-Off Schedule 7 apply. Within the context of this Contract it is helpful to illustrate the different Boards and the related meetings which form the basis of contract management:



1.. **Figure 1 – Relationship between the Boards and Meetings**

- 1.2 Within the context of this Contract, the closest to a formal **Technical Board** is the DSA Technical Design Authority. However, within the context of Cerberus:

- 1.2.1 The Cerberus Delivery Team has an ongoing “Technical Board” role for the complete Cerberus environment – including delivery scope covered by other Suppliers (see earlier).
- 1.2.2 It will be the responsibility of the Supplier, within input from the Buyer, to firstly inherit and then execute appropriate technical governance processes.

- 1.3 The Cerberus has multiple layers of Home Office (Border Force) “client side” governance. The closest to a **Programme Board** is the Cerberus Governance Board.
 - 1.3.1 The Cerberus **Programme Management Office** (PMO) primarily services the needs of the overall Cerberus Governance Board and is a service available to the Supplier to support these interfaces
- 1.4 As described previously, at a material level, within the context of this Contract, the **Change Management Board** focuses on significant change (such as raising new Statements of Work and governing material changes to the Contract). Part of their role (as described in the terms) is delegated to the Service Management Board in their capacity to manage the Backlog.
- 1.5 Similarly, day-to-day management of risk is delegated from the **Risk Management Board** to the Service Management Board (and the Cerberus PMO). Under this contract, the Risk Management Board provides a periodic (quarterly) focus on contract specific risks and issues.
- 1.6 As a result of the above the **Service Management Board** therefore holds additional roles to those described in Call-Off Schedule 7:
 - 1.6.1 It proactively manages extended Operational Changes (as the custodian of the continuously refined Product Backlog);
 - 1.6.2 It will oversee the development of new Statements of Work and formal Change Requests as inputs for approval to the Change Management Board;

- 1.6.3 With the ongoing support of the Cerberus PMO, it oversees risk and issue management (resolving them either directly or via the Cerberus Delivery Team wherever possible);
 - 1.6.4 It validates and summarises the outputs from the Commercial and Delivery Performance Review meetings for the purposes of consolidating (via the Cerberus PMO) management information for overarching Cerberus Governance.
 - 1.6.5 Some of the particular agile mechanics related to the Product Backlog are expanded on further in the Contract.
- 1.7 The Performance Review Meetings (Commercial and Delivery) have previously been described at a high level. More details on specific aspects of
- 1.8 The Supplier only Operational Events are described further herein.



Annex 1 – Board Attendees

The following tables will be completed with 10 days of the Service Commencement and will be maintained as appropriate

Named Programme Board Members	
Buyer	
[Title 1]	[insert name]
[Title 2]	[insert name]
[Title 3]	[insert name]
Supplier	
[Title 1]	[insert name]
[Title 2]	[insert name]
Other	
[Title 1]	[insert name]
[Title 2]	[insert name]

Named Technical Board Members	
Buyer	
[Title 1]	[insert name]
[Title 2]	[insert name]
[Title 3]	[insert name]
Supplier	
[Title 1]	[insert name]
[Title 2]	[insert name]
Other	
[Title 1]	[insert name]
[Title 2]	[insert name]



Named Change Management Board Members	
Buyer	
[Title 1]	[insert name]
[Title 2]	[insert name]
[Title 3]	[insert name]
Supplier	
[Title 1]	[insert name]
[Title 2]	[insert name]
Other	
[Title 1]	[insert name]
[Title 2]	[insert name]

Named Risk Management Board Members	
Buyer	
[Title 1]	[insert name]
[Title 2]	[insert name]
[Title 3]	[insert name]
Supplier	
[Title 1]	[insert name]
[Title 2]	[insert name]
Other	
[Title 1]	[insert name]
[Title 2]	[insert name]



Named Service Management Board Members	
Buyer	
[Title 1]	[insert name]
[Title 2]	[insert name]
[Title 3]	[insert name]
Supplier	
[Title 1]	[insert name]
[Title 2]	[insert name]
Other	
[Title 1]	[insert name]
[Title 2]	[insert name]

Attachment 9 – Schedule of Processing, Personal Data and Data Subjects

This Attachment 9 will be completed by the Controller, who may take account of the view of the Processors, however the final decision as to the content of this Schedule will be with the Buyer at its absolute discretion.

- 1.1 The contact details of the Buyer's Data Protection Officer are: [REDACTED]
- 1.2 The contact details of the Supplier's Data Protection Officer are: [REDACTED]
[REDACTED] The Supplier requests that where possible, initial communication regarding data protection is via the Supplier's Account Manager, [REDACTED]
- 1.3 The Processor will comply with any further written instructions with respect to processing by the Controller.
- 1.4 Any such further instructions will be incorporated into this Attachment 9.

Description	Details
Identity of Controller for each Category of Personal Data	<p>The Buyer is Controller and the Supplier is Processor</p> <p>The Parties acknowledge that in accordance with Clause 34.2 to 34.15 and for the purposes of the Data Protection Legislation, the Buyer is the Controller and the Supplier is the Processor of the following Personal Data:</p> <ul style="list-style-type: none"> Data within the BUYER's Poise network, AWS and Azure environments, this may include, but not limited to, personal data being processed towards the development and provision of Cerberus Services, data related to nominated BUYER Staff (including volunteers, agents, and temporary workers), customers/ clients, citizens, suppliers, users etc: name, address, date of birth, NI number, telephone number, pay, images, biometric data etc <p>The Parties are Independent Controllers of Personal Data</p> <p>The Parties acknowledge that they are Independent Controllers for the purposes of the Data Protection Legislation in respect of:</p> <ul style="list-style-type: none"> Business contact details of Supplier Personnel,

	<ul style="list-style-type: none"> • Business contact details of any directors, officers, employees, agents, consultants and contractors of the Buyer (excluding the Supplier Personnel) engaged in the performance of the Buyer's duties under this Contract. • Data provided by the supplier on any Subcontractors engaged in the delivery of this contract. • Reports or information provided by the supplier in the delivery of this contract.
Duration of the processing	The Processing of Personal Data within the BUYER's Poise network, AWS and Azure environments by the Supplier will be within the Contract period as stated in the Order Form
Nature and purposes of the processing	<p>The nature of the processing means any operation such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction of data (whether or not by automated means) etc.</p> <p>The purpose might include: employment processing, statutory obligation, recruitment assessment etc.</p>
Type of Personal Data	Examples of Personal Data within the BUYER's Poise network, AWS and Azure environments may include, but not limited to, data related to nominated BUYER Staff (including volunteers, agents, and temporary workers), customers/ clients, citizens, suppliers, users etc: name, address, date of birth, NI number, telephone number, pay, images, biometric data etc.
Categories of Data Subject	BUYER Staff (including volunteers, agents and temporary workers), customers/clients, suppliers, citizens, users of various BUYER services.
Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data	The Supplier will return and delete or destroy all such Personal Data and information accessed and Processed by the expiration of the Contract.

Attachment 10 – Transparency Reports

For the purposes of this Attachment 10 – Transparency Reports, Call Off Term 41 shall apply along with the principles of PPN 01/17

(<https://www.gov.uk/government/publications/procurement-policy-note-0117-update-to-transparency-principles>).

In the event the Buyer requests information to comply with the provisions of Call Off Term 41 and/or PPN01/17 the Supplier shall provide such information in a mutually agreed format within the timeframes set out in Call Off Term 41.4 unless otherwise mutually agreed. The information to be reported may include but not be limited to;

Table. Indicative Transparency Report

Title	Content	Format	Frequency
Performance metrics	TBC	TBC	Monthly
Call-Off Contract Charges	TBC	TBC	Monthly
Performance and underperformance management	TBC	TBC	Quarterly
Resource plans	TBC	TBC	On a per SoW basis.
Contract prices and any incentivisation mechanisms in the contract	TBC	TBC	TBC
Plans for management of underperformance	TBC	TBC	TBC
Governance arrangements, including those for supply chains where significant contract	TBC	TBC	TBC



value rests with subcontractors			
Service improvement plans	TBC	TBC	TBC
Frequency of information release	TBC	TBC	TBC
Statement of Work details	TBC	TBC	TBC
Supplier organisational information/metrics (e.g. Equality and Inclusion statistics)	TBC	TBC	TBC

The Parties agree to review this obligation within 3 months of the Contract Commencement Date.

Attachment 11 – Operational Contract Management

Contents

1. Operational Contract Management Process
2. Scope of Operational Contract Management
3. Supplier & Operational Contract Management Levels of Working
4. Supplier Relationship Management
5. Key Operational Contract Management Mechanisms
6. Material KPI's
7. Key Information
8. Glossary

Appendix A: SoW Management Related Information

Appendix B: Call Off Contract Management Information

Appendix C: Buyer/Supplier Management Information

Appendix D: Example Product Backlog Item List Contents

Appendix E: Example Balanced Scorecard

Appendix F: Contract Board Membership

Appendix G: SoW and Increment Definition Templates

1. OPERATIONAL CONTRACT MANAGEMENT

- 1.9 This Attachment 11 sets out the Operational Contract Management process and describes how the Service provision will operate in an agile manner whilst maintaining the principles and terms set out in the Call Off Contract.
- 1.10 As set out in Clause 5 - Contract Management Mechanisms of the Call Off Contract both Parties will pro-actively manage the Services and associated risks attributed to them under the terms of this Call Off Contract.
- 1.3 The Services provided under the Call Off Contract will be contracted via Statements of Work as described in the proforma set out in Appendix G or updated from time to time. The Operational Contract Management team are the custodians of the latest version of the SoW proforma.

2. SCOPE OF OPERATIONAL CONTRACT MANAGEMENT

There are a number of key mechanisms for Operational Contract Management of the Call-Off Contract obligations and related Statements of Work (SOWs) which are summarised below.

The list is not exclusive and focuses on the key principles underpinning each level of operational contract management. During the Contract Period the Buyer may elect to combine such mechanisms given the Agile nature of the Services,

2.1 Operational Contract Management Role and Responsibilities

- 2.1.1 **Call-Off Contract Management** covering contract management obligations between the Supplier and the Buyer over the life of the Call-Off Contract (see Appendix B Call Off Contract Management);
- 2.1.2 **Statement of Work Management (“SOW Management”)**) are used to describe the work to be conducted at varying levels of detail by the Supplier from cradle to grave and/or handover to follow on SOW/s if applicable. The SOW will include the anticipated team delivering the services using the rate card set out in the Call Off Contract schedule Attachment 2 Charges and Invoicing for capped time and materials;

- 2.1.3 **Product Backlog** (*Scrum*™) or **Prioritised Requirements List** (*AgilePM*®) (the “**Backlog**”) which is the cornerstone of ongoing operational product management and is considered a live contract artefact (see **Appendix D – Product Backlog**);
- 2.1.4 **Operational Buyer/Supplier Management** oversees and monitors the operational relationship between the Buyer and the Supplier;
- 2.1.5 **Collaborative Buyer/Supplier Events** - organises and manage events where multiple suppliers working on the same or related areas of work may come together with the Buyer, to discuss mutual ideas for improvement, future pipelines, etc.
- 2.1.6 “**Operational Planning Events**”- managing granular level tasks to be executed by the Supplier at the Scrum Sprint / Timebox (*AgilePM*) sized task level (frequency determined by the Supplier);
- 2.1.7 “**Operational Review Events**” - review achievements on individual Sprints/Timeboxes, learning lessons from previous activity/s and understand the actual effort used which will be fed into both the Commercial and Delivery Performance Meetings.
- 2.1.8 “**Delivery Performance Reviews**” the Buyer agrees Deliverable Increments acceptance (the equivalent of Milestone Acceptance). These reviews exclude task management (the sole responsibility of the Supplier). Delivery Performance Reviews are the first level for resolving delivery related issues and blockages. Frequency of these review meetings weekly.
- 2.1.9 “**Commercial Performance Reviews**” are intended to be held monthly, typically at month end post invoicing by the Supplier and include the following;-
- Whilst “receipt” will typically be via Milestone Acceptance (Delivery Performance Review process) these meetings will discuss commercially related issues (such as partial completion, performance, etc) that requires resolution prior to (or as part of) invoice approval;
 - Approve actual costs presented versus agreed price. Outputs will be used for improving future fixed price work estimates;

- Point of receipt to agree KPI and performance related information for benchmarking purposes;
- Review consolidated spend to date and forecast information for future planning purposes;
- Plan any subsequent SOWs
- Focus point for Operational Contract Management activities involving the Supplier and Buyer representatives covering delivery, quality, commercial and finance topics.

2.1.10 **Backlog Planning/Review Events** (a primary responsibility of the Service Board): These events will refine and prioritise the Product Backlog (at Deliverable Increment/user story level and above) for input to the more detailed SOW task level product backlog managed under the Supplier Operational Planning Events described above. If the Incremental Fixed Price charging mechanism is in use under a SOW, these events will agree the “price” for a Deliverable Increment (backed up by an estimate of effort linked to the Call-Off Rate Card).

2.1.11 **Contract Board Events** as set out in Attachment 8 Governance of the Call Off Contract illustrate the different Boards and the related meetings which form the basis of contract management. The Buyer Operational Contract Manager will liaise with relevant board organisers when Services under the Call Off Contract need to be discussed and relevant approvals required.

2.1.12 **Balanced Scorecard reviews** provides the monitoring mechanism to visually summarise the status of the Call-Off Contract contracted obligations and Supplier Operational performance. It is anticipated the Balanced Scorecard will operate at the overall Buyer/Supplier level;

2.1.13 **Delivery Planning** - delivery planning in the form of Gantt charts or project plans (typically a Plan on a Page [POAP]), or it may be in the form of agile tools such as roadmaps, Epic boards, Elaboration and/or Sprint Boards, Kanban boards, etc.

2.1.14 **Risk Management** Throughout the term of the Call-Off Contract risk management practices will be applied as described in section 5.5. The Buyer will monitor Supplier risk management activities (such as ongoing financial credit rating checks) as part of the Operational Contract Management processes.

The Supplier will develop, operate, maintain and amend, as agreed with the Buyer, processes for:

- the identification and management of risks;
- the identification and management of issues; and
- monitoring and controlling project plans.

2.1.15 **Charges and Invoicing:** validating charges for work conducted under the Call Off Contract and Attachment 2 Charges and Invoices and Statements of Work with internal Finance Department, Commercial Directorate and the Supplier in relation to the following activities: -

- agreeing Milestone Payments;
- agreeing Fixed Price work and Time and Material for work conducted.
- agreeing Management Charges.
- agreeing Service Charges; and;
- agreeing Projects and Enhancement

2.1.16 **Delivery Performance Review Meetings** will be held frequently (typically weekly). Its purpose is to collate feed-back and resolve routine operational delivery issues from the various Supplier teams (typically falling out of the Operational Review Meetings [e.g. Sprint Review Meetings] managed by the Supplier).

2.1.17 **Commercial Performance Review Meetings** are intended to capture an aggregated view of performance and incorporate finance and commercial matters (e.g., spend to date, forecasting, resource profiling, etc) ultimately leading to the Balanced Scorecard. Please refer to Call Off Contract Attachment 8 Governance

2.1.18 **Change Control Procedure** With the specific exceptions listed below, the principles and terms within Call-Off Schedule 5 Change Control Procedure will apply to material changes, which for the purposes of this Contract specifically include:

- Raising (and Terminating) Statements of Work;
- Extensions to the Contract; and

- Changes to timescales, value and/or scope of the Call-Off Contract

2.1.19 **Governance** The terms contained in Attachment 8 Governance illustrates the different Boards and the related meetings which form the basis of Operational Contract Management.

3. SUPPLIER AND OPERATIONAL CONTRACT MANAGEMENT LEVELS OF WORKING

3.1 Operational Contract Management

3.1.1 The Supplier and the Buyer will each nominate an Operational Contract Manager for the purposes of managing the Services and contractual obligations and day to day commercial matters under the Call-Off Contract on a day-to-day basis.

3.1.2 The primary purpose of Operational Contract Management includes:

- establishing and managing the information flows relevant to the scope of the Services under the Call-Off Contract;
- managing the overarching Product Backlog and ensuring it is continuously refined to reflect evolving work;
- establishing new SOWs, providing oversight of SOWs in progress and ensuring handover between SOWs if appropriate;
- acting as the interface between operational SOW management and commercial matters such as managing payment, tracking and managing commercial and operational commitment and expenditure against the overall Call-Off Contract maximum permitted value;
- providing oversight of the resources (Supplier Staff, Subcontractors, etc.) required to deliver the Deliverables under the Call-Off Contract;
- creating and maintaining Implementation Plans;
- co-ordinating with stakeholders and Governance boards as appropriate;
- managing overall Call-Off Contract level risks, issues, escalations and commercial matters;

- liaising with Commercial Directorate for formal Contract Variations (e.g., Contract Change Notices);
- acting as the day-to-day point of contact into Buyer/Supplier Management;
- maintaining Contract Supplier Rate Card(s) and liaising with Commercial Directorate regarding any such amendments.
- contributing to the maintenance of programme/project artifacts such as business cases, procurement packages, roadmaps, etc;
- ensuring smooth transition and hand-over to the recipient of Deliverables that may be to another supplier if there is another major phase of work to be undertaken by another supplier under a separate SOW); and
- monitoring Supplier performance against Material KPIs.

3.2 Establishing and Managing Information Flows

- 3.2.1 Appendix B provides a list of information which may be requested by the Buyer for Operational Contract Management purposes. The Buyer may add to this list at any point in time by notifying the Supplier in writing.
- 3.2.2 The information set out in Appendix B will be kept up to date by the Supplier at the refresh frequency set out in the Appendix. The Supplier is required to maintain tight version control and, where noted, obtain Buyer approval to updates as the work progresses.

3.3 Managing the Product Backlog

- 3.3.1 The Product Backlog (or its equivalent) is a key artifact for Operational Contract Management. The Product Backlog will track:
- Deliverable Increments as they are refined during the Call-Off Contract Period,
 - Which SOWs cover each Deliverable Increment,
 - The Size of each Increment (and cost them under either the Fixed Price or Incremental Fixed Price models),
 - Track “accepted” increments and applicable information.

3.4 Statements of Work (SOW)

- 3.4.1 The first SOW placed under the Call Off Contract will be created and agreed between the Parties. It is anticipated that the Operational Contract Management team will develop the first draft of the SOW requirements (unless otherwise agreed between the Parties) and then work with the Supplier to agree the content, resourcing and pricing models prior to signing the SOW. It is the responsibility of the respective Operational Contract Managers to ensure SOWs remain within the service scope of the overarching Call-Off Contract.
- 3.4.2 SOWs will operate under Fixed Price or Incremental Fixed Price or Time and Materials based pricing mechanisms that are governed by the Call Off Contract Supplier Rate Card.
- 3.4.3 The Supplier will maintain accurate records of actual resource utilisation which will be made available to the Buyer on request. The purpose of this approach is to provide information for improving future estimated prices and provide a mechanism to cost variation if required
- 3.4.4 Subsequent SOWs placed under the Call-Off Contract will be defined by the Buyer and will be developed involving joint exploratory discussions between the Buyer and the Supplier. Inputs to an SOW are likely to include:
- SOW road map;
 - initial resource profile and technology stack etc, used to inform the sizing of the SOW;
 - which Accountability Model (Sole Responsibility, Self-Directed Teams or Rainbow Teams) will deliver the SOW, and which pricing mechanism (Fixed Price, Capped Time and Material, or Incremental Fixed Priced) will be applied; and
 - Backlog items which will form the scope of the SOW (detailing requirements at an appropriate level of detail).

- 3.4.5 Minor variations to live SOWs will be coordinated via the Operational Contract Management process
- 3.4.6 It is the responsibility of the Buyer Operational Contract Manager to ensure that budgets are available for the Services conducted under the Call-Off Contract which are separate from the maximum Call Off Contract value which remain with the Buyer Commercial Directorate Team.

3.5 Statement of Works Resourcing

- 3.5.1 Whilst detailed planning of resource allocation to SOW tasks is managed at SOW Management level it is important there is an overarching view of the total resourcing contracted under the Call Off Contract by the Supplier to ensure future requirements can be delivered with the right level and expertise of resources.
- 3.5.2 The Supplier will ensure all resources employed to provide services under the Call Off Contract have the necessary security clearances and, if not, that written agreement has been obtained in the form of waivers with the Buyer. The Supplier will be required to provide evidence of compliance if requested by the Buyer.
- 3.5.3 When the Rainbow Team Accountability Model is required, the Buyer may have mandatory induction processes to be followed. The Supplier will ensure that all such requirements are met prior to beginning work under the SOW.
- 3.5.4 It is the responsibility of the Buyer to determine at the start of a SOW (or during execution) that the work potentially falls within the scope of HMRC IR35 tax provision. The Supplier will provide at the Buyers request relevant information regarding its workers (e.g. whether directly employed, via an umbrella organisation, if a shareholder of the organisation, etc.)
- 3.5.5 The Supplier is responsible for ensuring that its staff (directly or indirectly employed) perform any data handover / cleansing obligations where applicable at the end of a SOW

or as part of other cases (such as transition to a run team during a SOW) and the end of a Call-Off Contract. The Supplier Operational Contract Management team will be accountable for ensuring this is done.

- 3.5.6 SOWs will include the roles of a core team for the duration of the Call-Off Contract
- 3.5.7 Key Roles and Key Staff must be named in each SOW.
- 3.5.8 The Parties shall ensure that appropriate resource is made available to provide the Services such that the aims, objectives and specific provisions of this Call-Off Contract can be fully realised.

3.6 Statement of Work Management

- 3.6.1 In addition to the Product Backlog, information will be required by the Buyer from the Supplier for the purposes of recording resources (e.g. for controlling access to infrastructure), measuring performance (e.g. burn charts, etc), evidencing delivery (e.g. acceptance certificates) etc.
- 3.6.2 When capturing resource effort, the Supplier is required to link such effort to the SOW and to the respective entry on the Call-Off Supplier Rate Card and include period start and end dates and utilised effort (in hours, days or fractions thereof as determined by the Buyer).

3.7 Call-Off Contract Financial Accounting and Budget Management

- 3.7.1 The Call-Off Contract level is a maximum value of the term of the contract not a committed sum. Contracted committed expenditure will be subject to values set out in approved individual SOWs over the life of the contract.
- 3.7.2 The Supplier will maintain an audit path linking delivery information together with invoice information.
- 3.7.3 Over the term of the Call Off Contract the Supplier and Buyer Operational Contract Management Teams will track budgets, forecasts and actuals at purchase order level, SOW level and Call-Off Contract level and the Supplier will provide a level of granularity (e.g. monthly) as requested by the Buyer.
- 3.7.4 The Buyer Operational Contract Management team will update financial summaries to reflect any changes agreed under the formal Variation process.
- 3.7.5 The Supplier will notify the Buyer of any projected overspend at least 60 days in advance of such an overspend occurring.

3.8 Operational Planning Events

- 3.8.1 Operational Planning Events will be held at a frequency determined by the Supplier. The purpose will be to agree the next iteration of work (e.g. Scrum Sprint) and to refine the Sprint Backlog or the Supplier's equivalent.

3.9 Operational Review Events

3.9.1 Operational Review Events will be held at a frequency also determined by the Supplier. Typically, these will be at regular intervals (e.g., every month or every Scrum Sprint). Two contractual related purposes of Operational Review Events are to:

- identify when Product Increments are completed and provide evidence to the Commercial Planning/Review Events that work is “done”; and
- capture actual effort taken (versus the forecast) as a means of improving future estimates at the Product Backlog level and providing the raw data for invoicing purposes.

3.10 Change Control Procedure

3.10.1 The principles and terms within Call-Off Schedule 5 Change Control Procedure will apply to contract material changes, which for the purposes of this Call Off Contract specifically include:

- Implementing and Terminating Statements of Work;
- Extensions to the Call Off Contract; and
- Contract Change Notes that apply to timescales, value and/or scope of the Call-Off Contract

3.10.2 The exception to Call-Off Schedule 5 relates to Operational Contract Management permitted changes related to agreed Statements of Work which will be tracked via the Product Backlog (managed via the Service Management Board):

3.10.3 As described in later in this section the Product Backlog will track Deliverable Increments as described in the Glossary section 8. Such Increments undergo agile change refinement that may result in new Increments (children), additions and deletions – in addition to simple changes.

- 3.10.4 Such changes for these Increments ahead of their execution will be subject to Fixed Charges, within the scope of the overall SOW value, and such changes will be logged as part of Product Backlog management.
- 3.10.5 The Product Backlog (and related artifacts) will be used in place of the Contract Change Request Form (Annex 1 of Part B, Call-Off Schedule 5).
- 3.10.6 The Service Management Board will be responsible for approving changes managed via the Product Backlog are auditable, proportionate and appropriate.
- 3.10.7 Such changes that are considered Operational will not require a formal Impact Assessment.

3.11 Charges and Invoicing

- 3.11.1 The agreed charging mechanisms under this Call Off Contract are made up of the following and are further detailed in Attachment 2 Charges and Invoicing: -
 - Contract charges are based on agreed rates in line with the Home Office DDaT rate card plus volume discounts applied as appropriate over the life of the contract.
 - Charges are applied on a monthly fixed fee for BAU services
 - Statement of Work payments will be based on charges agreed at the Deliverable Increment level which are drawn down from the Product Backlog and together make up the Statement of Work.
 - When the Deliverable Increment has been refined to a point of reasonable definition (ahead of delivery), the Fixed Price for that increment will be agreed. The terms relating to Milestone Payments and Service

Charges set out in Schedule 2 (Charges and Invoicing) will apply.

- A Statement of Work may include Milestone based Increments and/or recurring Service based Increments with the former measured in terms of accepting the Deliverable increment as having been “done” and the latter in terms of accepting that Service Levels have been met.
- For the avoidance of doubt the Buyer may rely on, Incremental Fixed Price, Fixed Price, Time and Material (T&M) either capped or uncapped, or such other mechanism deemed appropriate during the term of the Contract.

3.12 Service Credits and Performance Monitoring

- 3.12.1 The detailed definition of specific service levels, performance requirements, key performance indicators (including acceptance criteria for deliverables etc) will be defined as part of individual Statements of Work and/or, in some cases (e.g. acceptance criteria), at the Deliverable Increment level and will be reported at Delivery Performance Reviews and Commercial Performance Review meetings

3.13 Governance

- 3.13.1 It will be the responsibility of the Supplier, with input from the Buyer, to execute appropriate technical governance processes as described in Call Off Schedule 7 and that will be reported at the various boards described in Attachment 8 Governance.

4. SUPPLIER RELATIONSHIP MANAGEMENT

4.1 Buyer/Supplier Management

- 4.1.1 Buyer/Supplier Management covers the overall relationship between Buyer and Supplier and will formally start on the commencement of the Call-Off Contract.
- 4.1.2 From the Call-Off Contract Start Date the Supplier will nominate a Supplier Operational Contract Manager and the Buyer will nominate a Buyer Operational Contract Manager
- 4.1.3 Where a Supplier has not previously had a relationship with the Buyer, introductory events are facilitated by the Buyer where applicable.
- 4.1.4 Whilst it is recognised that Buyer/Supplier Contract Management may be incorporated within day to day Contract Management, there is certain information which may be escalated or is pertinent to the relationship with the Supplier at Governance . Examples of such information are listed under Appendix C.
- 4.1.5 The Buyer and Supplier will collaborate to ensure appropriate prioritisation of resources, focus and continuous improvement across all Call-Off Contracts between the Buyer and the Supplier.
- 4.1.6 Buyer SM Events, for handling the above matters, will be held at a frequency determined by the Buyer.

4.2 Collaborative Buyer/Supplier Events

- 4.2.1 Periodically, the Buyer will meet with all their Suppliers with whom they have Call-Off Contracts or who are actively participating in related programmes with the Buyer. Such events will be held quarterly, with the frequency determined by the Buyer. Suppliers should make every reasonable effort to participate in and contribute to such events.

4.2.2 The purpose of these events will be to:

- provide the Buyer with the opportunity to share future pipelines of work;
- provide the Buyer with the opportunity to share future technology trends from their perspective.
- provide Suppliers with the opportunity to suggest improvements to the way the Buyer is managing its services;
- share emerging technologies as a result of Supplier activities;
- identify where there may be market shortages in skills and discuss mechanisms (training, knowledge sharing, buddying/mentoring, etc.) to address such shortages; and
- any other activity which may be proposed by the Buyer.

5. KEY OPERATIONAL CONTRACT MANAGEMENT MECHANISMS

5.1 **Product Backlog** (Scrum®) or Prioritised Requirements List (AgilePM®) or equivalent:

- 5.1.1 The Product Backlog will be the operational equivalent of a change control log capturing refinements, changes, additions and deletions to the Services contracted under the Call Off Contract. The Product Backlog demonstrates the value delivered (even if only at Deliverable Increment level) and provides an indicator on how much change to the Services had occurred;

- 5.1.2 Typical information to be held in the Product Backlog can be found in Appendix D;
- 5.1.3 The Product Backlog evidences value delivered and captures ongoing refinement

5.2 (NOT USED)

5.3 SOW Variation and Change Management

- 5.3.1 The managed services matrix maps all the active Services SOW Variation will be applied when changes to funding, scope and high-level Milestones and or timescale changes are required to an active SOW.
- 5.3.2 The Buyer will ensure sufficient allocated budget is available and that the SOW remains inside the scope of the Call-Off Contract. SOW Variations will be managed in line with Buyer governance procedures.
- 5.3.3 such SOW Variations will follow the procedure set out in Call-Off Schedule 5 (Change Control Procedure).

5.4 Balanced Scorecard

- 5.4.1 The Buyer will set out the service measurements for the Balanced Scorecard reporting and start date. The Supplier and Buyer will work together to develop and agree the detail of a Balanced Scorecard during the first 3 months of inception.
- 5.4.2 The principles outlined in Procurement Policy Note 09/16: Procurement for Growth Balanced Scorecard (or any updated policy) will apply.
- 5.4.3 The Parties will refer to the Balanced Scorecard Appendix E. The Supplier should be familiar with Strategic Themes and Critical Success Factors associated with Procurement Policy Note 09/16 (or

latest equivalents) when formulating a Balanced Scorecard.

- 5.4.4 The frequency of update to the Balanced Scorecard will be determined by the Buyer and will be reported on at Commercial Performance Review Events

5.5 Risk Management

- 5.5.1 Both Parties will manage risk using the HM Treasury Green Book process
(<https://www.gov.uk/government/publications/green-book-supplementary-guidance-risk>).
- 5.5.2 Both Parties will pro-actively manage risks attributed to them using the principles and concepts set out in the Orange Book which will underpin the risk management practices in relation to the Services under this Call Off Contract
- 5.5.3 The Supplier will maintain a register of the risks which the Buyer and the Supplier have identified.
- 5.5.4 The Buyer will aim to ensure that the placement of risk is appropriate
- 5.5.5 The Supplier will develop, operate, maintain and amend, as agreed with the Buyer processes for:
- the identification and management of risks;
 - the identification and management of issues; and
 - monitoring and controlling project plans.
- 5.5.6 The Supplier will allow the Buyer to inspect at any time within the Supplier's working hours the accounts and records which the Supplier is required to keep.

5.5.7 The Buyer may elect, at any point in time, to conduct ongoing Supplier risk management as set out in the Call Off Contract Attachment 7 Financial Distress:

- the Buyer will use credit rating checks (for example Experian and Dun & Bradstreet) to monitor the financial health of the Supplier;
- should the Buyer determine that a Supplier could be at financial risk, the Buyer may request financial details (including current unpublished accounts) in order to better understand any risk which could have an impact on the Call-Off Contract;
- on request by the Buyer, the Supplier will provide and work to a financial risk mitigation plan as a means of protecting the interests of the Buyer; and
- the Supplier will take reasonable steps to ensure the financial health of any Subcontractors it engages with. In the event of a potential risk with any Subcontractor the Supplier will notify the Buyer of such risks and the mitigation actions it is taking to protect the interests of the Buyer.

6. MATERIAL KPIs

- 6.1 The Supplier's performance will be measured by the Material KPIs set out in the Order Form.
- 6.2 The Supplier will comply with the Material KPIs and establish processes to monitor its performance against them and the Supplier's achievement of Material KPIs will be reviewed during Commercial Planning/Review Events.
- 6.3 The Buyer reserves the right to adjust, introduce new, or remove Material KPIs throughout the Call-Off Contract Period, however any significant changes to Material KPIs will be agreed between the Buyer and the Supplier in accordance with the Variation Procedure.



- 6.4 The Buyer reserves the right to use and publish the performance of the Supplier against the Material KPIs without restriction.
- 6.5 In the event that the Buyer and the Supplier are unable to agree the performance score for any Material KPI during a Commercial Performance Review Event, the disputed score will be recorded and the matter will be referred to the Buyer Authorised Representative and the Supplier Authorised Representative in order to determine the best course of action to resolve the matter (which may involve organising an ad-hoc meeting to discuss the performance issue specifically).
- 6.6 In cases where the Buyer Authorised Representative and the Supplier Authorised Representative fail to reach a solution within a reasonable period of time, the matter will be referred to the Dispute Resolution Procedure.

7. KEY INFORMATION

- 7.1 The Buyer requires the Supplier to provide the management information as identified in the Appendices to this Annex. These requirements are without limitation to the Buyer's right to require the submission of information, reports, records and data as set out elsewhere in the Call-Off Contract.
- 7.2 The Supplier will, within 30 days of the earliest of:
 - 7.2.1 the date which is 30 days before the end of the Call-Off Contract Period;
 - 7.2.2 receipt of a Termination Notice;
 - 7.2.3 notification by the Buyer of an actual or intended Service Transfer; or
 - 7.2.4 a written request by the Buyer,provide the Buyer with a complete set of up to date information in respect of all types of information set out in the Annexes.

8. GLOSSARY OF OPERATIONAL CONTRACT MANAGEMENT RELATED TERMS

“Agile”	means a generic term to cover agile ways of working within the digital environment;
“Buyer Commercial Directorate Team”	means the Buyer commercial team who are responsible for approving all material changes to the Call Off Contract
Incremental Fixed Price	means the corresponding commercial mechanism, designed to transfer commercial risk to the Supplier.
“Product Backlog”	has the meaning described in section 5.1;
“Balanced Scorecard”	has the meaning described in section 5.4;
“Buyer SM Event”	has the meaning given as described in section 5.2;
“Operational Contract Management”	has the meaning as described in section 2;
“Call-Off Rate Card”	means the table of rates for different roles as captured in Call-Off-Contract Attachment 2 Charges and Invoicing
“Collaborative Buyer/Supplier Event”	has the meaning given as described in section 5.2;
“Operational Contract Manager/s”	means the Operational Contract Manager appointed by the Supplier and the Buyer in accordance with Appendix F of this schedule;



“Commercial Performance Review Meetings”	has the meaning as described in 2.1.17;
“Deliverable Increment”	means a tangible and measurable unit of delivery which can be accepted (or not) as contributing to an outcome and described separately to the tasks necessary to achieve and is linked to payment terms
“Delivery Performance Review Meetings”	has the meaning described in 2.1.8;
“Fixed Priced”	means the corresponding commercial mechanism, designed to transfer commercial risk to the Supplier.
“Incremental Fixed Price”	means the model has a Capped Time and Materials (provided on an open-book rate card basis for agreeing pricing) that fixes the price closer to the point of delivery for the Increment (maintaining risk transfer to the Supplier, whilst reducing the risk by delaying fixing the price to a point where the Increment has been better defined.
“Operational Contract Management Team”	means the Buyer and Supplier contract management teams that oversee and manage the contractual obligations to ensure deliverables and value for money is achieved over the life of the Call Off Contract period.
“Operational Planning Event”	has the meaning as described in 2.1.17;
“Operational Review Events”	has the meaning as described in 2.1.7;
“Orange Book”	means the Orange Book: Management of Risks – Principles and Concepts accessible at:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191513/The_Orange_Book.pdf

Portfolio Kanban

means a Portfolio (EPIC) level Kanban process (using JIRA) that is intended to align capturing and reporting on business requirements within the SOW management process. This solution may replace all or part of what is described as a Product Backlog in the future and, whilst a slightly different mechanism, for the purposes of this Annex should be considered an equivalent

Product Backlog.

means the prioritised list of deliverable increments (tangible contributions to the solution). It is specifically above the level of tasks (see Sprint Backlog below) and provides the mechanism for the Buyer to prioritise and, jointly with the Supplier, refine the increments to the point where they can be priced and delivered.

“Programme”

means a programme of work, as identified by a portfolio number or equivalent;

Rainbow

means blended teams where Supplier staff are often directed by, and/or work closely alongside, Buyer staff. Often a combination of Supplier and Buyer management will oversee activity on a task basis. Such teams are therefore inside the scope of HMRC IR35 and the work will not usually be VAT recoverable.

Risk is held almost exclusively by the Buyer;

Self-Directed Teams.

means a hybrid team/s responsible for discrete increments of product delivery where there is greater agility around finalising the detailed scope for that increment. The risk of increment delivery will be held by the Self-Directed Team and risk transfer is deferred to a point where the risk is relatively well defined (thus reducing risk contingency). Most importantly the “increment” is at a tangible delivery component level where the tasks necessary to deliver the increment are still down to the Self-Directed Team. Such teams should be outside the scope of IR35 and VAT should still be recoverable. Product increments will be refined during the course of the SOW, to a point where the definition is suitably mature to be given to a self-directed team to deliver.

“Scrum Sprint”

means a time boxed period of time in which a useable product increment is created per the Scrum Guide™ (an Agile methodology);

“Sole Responsible Teams

means where the team or teams have sole responsibility for the full scope of the Call Off Contract deliverables which, other than the initial requirements and specifications are delivered solely by the Supplier. The overall scope, key

milestones and the way delivery increments are developed will typically be managed almost exclusively by the Supplier – with minimal (if any) input from the Buyer, once the Call Off Contract commences. These teams will be outside the scope of IR35 and VAT will often be recoverable. Risk is held, almost exclusively by the Supplier and change is managed via formal contract level (or, as a minimum at overall SOW level)

“SOW Management”

has the meaning as described in 2.1.2;

“SOW Variation”

has the meaning given to it in paragraph **Error! Reference source not found.**

“Sprint Backlog”

has the meaning to describe the level below the product increment (typically the tasks required to complete the increment). This or its equivalent, will be used by the supplier to manage and prioritise tasks. The Supplier will capture actual effort and skill/capability level required and for the purposes of improving future estimates.

“Time and Materials”

means full based pricing where the Supplier is paid for the hours/days they work – and accountability for delivery is more reputationally driven than commercially;

1.1. Appendix A: SOW Management Related Information

Topic	Frequency or Details
Operational Planning Event Frequency	[insert frequency]
Operational Review Event Frequency	[insert frequency]

The following table provides a list of information required by the Buyer as part of the SOW Management process.

Notes:

1. There are some artifacts which held at Operational Contract Management level which could equally apply at this level. Please read that list too (Appendix B).
2. Supplier and Subcontractor related topics are covered under Buyer/Supplier Management
3. This list is non-exclusive, and the Buyer may elect to include other information.

A1.01	Backlog (Task level)	Yes	Operational Planning Event
A1.02	Forecast Resource Profile	Yes	Operational Planning Event
A1.03	Actual Resource Utilisation	Yes	Operational Review Event
A1.04	Task Completion Status	Yes	Operational Review Event
Typical Agile Artifacts (Statement of Work Information)			
A1.10	Sprint Burndown Report	N	[specify]
A1.11	Velocity Chart	N	[specify]
A1.12	Epic and Release Burndown Chart	N	[specify]
A1.13	Agile Control Chart	N	[specify]
A1.14	Cumulative Flow Diagram	N	[specify]
A1.15	Value Delivered Chart	N	[specify]
A1.16	Work Item Age Chart	N	[specify]



1.2. Appendix B: Call-Off Contract Management Information

Topic	Frequency or Details
Commercial Planning/Review Event Frequency	[frequency TBC] frequency

The following table provides a list of information required by the Buyer as part of the Operational Contract Management process or otherwise requested. The list included is non-exclusive and the Buyer may request to amend as required during the Call Off Contract Period.

Ref.	Type of Information	Required ?	Refresh Frequency
Contract Management Artifacts			
A2.01	Backlog (Deliverable Increment Level) (including agreements to Acceptance, Pricing, Status, etc – see Backlog for details)	Yes	Commercial Planning / Review Event
A2.02	List of Supplier Staff including SOW unique identifier Name, Job Role, link to Call-Off Rate Card, rate, Start Date, End Date, Planned Days, Forecast Days, Actual Days, Security Level, Contractor Status, IR35 determination, etc as specified by the Buyer)	Yes	Commercial Planning / Review Event
A2.03	Charges/Spend Cash Flow Data including SOW, Budget, Forecast, Actual, PO number/s, Variations, etc as specified by the Buyer	Yes	Commercial Planning / Review Event
A2.04	Risks, Issues (and Opportunities) Log including impact assessment, mitigation details, etc.	Yes	Commercial Planning / Review Event
A2.05	Any remediation plans agreed, and any progress against an agreed remediation plan.	Yes	Commercial Planning / Review Event
A2.06	Statement of any commercial issues raised by the Supplier during that period (e.g., late payment). Report of resolution of any previously noted items.	Yes	Commercial Planning / Review Event
A2.07	Copies of Notices received and/or issues by the Buyer, and referrals to any Dispute Resolution Procedure	Yes	On demand by the Buyer
A2.08	Variations detailing material changes to scope, cost, major milestones and/or overall timescales	Yes	On demand by the Buyer
A2.09	Stakeholder Map	N	On demand by the Buyer
A2.10	Communications Plan	N	On demand by the Buyer
A2.11	Copies of all Contract related documents including referenced documents, relevant Sub-Contracts and any ancillary documents (including amendments)	Yes	On demand by the Buyer



Ref.	Type of Information	Required ?	Refresh Frequency
A2.12	Current contact and address for notices under the Call-Off Contract.	Yes	Immediate and updates following any changes
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency]

Ref.	Type of Information	Required ?	Refresh Frequency
Typical AgilePM® Products (ref: Agile Project Management Handbook by the DSDM® Consortium): https://www.agilebusiness.org/page/ProjectFramework_08_Product			
A2.20	Terms of Reference	N	[specify]
A2.21	Business Case	N	[specify]
A2.22	Solution Architecture Definition	N	[specify]
A2.23	Development Approach Definition	N	[specify]
A2.24	Delivery Plan (also under Implementation Plans)	N	[specify]
A2.25	Timebox Plans (also under Implementation Plans)	N	[specify]
A2.26	Timebox Review Records	N	[specify]
A2.27	Management Approach Definition	N	[specify]
A2.28	Feasibility Assessment	N	[specify]
A2.29	Foundations Summary	N	[specify]
A2.30	Project Review Report	N	[specify]
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency]
Other Agile Products (courtesy Blended Agile Delivery www.thebadtoolkit.com)			
A2.40	V MOST Mission Boards	N	[specify]
A2.41	ROI Projections	N	[specify]
A2.42	EPIC Board (also under Implementation Plans)	N	[specify]
A2.43	User Stories	N	[specify]
A2.44	Release Propositions	N	[specify]
A2.45	Proof of Concepts (POCs) / Spikes	N	[specify]
A2.46	Designs / UX (User Functionality)	N	[specify]
A2.47	Business Architecture Changes	N	[specify]
A2.48	Data Changes	N	[specify]
A2.49	Candidate Architectures	N	[specify]



Ref.	Type of Information	Required ?	Refresh Frequency
A2.50	PTEST Requirements	N	[specify]
A2.51	Elaboration Boards (also under Implementation Plans)	N	[specify]
A2.52	Spring Boards (also under Implementation Plans)	N	[specify]
A2.53	Delivery Metrics	N	[specify]
A2.54	Health Checks	N	[specify]
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency]

Ref.	Type of Information	Required ?	Refresh Frequency
Contributions to Other Programme / Project Management Artifacts (not listed above)			
A2.60	Technical Requirements (Functional / Non-Functional)	N	[specify]
A2.61	Technical Constraints (e.g. compatibility with existing systems)	N	[specify]
A2.62	Pre-procurement support activities	N	[specify]
A2.63	Make or Buy Analysis	N	[specify]
A2.64	Technical Stack Specification	N	[specify]
A2.65	Technical Road Map	N	[specify]
A2.66	Target Operating Model	N	[specify]
A2.67	Skills Requirements Profile	N	[specify]
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency]

Ref.	Type of Information	Required ?	Refresh Frequency
Security and Personal Data Reporting Information			
A2.70	DSP Toolkit Submissions	Yes	Annually in arrears
A2.71	Copies of required security clearance certificates for all staff (where staff process Patient Identifiable Data or are on Buyer Premises or access Buyer Systems)	Yes	[On demand by the Buyer] [In advance of commencement of activity]



Ref.	Type of Information	Required ?	Refresh Frequency
A2.72	Unique individual identifier number and full name of staff handling Patient Identifiable Data (where staff process Patient Identifiable Data or are on Buyer Premises or access Buyer Systems)	Yes	[On demand by the Buyer] [In advance of commencement of activity]
A2.73	Updated DPIA	N	[insert frequency]
A2.74	Completed Information Security Management (ISM) Document Set	N	[insert frequency]
A2.75	Evidence of data destruction certification	Yes	On demand by the Buyer
A2.76	Notices of any breach of data provision or security provisions	Yes	On occurrence

Ref.	Type of Information	Required ?	Refresh Frequency
Handover / Exit Related Information			
A2.80	Records required by Law as they relate to the provision of the services (including in relation to health and safety matters and health and safety files), such records to be prepared in accordance with any applicable laws or regulations.	Yes	On demand by the Buyer
A2.81	All training, implementation, operation and maintenance manuals related to the provision of the Deliverables.	Y	On demand by the Buyer
A2.82	All certificates, licences, registrations or warranties related to the provision of Deliverables	Y	On demand by the Buyer
A2.83	Exit Plan (and any requested updates)	Y	(see Call-Off Schedule 10: Exit Management)
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency]

Ref.	Type of Information	Required ?	Refresh Frequency
TUPE Information			
A2.90	Details of service functions that have provided services to the Buyer, and the denoting characteristics that delineate the functions (including but not limited to function code references and names used on the Supplier's finance system, and period of time for which such code has existed).	N	On demand by the Buyer



Ref.	Type of Information	Required ?	Refresh Frequency
A2.91	Details of the number of customers supported by the Supplier's named service functions.	N	On demand by the Buyer
A2.92	The Staffing Information (as defined in Call-Off Schedule 2 (Staff Transfer) Buyer in relation to an anticipated potential Service Transfer or as required to be provided under the Schedule	N	On demand by the Buyer
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency]

1.3. Appendix C: Buyer/Supplier Management Information

Topic	Frequency or Details
Buyer SM Event Frequency	[insert frequency]ert frequency]

The following table provides a list of information required by the Buyer as part of the Buyer/Supplier Contract Management process.

Notes:

1. This list is non-exclusive, and the Buyer may elect to include other information.
2. This list is also illustrative and non-exhaustive. It is anticipated the Buyer will review and edit these tables as part of preparing a Call-Off Contract (and reserves the right to amend during the Call-Off Contract Period).
3. Information which could be seen to be advantageous to all Suppliers or which would be of benefit to all parties.

Ref.	Type of Information	Required ?	Refresh Frequency
Supplier and Sub-Contract Related Information			
A3.01	Report from the Supplier of any change to its financial standing / any change to its group structure.	Yes	On demand by the Buyer
A3.02	Request for use of any additional Subcontractors not forming part of the original Call Off Contract either: <ul style="list-style-type: none"> • As part of a proposed response to a new procurement process; or • during execution of an existing Call-Off Contract 	Yes	Prior to competition. Prior to mobilisation (as appropriate)
A3.03	Written confirmation by the Supplier and subcontractor(s) that a contract is in place which mirrors the provisions of the Call-Off Contract with the Supplier	Yes	On demand by the Buyer
A3.04	Written confirmation by subcontractor(s) that the provisions under A3.03 have been cascaded down their supply chain	Yes	On demand by the Buyer
A3.05	Copies of published financial accounts	Yes	On demand by the Buyer
A3.06	In the event of the Buyer is aware of any financial difficulties being faced by the Supplier (as reasonably judged by the Buyer), copies of current accounts (whether published or not)	Yes	On demand by the Buyer
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency/Details]



Ref.	Type of Information	Required ?	Refresh Frequency
Aggregated Views			
A3.10	Summary of performance reports Variations and SOWs (possibly in the form of a traffic light report). All as required by the Buyer	Yes	Buyer SM Event
A3.11	Summary of cash flow (forecast, actual) against the estimated Call-Off Contract value and relative SOWs	Yes	Buyer SM Event
A3.12	Summary of resources deployed and any people issues requiring resolution	Yes	Buyer SM Event
A3.13	Summary of escalated risks, issues and other escalation topics (e.g. around obligations)	Yes	Buyer SM Event
A3.14	Quality Review Heat Map (or equivalent) capturing an assessment of quality against things like user needs, roadmaps, technology, delivery, transparency, decision making, go-live readiness, etc as defined by the Buyer	Yes	Buyer SM Event
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency/Details]
Supplier (and Buyer) Performance and Continuous Improvement			
A3.20	Overall "Temperature Checks" or "Office Vibe" status or equivalent – providing 360° feedback on things like relationships, recognition, growth and development, wellness, happiness, etc	Y	Buyer SM Event
A3.21	Balanced Scorecard	N	Buyer SM Event
A3.22	Mutual personnel development opportunities	N	As mutually agreed
A3.23	Continuous improvement / opportunities/lessons learnt	Y	As mutually agreed
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency/Details]
Overall Supplier Governance			
A3.30	Summary of agreed remediation actions and their status	Yes	Buyer SM Event
A3.31	Mutual Review and endorsement of Call-Off Contract Variations	Yes	On demand by the Buyer
A3.32	Recommendations to be reported back to Crown Commercial Services at framework level	Yes	As mutually agreed
	[Please insert any other specific details relating to the provision of management information required by the Buyer.]	N	[insert frequency/Details]

1.4. Appendix D: Example Product Backlog Item List Contents

The following table provides the information which should typically be maintained with the Backlog:

Field	Purpose
Level 1 No	A number to identify level 1 in the Backlog hierarchy. In typical agile terminology this will be an “ Epic ” level reference, where the Epic is a high level (ideally business related) requirement which loosely defines what is needed. In more traditional language it might be described as a goal.
Level 2 No	In more traditional language it might be termed a specific Deliverable or Milestone or SMART (Specific, Measurable, Achievable, Relevant and Timebound) Objective. As time progresses Epics, and more is known about the topic are able to be refined into User Stories. Under the Incremental Fixed Price or Fixed priced models of payment, it will usually be at this level that payment will be made on achieving a milestone. In the context of this document this is Deliverable Increment, something which can be delivered over a finite period of time (typically between 1 and 4 weeks), which can be accepted as having been done (often recognised by an acceptance certificate). It is also at this level that actual time and materials should be captured. This is usually the lowest level of granularity to be captured at Call-Off Contract Management level
Title	Brief text to describe the Backlog Item
Description	A longer description (or reference to a longer description) to help the reader understand the Backlog Item
Created On	The date the item was created (helpful to understand when the item was first created or added to the backlog – typically as a result of ongoing refinement)
Contract Milestone	Reference to a key contractual milestone
Updated On	The date the item was last updated
Status	Live, On Hold, Superseded, or Deleted. The whole concept of agile is that items can come and go as more is learnt. This can even include whole Epics. It's important to capture Deleted and Superseded items because the backlog is used for Operational Change reporting purposes.
Planned Date	Date the item was original due to be completed by
Forecast/ Actual Date	Date the item is now forecast to be completed by if not yet completed, or actual date if completed
Fixed Date	Identifies if the delivery date is fixed (and potentially subject to performance credits or liabilities if missed)
Priority	Using something like MoSCoW (Must Have, Should Have, Could Have and Won't Have) which, in combination with dates, helps prioritise items.
Progress	Not Started, In Progress, Completed or Accepted.



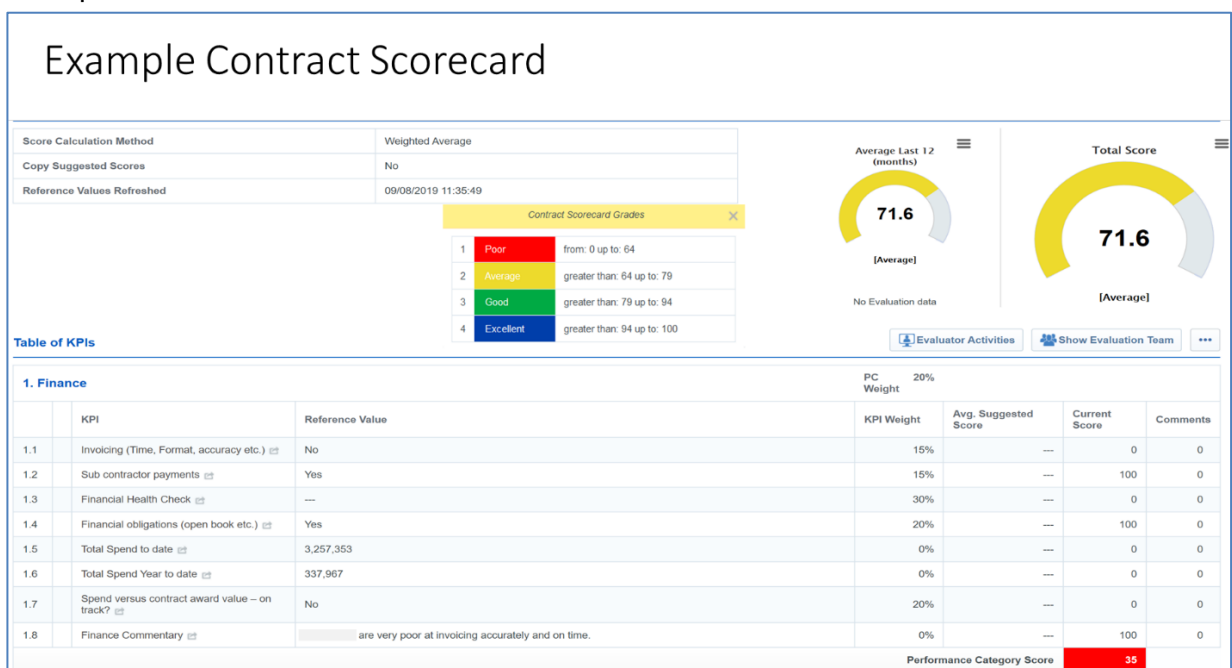
Field	Purpose
Estimated Size	Under Agile this will normally be something like a “T-Shirt Size” (XL, L, M, S, XS or equivalent) or a “Poker Size” (?, 0, ½, 1, 2, 3, 5, 8, 13, 20, 40, 100, ∞)
Fixed Price	Populated once the price is agreed (at the start of the SOW if Fixed Price, on agreement of the Deliverable Increment under Incremental Fixed Price).
Actual Cost	To capture the actual cost, regardless of pricing model. This is useful to help improve future estimating
Acceptance Criteria	Used to summarise (or reference) the agreed acceptance criteria for the item.



1.5. Appendix E: Example Balanced Scorecard

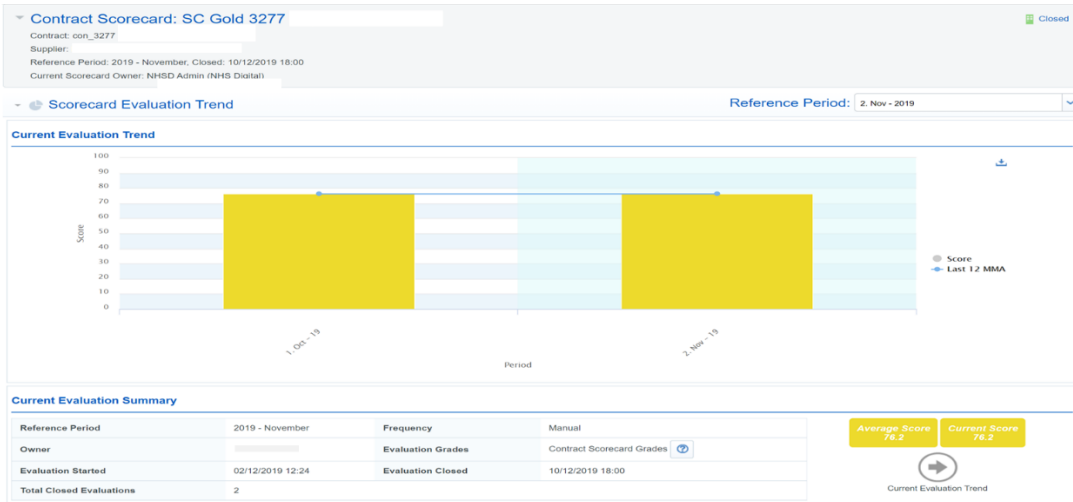
1. In addition to any Supplier performance management obligations set out in the Framework Contract, the Buyer and the Supplier may agree to the following Balanced Scorecard & KPIs for this Call-Off Contract (see Balanced Scorecard examples below). However, the Balanced Scorecards may change and be amended over the life of the Contract.

Example 1



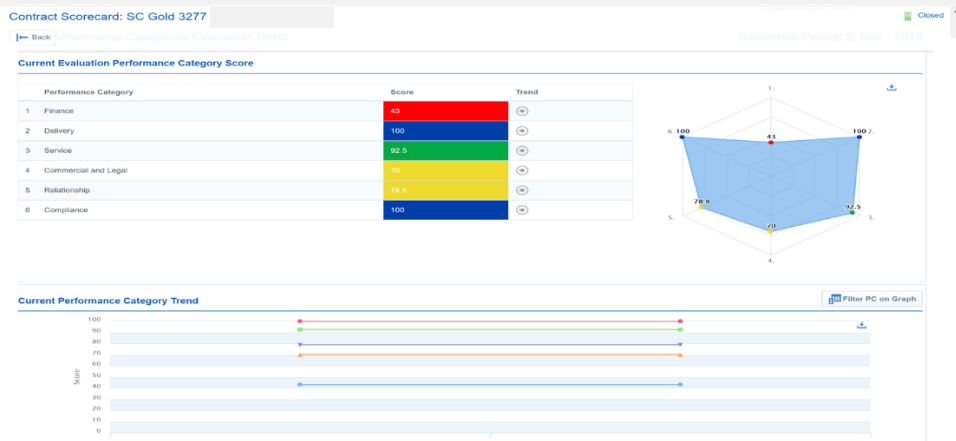
Example 2

Example Contract Trend Report



Example 3

Example Contract Trend Report



Example 4



2. The purpose of the Balanced Scorecard is to promote contract management activity, through measurement of a Supplier's performance against key performance indicators, which the Buyer and Supplier should agree at the beginning of a Call-Off Contract. The targets and measures listed in the example scorecard (above) are for guidance and should be changed to meet the agreed needs of the Buyer and Supplier.
3. The recommended process for using the Balanced Scorecard is as follows:
 - The Buyer and Supplier agree a templated Balanced Scorecard together with a performance management plan, which clearly outlines the responsibilities and actions that will be taken if agreed performance levels are not achieved.
 - On a pre-agreed schedule (e.g., monthly), both the Buyer and the Supplier provide a rating on the Supplier's performance
 - The supplier is to provide their monthly/ quarterly assurance pack at least 5 working days prior to the meeting, with the buyer to return their scorecard, agenda and comments 2 working days before the meeting.
 - Following the initial rating, both Parties meet to review the scores and agree an overall final score for each key performance indicator
 - Following agreement of final scores, the process is repeated as per the agreed schedule.



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1.6. **Appendix F: Contract Board Membership**

See Attachment 8 – Governance for Contract Board Membership details.



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Appendix G: SOW and Increment Definition Templates

As provided separately and as updated from time to time.

Annex 1 – Call Off Terms and RM6100 Additional/Alternative Schedules and Clauses

Framework Schedule 4 – Annex Call Off Terms amendments

Clause 12 –Staff Transfer - additional clause added

“The Former Supplier will indemnify the Supplier against any Loss arising from both:

- Its failure to:
 - at the request of the Buyer, with 28 days fully and accurately disclose to the Buyer all staff information (as detailed in the contract between the Former Supplier and the Buyer ref C18864) including, but not limited to, the total number of staff assigned for the purposes of TUPE to the Services;
 - notify the Buyer of any changes to this information as soon as reasonably possible;
 - not change the identity and number of staff assigned to the Services (unless reasonably requested by the Buyer) of their terms and conditions, other than in the ordinary course of business;
 - co-operate with the re-tendering of contract between the Former Supplier and the Buyer (ref C18864) by allowing the Supplier to communicate and meet with the affected employees or their representatives.
- Any claim by any employee or person claiming to be an employee (or an employee representative) of the Former Supplier which arises or is alleged to arise from any act or omission by the Former Supplier on before the date of the Relevant Transfer.”

Schedule 1–Definitions - additional definitions included to relation to Clause 12 additional wording

Former Supplier/s	Supplier/s providing services to the BUYER before the Commencement Date that are the same as or substantially similar to the Services. This also includes any Subcontractor or the Supplier (or any subcontractor of the Subcontractor).
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Relevant Transfer	A transfer of employment to which TUPE applies
TUPE	The Transfer of Undertakings (Protection of Employment) 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the Acquired Rights Directive

**Framework Schedule 4 – Annex Schedule 2 (Charges and invoicing)
Part C amendment due to an error identified in the published schedule:**

Paragraph 1.1.2 is amended as follows:

"the later of" is replaced with "the earlier of". The remainder of paragraph 1.1.2 remains unchanged

S1 Implementation Plan additional definitions

“Service Commencement Date”	Means the Milestone Date(s) (or where there is more than one, from the relevant Milestone Date) on which the Supplier achieves the Milestone designated in the Implementation Plan as the point at which the Services should begin and the final Milestone Achievement Certificate has been approved by the Buyer and ATP has been granted
------------------------------------	--

“ATP Milestone Date”	the Milestone Date on which the Supplier is granted Authority to Proceed in respect of the relevant operational Service Commencement Date provided by the Buyer
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“Authority to Proceed” or “ATP”	the point at which the Supplier is authorised to provide the relevant Services to the Buyer provided in the form of a Milestone Achievement Certificate
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RM6100 Additional/Alternative Schedules and Clauses

Clause C3 – Collaboration Agreement – See Annex 1A below

Part B (Long Form Security Requirements) to Schedule S3 (Security Requirements) is amended as follows due to errors found in the published schedule:

Existing Paragraph 3.4.2 is amended to read:

3.4.2 The ISMS will meet the relevant standards in ISO/IEC 27001 and ISO/IEC27002 in accordance with Paragraph 7;

Existing Paragraph 3.5 is renumbered as 3.4.3.

Existing Paragraphs 3.5.1 to 3.5.10 (inclusive) are renumbered as 3.4.3.1 to 3.4.3.10, respectively.

Existing Paragraphs 3.5.11 to 3.5.13 (inclusive) are renumbered as 3.4.4 to 3.4.6, respectively.

Existing Paragraph 3.8 is amended to read:

3.8 If the bespoke ISMS submitted to the Buyer pursuant to Paragraph 3.3.2 is approved by the Buyer, [remainder of Paragraph remains unchanged.]

Existing Paragraph 3.4.2 is amended to read:

3.4.2 The ISMS will meet the relevant standards in ISO/IEC 27001 and ISO/IEC27002 in accordance with Paragraph 7;

Existing Paragraph 3.5.10 (renumbered as 3.4.3.10) is amended to read:

3.4.3.10 The ISMS will at all times provide a level of security which] complies with ISO/IEC27001 and ISO/IEC27002 in accordance with Paragraph 7;

Existing Paragraph 3.9 is amended to read:

3.9 Approval by the Buyer of the ISMS pursuant to Paragraph 3.3.2 or of any change to the ISMS will not relieve the Supplier of its obligations under this Part B Schedule S3 (Security Requirements).

Existing Paragraph 4.2.2 is amended to read:

4.2.2 The Security Management Plan will comply with the Baseline Security Requirements and the Security Policy;

Existing Paragraph 5.1.4 is amended to read:

5.1.4 The ISMS and Security Management Plan will be fully reviewed and updated by the Supplier and at least annually to reflect any changes to the Security Policy;

Existing Paragraph 7.1 is amended to read:

7.1 The Buyer will be entitled to carry out such security audits as it may reasonably deem necessary in order to ensure that the ISMS maintains compliance with the principles and practices of ISO 27001 and the Security Policy.

Existing Paragraph 9.5.4 is amended to read:

9.5.4 The Supplier will pro-actively scan the IT Environment (to the extent that the IT Environment is within the control of the Supplier) for vulnerable components and address discovered vulnerabilities through the processes described in the ISMS as developed under Paragraph 3.4.5;

Special Condition 1 (SC1) – Statement of Work principles

SC1.1 The Parties agree that the Services to be provided to the Customer by the Supplier shall be as defined in the relevant Statement of Work (“SOW”, which may also be referred to as a “Work Package”) and any specific terms and conditions relating to such Services and the detailed scope of such Services will be set out and agreed in SOWs to be signed by the Parties from time to time under this Contract.

SC1.2 The proposed SOW template shall be in the form agreed from time to time and identify each SOW as being made hereunder.

SC1.3 Unless otherwise set out in such SOW(s), the terms of this Contract shall apply to each SOW unamended.



SC1.4 Each SOW shall come into force on the date set out in such SOW and, unless otherwise set out in such SOW, shall be effective for the duration set out in such SOW notwithstanding the earlier expiry or termination of any other SOW. Where the Customer is entitled to terminate the Contract pursuant to clause 35.1 (Buyer Termination Rights), all SOWs shall also be deemed terminated and the Supplier's obligation to provide the Services under the Contract and all SOWs will end on the date in the Termination Notice, unless otherwise agreed by the Parties in writing.

SC1.5 Exit Management services shall be as agreed and set out in any relevant SOW.

SC1.6 Where the Supplier has existing supply chain procedures the Buyer accepts that in line with clause 39.4 that a Sub Contractor opportunity is not required to be advertised on Contracts Finder.

SC1.7 The Parties recognise and agree that CACI and 6 Point 6 may be used as a Sub-Contractor in providing the Services. Further Sub-Contractors and/or Key Sub-contractors shall be identified, where relevant, in a SOW. During the term of the Contract both CACI and 6 Point 6 shall be reviewed for whether they should have Key Sub-Contractor status in relation to their scope of work under any SOW, including in relation to the cumulative value of their work under all SOWs.

Special Condition 2 (SC 2) - Open Book Data

In addition to the audit provisions set out in Call-Off Term 29 - Records and Audit the Buyer is reliant on access to Open Book Data on the same basis as described in TS3 (RM6100) Framework Agreement Clause 18 - Records, Audit Access and Open Book Data.

Definition: "Open Book Data"

means complete and accurate financial and non-financial information which is sufficient to enable the Buyer to verify the Charges already paid or payable and Charges forecast to be paid during the Framework Period and term of any Call Off Contracts, including details and all assumptions relating to:

- a) the Supplier's Costs broken down against each Service and/or deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software supplied to Buyers under Call Off Contracts or procured and used by the Supplier exclusively for the provision of the Services to Buyers;



- b) operating expenditure relating to the provision of the Services including an analysis showing:
 - i) the unit costs and any other consumables and bought-in services;
 - ii) manpower resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade;
 - iii) a list of Costs underpinning those rates for each manpower grade, being the agreed rate less the Margin; and
- c) Overheads;
- d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;
- e) the Supplier Profit achieved over the Framework Period and term of any Call Off Contracts and on an annual basis;
- f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;
- g) an explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency; and
- h) the actual Costs profile for each Service Period under any Call Off Contracts;



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Annex 1A RM6100 Collaboration Agreement

The Collaboration Agreement detailed herein will not be effective from the Contract Commencement Date. The Parties have agreed to work in good faith whilst the Collaboration Agreement scope is determined and the relevant Collaboration Suppliers are engaged.

The terms (inc. the limitation of liability value) of the Collaboration Agreement should be agreed within 3 months of the Contract Commencement Date.



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**RM6100 TECHNOLOGY SERVICES 3
COLLABORATION AGREEMENT**

CONFIDENTIAL AND SUBJECT TO CONTRACT

[insert date]

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THIS AGREEMENT IS MADE ON

20[]

BETWEEN:

- (1) [] of []
(the “**Buyer**”);
- (2) [] a company incorporated in [] under registration number [], whose
registered office is at [];
- (3) [] a company incorporated in [] under registration number [], whose
- (4) [] a company incorporated in [] under registration number [], whose
- (5) [] a company incorporated in [] under registration number [], whose
registered office is at [];
- (6) [] a company incorporated in [] under registration number [], whose
registered office is at []0;

together (the “**Collaboration Suppliers**” and each of them a “**Collaboration Supplier**”).

WHEREAS:

- A) the Buyer and the Collaboration Suppliers have entered into the Call Off Contracts
(defined below) for the provision of various IT and telecommunications (ICT)
services; and
- B) the Collaboration Suppliers now wish to provide for the ongoing cooperation of the
Collaboration Suppliers in the provision of services under their respective Call Off
Contract to the Buyer.

In consideration of the mutual covenants contained in the Call Off Contracts and this
Agreement and intending to be legally bound, the parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 As used in this Agreement, the capitalised expressions shall have the following
meanings unless the context requires otherwise:

“**Agreement**” means this collaboration agreement, comprised of the Clauses and
Schedules;

“Call Off Contract” means each contract that is let by the Buyer to one of the Collaboration Suppliers;

“Confidential Information” has the meaning set out in the relevant Call Off Contract;;

“Collaboration Activities” means the activities set out in this Agreement;

“Default” means any breach of the obligations of any Collaboration Supplier or any default, act, omission, negligence or statement of any Collaboration Supplier, its employees, servants, agents or sub-contractors in connection with or in relation to the subject matter of this Agreement and in respect of which such Collaboration Supplier is liable (by way of indemnity or otherwise) to the other parties;

“Detailed Collaboration Plan” has the meaning given to it in Clause 3.2;

“Dispute Resolution Procedure” means the procedure described in Clause 9;

“Effective Date” means [DATE];

“Force Majeure Event” has the meaning given to it in Clause 11.1.1;

“Mediator” has the meaning given to it in Clause 9.3.1;

“Outline Collaboration Plan” has the meaning given to it in Clause 3.1;

“Term” has the meaning given to it in Clause 2.1; and

"Working Day" means any day other than a Saturday, Sunday or public holiday in England and Wales.

1.2 General

1.2.1 As used in this Agreement:

1.2.1.1 the masculine includes the feminine and the neuter; and

1.2.1.2 the singular includes the plural and vice versa.

1.2.2 A reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent statute,

enactment, order, regulation or instrument or as contained in any subsequent re-enactment thereof.

1.2.3 Headings are included in this Agreement for ease of reference only and shall not affect the interpretation or construction of this Agreement.

1.2.4 References to Clauses and Schedules are, unless otherwise provided, references to clauses of and schedules to this Agreement.

1.2.5 Except as otherwise expressly provided in this Agreement, all remedies available to any party under this Agreement are cumulative and may be exercised concurrently or separately and the exercise of any one remedy shall not exclude the exercise of any other remedy.

1.2.6 The party receiving the benefit of an indemnity under this Agreement shall use its reasonable endeavours to mitigate its loss covered by the indemnity.

2. TERM OF THE AGREEMENT

2.1 This Agreement shall come into force on the Effective Date and, unless earlier terminated in accordance with Clause 10, shall expire six (6) months after the expiry or termination (however arising) of the exit period of the last [contract] [Call Off Contract] (the “**Term**”).

2.2 A Collaboration Supplier’s duty to perform the Collaboration Activities shall continue until the end of the exit period of its last relevant [contract] [Call Off Contract].

3. PROVISION OF THE COLLABORATION PLAN

3.1 [The Collaboration Suppliers shall, within two (2) weeks (or such longer period as notified by the Buyer in writing) of the Effective Date, provide to the Buyer detailed proposals for the Collaboration Activities they require from each other (the “**Outline Collaboration Plan**”).]

3.2 Within ten (10) Working Days (or such other period as agreed in writing by the Buyer and the Collaboration Suppliers) of [receipt of the proposals] or [the Effective Date], the Buyer shall prepare a plan for the Collaboration Activities (the “**Detailed Collaboration Plan**”). The Detailed Collaboration Plan shall include full details of the activities and interfaces that involve all of the

Collaboration Suppliers to ensure the receipt of the services under each Collaboration Supplier's respective [contract] [Call Off Contract], by the Buyer. The Detailed Collaboration Plan shall be based on the Outline Collaboration Plan and shall be submitted to the Collaboration Suppliers for approval.

3.3 The Collaboration Suppliers shall provide such assistance as is required by the Buyer in the preparation of the Detailed Collaboration Plan.

3.4 The Collaboration Suppliers shall, within ten (10) Working Days of receipt of the Detailed Collaboration Plan, either:

3.4.1 approve the Detailed Collaboration Plan; or

3.4.2 reject the Detailed Collaboration Plan, giving reasons for such rejection.

3.5 The Collaboration Suppliers may reject the Detailed Collaboration Plan pursuant to Clause 3.4.2 only if it is not consistent with their Outline Collaboration Plan in that it imposes additional, more onerous, obligations on them.

3.6 If the parties fail to agree the Detailed Collaboration Plan in accordance with Clause 3.4, such dispute shall be resolved in accordance with the Dispute Resolution Procedure.

4. COLLABORATION ACTIVITIES

4.1 The Collaboration Suppliers shall perform the Collaboration Activities and all other obligations of this Agreement in accordance with the Detailed Collaboration Plan.

4.2 The Collaboration Suppliers shall provide all additional cooperation and assistance as is reasonably required by the Buyer to ensure the continuous delivery of the services under the [contract] [Call Off Contract].

4.3 The Collaboration Suppliers shall procure that their respective sub-contractors provide all cooperation and assistance as set out in the Detailed Collaboration Plan.

5. INVOICING

5.1 In the event that any sums are due under this Agreement, the Collaboration Supplier responsible for paying such sum shall pay within thirty (30) Working

Days of receipt of a valid invoice.

- 5.2 Interest shall be payable on any late payments under this Agreement in accordance with the Late Payment of Commercial Debts (Interest) Act 1998, as amended.

6. CONFIDENTIALITY

- 6.1 Without prejudice to the application of the Official Secrets Acts 1911 to 1989 to any Confidential Information, the Collaboration Suppliers acknowledge that any Confidential Information obtained from or relating to the Crown, its servants or agents is the property of the Crown.

- 6.2 Each Collaboration Supplier warrants that:

6.2.1 any person employed or engaged by it (in connection with this Agreement in the course of such employment or engagement) shall only use Confidential Information for the purposes of this Agreement;

6.2.2 any person employed or engaged by it (in connection with this Agreement in the course of such employment or engagement) shall not disclose any Confidential Information to any third party without the prior written consent of the other party;

6.2.3 it shall take all necessary precautions to ensure that all Confidential Information is treated as confidential and not disclosed (save as aforesaid) or used other than for the purposes of this Agreement by its employees, servants, agents or sub-contractors; and

6.2.4 neither it nor any person engaged by it, whether as a servant or a consultant or otherwise, shall use the Confidential Information for the solicitation of business from the other or from the other party's servants or consultants or otherwise.

- 6.3 The provisions of Clause 6.1 and 6.2 shall not apply to any information which:

6.3.1 is or becomes public knowledge other than by breach of this Clause 6;
or

6.3.2 is in the possession of the receiving party without restriction in relation to disclosure before the date of receipt from the disclosing party; or

- 6.3.3 is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or
 - 6.3.4 is independently developed without access to the Confidential Information; or
 - 6.3.5 is required to be disclosed by law or by any judicial, arbitral, regulatory or other authority of competent jurisdiction.
- 6.4 The Buyer's right, obligations and liabilities in relation to using and disclosing any Collaboration Supplier's Confidential Information provided under this Agreement and the Collaboration Supplier's right, obligations and liabilities in relation to using and disclosing any of the Buyer's Confidential Information provided under this Agreement, shall be as set out in the [relevant contract] [Call Off Contract].

7. WARRANTIES

- 7.1 Each Collaboration Supplier warrant and represent that:
 - 7.1.1 it has full capacity and authority and all necessary consents (including but not limited to, where its procedures so require, the consent of its parent company) to enter into and to perform this Agreement and that this Agreement is executed by a duly authorised representative of the Collaboration Supplier; and
 - 7.1.2 its obligations hereunder shall be performed by appropriately experienced, qualified and trained personnel with all due skill, care and diligence including but not limited to good industry practice and (without limiting the generality of this Clause 7) in accordance with its own established internal procedures.
- 7.2 Except as expressly stated in this Agreement, all warranties and conditions, whether express or implied by statute, common law or otherwise (including but not limited to fitness for purpose) are hereby excluded to the extent permitted by law.

8. LIMITATION OF LIABILITY

- 8.1 None of the parties exclude or limit their liability for death or personal injury resulting from negligence, or for any breach of any obligations implied by

Section 2 of the Supply of Goods and Services Act 1982.

- 8.2 Nothing in this Agreement shall exclude or limit the liability of any party in respect of fraud or fraudulent misrepresentation.
- 8.3 Subject always to Clauses 8.1 and 8.2, the liability of the Buyer to any Collaboration Suppliers for all claims (by way of indemnity or otherwise) arising whether in contract, tort (including negligence), misrepresentation (other than where made fraudulently), breach of statutory duty or otherwise under this Agreement (excluding Clause 6.4, which shall be subject to the limitations of liability set out in the [relevant contract] [Call Off Contract]) shall be limited to **[£ TBA]**.
- 8.4 Subject always to Clause 8.1 and 8.2, the liability of each Collaboration Supplier for all claims (by way of indemnity or otherwise) arising whether in contract, tort (including negligence), misrepresentation (other than where made fraudulently), breach of statutory duty or otherwise under this Agreement shall be limited to **[Buyer to specify]**.
- 8.5 Subject always to Clause 8.1, 8.2 and 8.6 and except in respect of liability under Clause 6 (excluding Clause 6.4, which shall be subject to the limitations of liability set out in the [relevant contract] [Call Off Contract]), in no event shall any party be liable to any other for:
- 8.5.1 indirect loss or damage;
 - 8.5.2 special loss or damage;
 - 8.5.3 consequential loss or damage;
 - 8.5.4 loss of profits (whether direct or indirect);
 - 8.5.5 loss of turnover (whether direct or indirect);
 - 8.5.6 loss of business opportunities (whether direct or indirect); and/or
 - 8.5.7 damage to goodwill (whether direct or indirect).
- 8.6 Subject always to Clause 8.1 and 8.2, the provisions of Clause 8.5 shall not be taken as limiting the right of the Buyer to amongst other things, recover as a direct loss any:

8.6.1 additional operational and/or administrative costs and expenses arising from a Collaboration Supplier's Default; and/or

8.6.2 wasted expenditure or charges rendered unnecessary and/or incurred by the Buyer arising from a Collaboration Supplier's Default.

9. DISPUTE RESOLUTION PROCEDURE

9.1 All disputes between any of the parties arising out of or relating to this Agreement shall be referred, by any party involved in the dispute, to the representatives of the parties specified in the Detailed Collaboration Plan.

9.2 If the dispute cannot be resolved by the parties' representatives nominated under Clause 9.1 within a maximum of five (5) Working Days (or such other time as otherwise agreed in writing by the parties) after it has been referred to them under Clause 9.1 , then except where a party seeks urgent injunctive relief, the parties shall refer it to mediation pursuant to the procedure set out in Clause 9.3 unless the Buyer considers (acting reasonably and considering any objections to mediation raised by the other parties) that the dispute is not suitable for resolution by mediation.

9.3 The procedure for mediation and consequential provisions relating to mediation are as follows:

9.3.1 a neutral adviser or mediator (the "**Mediator**") shall be chosen by agreement between the parties or, if they are unable to agree upon a Mediator within ten (10) Working Days after a request by one party to the other parties to appoint a Mediator or if the Mediator agreed upon is unable or unwilling to act, any party shall within ten (10) Working Days from the date of the proposal to appoint a Mediator or within ten (10) Working Days of notice to the parties that he is unable or unwilling to act, apply to the Chairman of the Law Society to appoint a Mediator;

9.3.2 the parties shall within ten (10) Working Days of the appointment of the Mediator meet with him in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations to be held;

9.3.3 unless otherwise agreed by the parties in writing, all negotiations connected with the dispute and any settlement agreement relating to it

shall be conducted in confidence and without prejudice to the rights of the parties in any future proceedings;

9.3.4 if the parties reach agreement on the resolution of the dispute, the agreement shall be reduced to writing and shall be binding on the parties once it is signed by their duly authorised representatives;

9.3.5 failing agreement, any of the parties may invite the Mediator to provide a non-binding but informative opinion in writing. Such an opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to this Agreement without the prior written consent of all the parties; and

9.3.6 if the parties fail to reach agreement in the structured negotiations within twenty (20) Working Days of the Mediator being appointed, or such longer period as may be agreed by the parties, then any dispute or difference between them may be referred to the courts.

9.4 The parties must continue to perform their respective obligations under this Agreement and under their respective [contract(s)] Call Off Contract(s) pending the resolution of a dispute.

10. TERMINATION AND CONSEQUENCES OF TERMINATION

10.1 Termination

10.1.1 The Buyer has the right to terminate this Agreement at any time by notice in writing to the Collaboration Suppliers whenever the Buyer has the right to terminate a Collaboration Supplier's [respective contract] [Call Off Contract].

10.1.2 Failure by any of the Collaboration Suppliers to comply with their obligations under this Agreement shall constitute a Default under their [relevant contract] [Call Off Contract]. In this case, the Buyer also has the right to terminate by notice in writing the participation of any Collaboration Supplier to this Agreement and sever its name from the list of Collaboration Suppliers, so that this Agreement will continue to operate between the Buyer and the remaining Collaboration Suppliers.

10.2 Consequences of Termination

10.2.1 Subject to any other right or remedy of the parties, the Collaboration Suppliers and the Buyer shall continue to comply with their respective obligations under the [contracts] [Call Off Contracts] following the termination (however arising) of this Agreement.

10.2.2 Except as expressly provided in this Agreement, termination of this Agreement shall be without prejudice to any accrued rights and obligations under this Agreement.

11. GENERAL PROVISIONS

11.1 Force Majeure

11.1.1 For the purposes of this Agreement, the expression “**Force Majeure Event**” shall mean any cause affecting the performance by a party of its obligations under this Agreement arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control, including acts of God, riots, war or armed conflict, acts of terrorism, acts of government, local government or Regulatory Bodies, fire, flood, storm or earthquake, or disaster but excluding any industrial dispute relating to any party, the party's personnel or any other failure of a sub-contractor.

11.1.2 Subject to the remaining provisions of this Clause 11.1, any party to this Agreement may claim relief from liability for non-performance of its obligations to the extent this is due to a Force Majeure Event.

11.1.3 A party cannot claim relief if the Force Majeure Event or its level of exposure to such event is attributable to its wilful act, neglect or failure to take reasonable precautions against the relevant Force Majeure Event.

11.1.4 The affected party shall immediately give the other parties written notice of the Force Majeure Event. The notification shall include details of the Force Majeure Event together with evidence of its effect on the obligations of the affected party, and any action the affected party proposes to take to mitigate its effect.

11.1.5 The affected party shall notify the other parties in writing as soon as practicable after the Force Majeure Event ceases or no longer causes

the affected party to be unable to comply with its obligations under this Agreement. Following such notification, this Agreement shall continue to be performed on the terms existing immediately before the occurrence of the Force Majeure Event unless agreed otherwise in writing by the parties.

11.2 Assignment and Subcontracting

11.2.1 Subject to Clause 11.2.2, the Collaboration Suppliers shall not assign, transfer, novate, sub-license or declare a trust in respect of its rights under all or a part of this Agreement or the benefit or advantage hereof without the consent of the Buyer first being obtained in writing.

11.2.2 Any sub-contractors identified in the Detailed Collaboration Plan are permitted to perform those elements identified in the Detailed Collaboration Plan to be performed by such sub-contractors.

11.3 Notices

11.3.1 Any notices given under or in relation to this Agreement shall be deemed to have been properly delivered if sent by recorded or registered post or by fax and shall be deemed for the purposes of this Agreement to have been given or made at the time the letter would, in the ordinary course of post, be delivered or at the time shown on the sender's fax transmission report.

11.3.2 For the purposes of Clause 11.3.1, the address of each of the parties shall be those specified in the Detailed Collaboration Plan.

11.4 Entire Agreement

11.4.1 This Agreement, together with the documents and agreements referred to in it, constitutes the entire agreement and understanding between the parties in respect of the matters dealt with in it and supersedes any previous agreement between the parties in relation to such matters.

11.4.2 Each of the parties acknowledges and agrees that in entering into this Agreement and the documents and agreements referred to in it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or undertaking (whether negligently or

innocently made) other than as expressly set out in this Agreement. The only remedy available to each party in respect of any such statements, representation, warranty or understanding shall be for breach of contract under the terms of this Agreement.

11.4.3 Nothing in this Clause 11.4 shall operate to exclude any liability for fraud.

11.5 Rights of Third Parties

11.5.1 Nothing in this Agreement shall be deemed to grant any right or benefit to any person other than the parties or their respective successors in title or assignees, or entitle a third party to enforce any provision hereof and the parties do not intend that any term of this Agreement should be enforceable by a third party by virtue of the Contracts (Rights of Third Parties) Act 1999.

11.6 Severability

11.6.1 If any provision of this Agreement is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed without effect to the remaining provisions. If a provision of this Agreement that is fundamental to the accomplishment of the purpose of this Agreement is held to any extent to be invalid, the parties shall immediately commence good faith negotiations to remedy that invalidity.

11.7 Variations

11.7.1 No purported amendment or variation of this Agreement or any provision of this Agreement shall be effective unless it is made in writing by the parties.

11.8 No waiver

11.8.1 The failure to exercise, or delay in exercising, a right, power or remedy provided by this Agreement or by law shall not constitute a waiver of that right, power or remedy. If a party waives a breach of any provision of this Agreement this shall not operate as a waiver of a subsequent

breach of that provision, or as a waiver of a breach of any other provision.

11.9 Governing Law and Jurisdiction

11.9.1 This Agreement shall be governed by and construed in accordance with English law and without prejudice to the Dispute Resolution Procedure, each party agrees to submit to the exclusive jurisdiction of the courts of England and Wales.

EXECUTED AND DELIVERED as an agreement by the parties or their duly authorised attorneys the day and year first above written.

FOR AND ON BEHALF OF THE BUYER

Signed by:

Full name (capitals):

Position:

Date:

FOR AND ON **BEHALF** OF []

Signed by:

Full name (capitals):

Position:

Date:

FOR AND ON **BEHALF** OF []

Signed by:

Full name (capitals):

Position:

Date:

FOR AND ON **BEHALF** OF []

Signed by:

Full name (capitals):

.....

Position:

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Date:

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FOR AND ON **BEHALF** OF []

Signed by:

Full name (capitals):

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Position:

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Date:

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FOR AND ON **BEHALF** OF []

Signed by:

Full name (capitals):

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Position:

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Date:

.....

FOR AND ON **BEHALF** OF []

Signed by:

Full name (capitals):

.....

Position:

.....

Date:

.....

SCHEDULE 1

LIST OF CONTRACTS

COLLABORATION SUPPLIER	NAME/REFERENCE OF CONTRACT	EFFECTIVE DATE OF CONTRACT

**[SCHEDULE 2
OUTLINE COLLABORATION PLAN]**

[END]