

Model Services Agreement Combined Schedules

Model Agreement for Services Schedules, Annexes and Parts

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Award Form

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This Award Form creates this Contract. It summarises the main features of the procurement and includes the Buyer and the Supplier's contact details.

1.	Buyer	Department for Energy Security and Net Zero *DESNZ (the Buyer). Its offices are on: 3-8 Whitehall Place, London,
2.	Supplier	Name: Homefire Group Limited Address: Westthorpe Fields Road, Killamarsh, Sheffield, S21 1TZ Registration number: 00544782
3.	Contract	This Contract between the Buyer and the Supplier is for the supply of Deliverables, - see Schedule 2 (Service Description) for full details.
4.	Contract reference	TBC Prj_2686
5.	Start Date	30 th March 2025
6.	Expiry Date	29 th March 2028
7.	Extension Period	Further period up to 3 year extension. Extension exercised where the Buyer gives the Supplier no less than 3 Months' written notice before this Contract expires
8.	Ending this Contract without a reason	The Buyer shall be able to terminate this Contract in accordance with Section I.
9.	Incorporated Terms (together these documents form the " this Contract ")	The following documents are incorporated into this Contract. Where numbers are missing we are not using these Schedules. If there is any conflict, the following order of precedence applies: (a) This Award Form (b) Core Terms The following Schedules (in equal order of precedence): (c) Schedule 1 (Definitions) (d) Schedule 2 (Services Description) (e) Schedule 8 (Supplier Solution) (f) Schedule 15 (Charges and Invoicing) (g) Schedule 22 (Change Control Procedure)

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		<p>(h) Schedule 23 (Dispute Resolution Procedure)</p> <p>(i) Schedule 25 (Exit Management)</p> <p>(j) Schedule 28 (Staff Transfer)</p> <p>(k) Schedule 9 (Commercially Sensitive Information)</p>
10.	Social Value Commitment	The Supplier agrees, in providing the Deliverables and performing its obligations under this Contract, to deliver the Social Value outcomes in Schedule 8 (Supplier Solution).
11.	Charges	As detailed in Schedule 15 (Charges and Invoicing)
12.	Estimated Year 1 Charges	<p>Year 1 estimated total charges (not based on actual scheme numbers at contract commencement) - £8,692,672.01</p> <p>Estimated breakdown of year 1 charges:</p> <ul style="list-style-type: none"> • Purchasing Output Sheet - £6,260,400.39 • Distribution Output Sheet - £2,289,691.62 • Administration Output Sheet - £142,580.00
13.	Contract Value	<p>3 year term - £17,780,000</p> <p>3 year contract extension – £11,880,000</p> <p>Total including 3 years - £29,660,000</p>
14.	Reimbursable expenses	None
15.	Payment method	Payment by BAC after approved invoice
16.	Service Levels	<p>SERVICE CREDITS</p> <p>3.1 Where the SP fails to deliver fuel to the Beneficiary as set out in the Fuel Delivery Letter i.e. the schedule agreed with the Beneficiary, the SP will be charged £20 per working day for every day that the delivery is not made.</p> <p>3.2 Where the SP fails to deliver an Emergency Delivery within 3 working days of an accepted request, the SP will be charged £20 per working day for every day the delivery is not made.</p> <p>3.3 Where the SP fails to recover fuel within 1 calendar month of the instruction being received from the NCFO, the SP will be charged £20 per working day for every day the recovery is not made.</p> <p>3.4 Service credits will be reported as part of the Contract Performance Reports with an explanation of the reasons for the failings.</p> <p>3.5 Reimbursements to the Department will be credited against the monthly invoice of the subsequent month from the occurrence.</p>

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		<p>3.6 The Department may exercise discretion in the application of service credits if these occur as a result of exceptional circumstances, e.g. bad weather, natural disasters or other occurrences to be agreed with the Department.</p>
17.	Liability	<p>In accordance with Clause 15.1 each Party's total aggregate liability in each Contract Year under this Contract (whether in tort, contract or otherwise) is no more than the greater of £5 million or 150% of the Estimated Yearly Charges]</p>
18.	Cyber Essentials Certification	<ul style="list-style-type: none">• Cyber Essentials Scheme Basic
19.	Progress Meetings and Progress Reports	<p>The Supplier shall attend Progress Meetings with the Buyer every quarter The Supplier shall provide the Buyer with Progress Reports every month</p>
20.	Supplier's Contract Manager	[REDACTED]
21.	Supplier Authorised Representative	[REDACTED]
22.	Supplier Compliance Officer	[REDACTED]
23.	Supplier Data Protection Officer	[REDACTED]
24.	Supplier Marketing Contact	[REDACTED] [REDACTED] [REDACTED] [REDACTED]
25.	Key Subcontractors	N/A

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26.	Buyer Authorised Representative	[Redacted]
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For and on behalf of the Supplier:		For and on behalf of the Buyer – Department for Energy and Net Zero (DESNZ)	
Signature:	[Redacted]	Signature:	[Redacted]
Name:	[Redacted]	Name:	[Redacted]
Role:	[Redacted]	Role:	[Redacted]
Date:	[Redacted]	Date:	[Redacted]

Schedule 1

Definitions

Schedule 1: Definitions

1. Definitions

- 1.1 In the Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in this Schedule 1 (*Definitions*) or the relevant Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in this Schedule or any other Schedule, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 In the Contract, unless the context otherwise requires:
- 1.3.1 the singular includes the plural and vice versa;
 - 1.3.2 reference to a gender includes the other gender and the neuter;
 - 1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
 - 1.3.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated, replaced or re-enacted (including as a consequence of the Retained EU Law (Revocation and Reform) Act 2023) from time to time;
 - 1.3.5 the words “**including**”, “**other**”, “**in particular**”, “**for example**” and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words “**without limitation**”;
 - 1.3.6 references to “**writing**” include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;
 - 1.3.7 references to “**representations**” shall be construed as references to present facts, to “**warranties**” as references to present and future facts and to “**undertakings**” as references to obligations under the Contract;
 - 1.3.8 references to “**Clauses**” and “**Schedules**” are, unless otherwise provided, references to the clauses and schedules of the Core Terms and references in any Schedule to parts, paragraphs, annexes and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Schedule in which these references appear;
 - 1.3.9 references to “**Paragraphs**” are, unless otherwise provided, references to the paragraph of the appropriate Schedules unless otherwise provided; and
 - 1.3.10 references to a series of Clauses or Paragraphs shall be inclusive of the clause numbers specified.
 - 1.3.11 the headings in the Contract are for ease of reference only and shall not affect

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the interpretation or construction of the Contract; and

1.3.12 where the Buyer is a Crown Body it shall be treated as contracting with the Crown as a whole.

1.4 Any reference in this Contract which immediately before IP Completion Day (or such later date when relevant EU law ceases to have effect pursuant to Section 1A of the European Union (Withdrawal) Act 2018) is a reference to (as it has effect from time to time):

1.4.1 any EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement ("**EU References**") which is to form part of domestic law by application of Section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after IP Completion Day as a reference to the EU References as they form part of domestic law by virtue of Section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic law from time to time; and

1.4.2 any EU institution or EU authority or other such EU body shall be read on and after IP Completion Day as a reference to the UK institution, authority or body to which its functions were transferred.

1.5 Where a standard, policy or document is referred to in this Contract by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify the Authority and the Parties shall update this Contract with a reference to the replacement hyperlink.

"Accounting Reference Date" means in each year the date to which the Supplier prepares its annual audited financial statements;

"Achieve"

- (a) in respect of a Test, to successfully pass a Test without any Test Issues; and
- (b) in respect of a Milestone, the issue of a Milestone Achievement Certificate in respect of that Milestone in accordance with the provisions of **Error! Reference source not found. (Error! Reference source not found.)**,

and **"Achieved"** and **"Achievement"** shall be construed accordingly;

"Affected Party" the Party seeking to claim relief in respect of a Force Majeure Event;

"Affiliate" in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time;

"Allowable Assumptions" the assumptions set out in Annex **Error! Reference source not found.** of Schedule 15 (*Charges and Invoicing*);

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“Allowable Price”

in relation to the Retained Deliverables relating to a CPP Milestone, if any, an amount determined in accordance with the formula:

$A - B$

where:

- (a) A is an amount equal to the Costs incurred by the Supplier in providing or developing the relevant Retained Deliverables as reflected in the Financial Model together with an amount equal to the Anticipated Contract Life Profit Margin thereon; and
- (b) B is an amount equal to the Allowable Price Adjustment relating to the relevant Retained Deliverables, if any, or if there is no such Allowable Price Adjustment, zero,

provided that the Allowable Price for any Retained Deliverables shall in no circumstances exceed the aggregate amount of the Milestone Payments paid to the Supplier in respect of the Milestones (or in the case of Partial Termination, the Milestones for the parts of the Services terminated) relating to that CPP Milestone;

“Allowable Price Adjustment”

has the meaning given in Clause 32.8(c) (*Payments by the Supplier*);

“Annual Contract Report”

has the meaning given in **Error! Reference source not found. (*Error! Reference source not found.*)**;

“Annual Revenue”

means, for the purposes of determining whether an entity is a Public Sector Dependent Supplier, the audited consolidated aggregate revenue (including share of revenue of joint ventures and Associates) reported by the Supplier or, as appropriate, the Supplier Group in its most recent published accounts, subject to the following methodology:

- (a) figures for accounting periods of other than 12 months should be scaled pro rata to produce a proforma figure for a 12 month period; and
- (b) where the Supplier, the Supplier Group and/or their joint ventures and Associates report in a foreign currency, revenue should be converted to British Pound Sterling at the closing exchange rate on the Accounting Reference Date;

“Anticipated Contract Life Profit Margin”

has the meaning given in Schedule 15 (*Charges and Invoicing*);

“Approved Sub-Licensee”	any of the following: <ul style="list-style-type: none">(a) a Crown Body;(b) any third party providing services to a Crown Body; and/or(c) any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Authority;
“Assets”	all assets and rights used by the Supplier to provide the Services in accordance with this Contract but excluding the Authority Assets;
“Associated Person”	has the meaning given to it in Section 44(4) of the Criminal Finances Act 2017;
“Associates”	means, in relation to an entity, an undertaking in which the entity owns, directly or indirectly, between 20% and 50% of the voting rights and exercises a degree of control sufficient for the undertaking to be treated as an associate under generally accepted accounting principles;
“Assurance”	means written confirmation from a Relevant Authority to the Supplier that the CRP Information is approved by the Relevant Authority;
“ATP Milestone”	the Milestone linked to Authority to Proceed for the relevant Operational Services set out in the Implementation Plan;
“Audit”	any exercise by the Authority of its Audit Rights pursuant to Clause 12 (<i>Records, Reports, Audit and Open Book Data</i>) and Error! Reference source not found. (<i>Error! Reference source not found.</i>) ;
“Audit Agents”	<ul style="list-style-type: none">(a) the Authority’s internal and external auditors;(b) the Authority’s statutory or regulatory auditors;(c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office;(d) HM Treasury or the Cabinet Office;(e) any party formally appointed by the Authority to carry out audit or similar review functions; and(f) successors or assigns of any of the above;

- “Audit Rights”** the audit and access rights referred to in **Error! Reference source not found.** (***Error! Reference source not found.***);
- “Authority Assets”** the Authority Materials, the Authority infrastructure and any other data, software, assets, equipment or other property owned by and/or licensed or leased to the Authority and which is or may be used in connection with the provision or receipt of the Services;
- “Authority Background IPRs”** (a) IPRs owned by the Authority before the Effective Date, including IPRs contained in any of the Authority’s Know-How, documentation, processes and procedures;
- (b) IPRs created by the Authority independently of this Contract; and/or
- (c) Crown Copyright which is not available to the Supplier otherwise than under this Contract;
- but excluding IPRs owned by the Authority subsisting in the Authority Software;
- “Authority Cause”** any material breach by the Authority of any of the Authority Responsibilities, except to the extent that such breach is:
- (a) the result of any act or omission by the Authority to which the Supplier has given its prior consent; or
- (b) caused by the Supplier, any Sub-contractor or any Supplier Personnel;
- “Authority Data”** (a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are:
- (i) supplied to the Supplier by or on behalf of the Authority; and/or
- (ii) which the Supplier is required to generate, process, store or transmit pursuant to this Contract; or
- (b) any Personal Data for which the Authority is the Controller;
- “Authority IT Strategy”** the Authority’s IT policy in force as at the Effective Date (a copy of which has been supplied to the Supplier), as updated from time to time in accordance with the Change Control Procedure;

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“Authority Materials”	<p>the Authority Data together with any materials, documentation, information, programs and codes supplied by the Authority to the Supplier, the IPRs in which:</p> <ul style="list-style-type: none">(a) are owned or used by or on behalf of the Authority; and(b) are or may be used in connection with the provision or receipt of the Services, <p>but excluding any Project Specific IPRs, Specially Written Software, Supplier Software, Third Party Software and Documentation relating to Supplier Software or Third Party Software;</p>
“Authority Premises”	<p>premises owned, controlled or occupied by the Authority and/or any Crown Body which are made available for use by the Supplier or its Sub-contractors for provision of the Services (or any of them);</p>
“Authority Representative”	<p>the representative appointed by the Authority pursuant to Clause 11.4 (<i>Representatives</i>);</p>
“Authority Requirements”	<p>the requirements of the Authority set out in Schedule 2 (<i>Services Description</i>), Error! Reference source not found. (Error! Reference source not found.) Error! Reference source not found. (Error! Reference source not found.), Error! Reference source not found. (Error! Reference source not found.), Error! Reference source not found. (Error! Reference source not found.), Error! Reference source not found. (Error! Reference source not found.) Error! Reference source not found. (Error! Reference source not found.), Error! Reference source not found. (Error! Reference source not found.), Error! Reference source not found. (Error! Reference source not found.), Schedule 25 (<i>Exit Management</i>) and Error! Reference source not found. (Error! Reference source not found.);</p>
“Authority Responsibilities”	<p>the responsibilities of the Authority specified in Error! Reference source not found. (Error! Reference source not found.);</p>
“Authority Software”	<p>software which is owned by or licensed to the Authority (other than under or pursuant to this Contract) and which is or will be used by the Supplier for the purposes of providing the Services;</p>
“Authority System”	<p>the Authority’s computing environment (consisting of hardware, software and/or telecommunications networks or equipment) used by the Authority or the Supplier in connection with this Contract which is owned by the Authority or licensed to it by a third party and which interfaces with the Supplier System or which is necessary for the Authority to receive the Services;</p>

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“Authority to Proceed” or “ATP”	the authorisation to the Supplier to commence the provision of the relevant Operational Services to the Authority, provided by the Authority in the form of a Milestone Achievement Certificate in respect of the ATP Milestone;
“Balanced Scorecard Report”	has the meaning given in Paragraph Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Baseline Security Requirements”	the Authority’s baseline security requirements, the current copy of which is contained in Annex Error! Reference source not found. (Baseline Security Requirements), as updated from time to time by the Authority and notified to the Supplier;
“Board”	means the Supplier’s board of directors;
“Board Confirmation”	means the written confirmation from the Board in accordance with Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Breakage Costs Payment”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.);
“Cabinet Office Markets and Suppliers Team”	means the UK Government’s team responsible for managing the relationship between government and its Strategic Suppliers, or any replacement or successor body carrying out the same function;
“Certificate of Costs”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Change”	any change to this Contract;
“Change Authorisation Note”	a form setting out an agreed Contract Change which shall be substantially in the form of Annex 2: Change Authorisation Note;
“Change Control Procedure”	the procedure for changing this Contract set out in Schedule 22 (<i>Change Control Procedure</i>);
“Change in Law”	any change in Law which impacts on the performance of the Services which comes into force after the Effective Date;
“Change Request”	a written request for a Contract Change substantially in the form of 1 (<i>Change Request Form</i>);
“Charges”	the charges for the provision of the Services set out in or otherwise calculated in accordance with Schedule 15 (<i>Charges</i>)

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and Invoicing), including any Milestone Payment or Service Charge;

- “Class 1 Transaction”** has the meaning set out in the listing rules issued by the UK Listing Authority;
- “CNI”** means Critical National Infrastructure;
- “Commercially Sensitive Information”** the information listed in Schedule 9 (*Commercially Sensitive Information*) comprising the information of a commercially sensitive nature relating to:
- (a) the pricing of the Services;
 - (b) details of the Supplier’s IPRs; and
 - (c) the Supplier’s business and investment plans;
- which the Supplier has indicated to the Authority that, if disclosed by the Authority, would cause the Supplier significant commercial disadvantage or material financial loss;
- “Comparable Supply”** the supply of services to another customer of the Supplier that are the same or similar to any of the Services;
- “Compensation for Unacceptable KPI Failure”** has the meaning given in Clause 7.4(a) (*Unacceptable KPI Failure*);
- “Compensation Payment”** has the meaning given in **Error! Reference source not found. (*Error! Reference source not found.*)**;
- “Condition Precedent”** has the meaning given in Clause 4.2 (*Condition Precedent*);
- “Confidential Information”**
- (a) Information, including all Personal Data, which (however it is conveyed) is provided by the Disclosing Party pursuant to or in anticipation of this Contract that relates to:
 - (i) the Disclosing Party Group; or
 - (ii) the operations, business, affairs, developments, intellectual property rights, trade secrets, know-how and/or personnel of the Disclosing Party Group;
 - (b) other Information provided by the Disclosing Party pursuant to or in anticipation of this Contract that is clearly designated as being confidential or equivalent or that ought reasonably to be considered to be confidential (whether or not it is so marked) which comes (or has come) to the Recipient’s attention or into

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the Recipient's possession in connection with this Contract;

- (c) discussions, negotiations, and correspondence between the Disclosing Party or any of its directors, officers, employees, consultants or professional advisers and the Recipient or any of its directors, officers, employees, consultants and professional advisers in connection with this Contract and all matters arising therefrom; and
- (d) Information derived from any of the above,

but not including any Information which:

- (i) was in the possession of the Recipient without obligation of confidentiality prior to its disclosure by the Disclosing Party;
- (ii) the Recipient obtained on a non-confidential basis from a third party who is not, to the Recipient's knowledge or belief, bound by a confidentiality agreement with the Disclosing Party or otherwise prohibited from disclosing the information to the Recipient;
- (iii) was already generally available and in the public domain at the time of disclosure otherwise than by a breach of this Contract or breach of a duty of confidentiality;
- (iv) was independently developed without access to the Confidential Information; or
- (v) relates to the Supplier's:
 - (1) performance under this Contract; or
 - (2)

“Conflict of Interest”	a conflict between the financial or personal duties of the Supplier or the Supplier Personnel and the duties owed to the Authority under the Contract, in the reasonable opinion of the Authority;
“Contract”	the contract between the Authority and the Supplier;
“Contract Change”	any change to this Contract other than an Operational Change;
“Contract Inception Report”	the initial financial model in a form agreed by the Supplier and the Authority in writing on or before the Effective Date;

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- “Contracts Finder”** the online government portal which allows suppliers to search for information about contracts as prescribed by Part 4 of the Public Contract Regulations 2015;
- “Contract Year”**
- (a) a period of 12 months commencing on the Effective Date; or
 - (b) thereafter a period of 12 months commencing on each anniversary of the Effective Date;
- provided that the final Contract Year shall end on the expiry or termination of the Term;
- “Control”** the possession by person, directly or indirectly, of the power to direct or cause the direction of the management and policies of the other person (whether through the ownership of voting shares, by contract or otherwise) and **“Controls”** and **“Controlled”** shall be interpreted accordingly;
- “Controller”** has the meaning given in the UK GDPR or the EU GDPR as the context requires;
- “Corporate Change Event”** means:
- (a) any change of Control of the Supplier or a Parent Undertaking of the Supplier;
 - (b) any change of Control of any member of the Supplier Group which, in the reasonable opinion of the Authority, could have a material adverse effect on the Services;
 - (c) any change to the business of the Supplier or any member of the Supplier Group which, in the reasonable opinion of the Authority, could have a material adverse effect on the Services;
 - (d) a Class 1 Transaction taking place in relation to the shares of the Supplier or any Parent Undertaking of the Supplier whose shares are listed on the main market of the London Stock Exchange plc;
 - (e) an event that could reasonably be regarded as being equivalent to a Class 1 Transaction taking place in respect of the Supplier or any Parent Undertaking of the Supplier;
 - (f) payment of dividends by the Supplier or the ultimate Parent Undertaking of the Supplier Group exceeding 25% of the Net Asset Value of the Supplier or the ultimate Parent Undertaking of the Supplier Group respectively in any 12 month period;

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- (g) an order is made or an effective resolution is passed for the winding up of any member of the Supplier Group;
- (h) any member of the Supplier Group stopping payment of its debts generally or becoming unable to pay its debts within the meaning of section 123(1) of the Insolvency Act 1986 or any member of the Supplier Group ceasing to carry on all or substantially all its business, or any compromise, composition, arrangement or agreement being made with creditors of any member of the Supplier Group;
- (i) the appointment of a receiver, administrative receiver or administrator in respect of or over all or a material part of the undertaking or assets of any member of the Supplier Group; and/or
- (j) any process or events with an effect analogous to those in Paragraphs (e) to (g) inclusive above occurring to a member of the Supplier Group in a jurisdiction outside England and Wales;

“Corporate Change Event Grace Period”

means a grace period agreed to by the Relevant Authority for providing CRP Information and/or updates to Service Continuity Plan after a Corporate Change Event

“Corporate Resolvability Assessment (Structural Review)”

means part of the CRP Information relating to the Supplier Group to be provided by the Supplier in accordance with Paragraphs **Error! Reference source not found.** and **Error! Reference source not found.** of **Error! Reference source not found.** (**Error! Reference source not found.**);

“Costs”

has the meaning given in Schedule 15 (*Charges and Invoicing*);

“CPP Milestone”

a contract performance point as set out in the Implementation Plan, being the Milestone at which the Supplier has demonstrated that the Supplier Solution or relevant Service is working satisfactorily in its operating environment in accordance with **Error! Reference source not found.** (**Error! Reference source not found.**);

“Critical National Infrastructure”

means those critical elements of UK national infrastructure (namely assets, facilities, systems, networks or processes and the essential workers that operate and facilitate them), the loss or compromise of which could result in:

- (a) major detrimental impact on the availability, integrity or delivery of essential services – including those services whose integrity, if compromised, could result in

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	significant loss of life or casualties – taking into account significant economic or social impacts; and/or
	(b) significant impact on the national security, national defence, or the functioning of the UK;
“Critical Performance Failure”	(c) the Supplier accruing Service Credits or Compensation for Unacceptable KPI Failure which meet or exceed the Service Credit Cap;
“Critical Service Contract”	means the overall status of the Services provided under this Contract as determined by the Authority and specified in Paragraph Error! Reference source not found. of Error! Reference source not found. to Error! Reference source not found. (Error! Reference source not found.);
“Crown Body”	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government and the Welsh Government), including government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
“Crown Copyright”	has the meaning given in the Copyright, Designs and Patents Act 1988
“CRP Information”	means the Corporate Resolution Planning Information, together, the: (a) Exposure Information (Contracts List); (b) Corporate Resolvability Assessment (Structural Review); and (c) Financial Information and Commentary
“CRTPA”	the Contracts (Rights of Third Parties) Act 1999;
“Data Loss Event”	any event that results, or may result, in unauthorised access to Personal Data held by the Supplier under this Contract, and/or actual or potential loss and/or destruction of Personal Data in breach of this Contract, including any Data Loss Event;
“Data Protection Impact Assessment”	an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data;
“Data Protection Legislation”	(a) the UK GDPR; (b) the DPA 2018 to the extent that it relates to processing of personal data and privacy;

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- (c) all applicable Law about the processing of personal data and privacy; and
- (d) (to the extent that it applies) the EU GDPR;
- “Data Subject”** has the meaning given to it in the UK GDPR or the EU GDPR as the context requires;
- “Data Subject Request”** a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to their Personal Data;
- “Deductions”** all Service Credits, Compensation for Unacceptable KPI Failure, Delay Payments or any other deduction which is paid or payable to the Authority under this Contract;
- “Default”** any breach of the obligations of the relevant Party (including abandonment of this Contract in breach of its terms, repudiatory breach or breach of a fundamental term) or any other default, act, omission, negligence or statement:

 - (a) in the case of the Authority, of its employees, servants, agents; or
 - (b) in the case of the Supplier, of its Sub-contractors or any Supplier Personnel,

in connection with or in relation to the subject-matter of this Contract and in respect of which such Party is liable to the other;
- “Defect”**

 - (a) any error, damage or defect in the manufacturing of a Deliverable; or
 - (b) any error or failure of code within the Software which causes a Deliverable to malfunction or to produce unintelligible or incorrect results; or
 - (c) any failure of any Deliverable to provide the performance, features and functionality specified in the Authority Requirements or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from meeting its associated Test Success Criteria; or
 - (d) any failure of any Deliverable to operate in conjunction with or interface with any other Deliverable in order to provide the performance, features and functionality specified in the Authority Requirements or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents

	the relevant Deliverable from meeting its associated Test Success Criteria;
“Delay”	(a) a delay in the Achievement of a Milestone by its Milestone Date; or (b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;
“Delay Deduction Period”	the period of one hundred (100) days commencing on the relevant Milestone Date;
“Delay Payments”	the amounts payable by the Supplier to the Authority in respect of a Delay in Achieving a Key Milestone as specified in Schedule 15 (<i>Charges and Invoicing</i>);
“Deliverable”	an item, feature or software delivered or to be delivered by the Supplier at or before a Milestone Date or at any other stage during the performance of this Contract;
“Dependent Parent Undertaking”	means any Parent Undertaking which provides any of its Subsidiary Undertakings and/or Associates, whether directly or indirectly, with any financial, trading, managerial or other assistance of whatever nature, without which the Supplier would be unable to continue the day to day conduct and operation of its business in the same manner as carried on at the time of entering into this Contract, including for the avoidance of doubt the provision of the Services in accordance with the terms of this Contract;
“Detailed Implementation Plan”	the plan developed and revised from time to time in accordance with Paragraphs Error! Reference source not found. and Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Disclosing Party”	(a) shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and “Recipient” shall mean the Party which receives or obtains directly or indirectly Confidential Information.
“Disclosing Party Group”	(a) where the Disclosing Party is the Supplier, the Supplier and any Affiliates of the Supplier; and (b) where the Disclosing Party is the Authority, the Authority and any Crown Body with which the Authority or the Supplier interacts in connection with this Contract;

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“Dispute”	any dispute, difference or question of interpretation arising out of or in connection with this Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Change Control Procedure or any matter where this Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;
“Dispute Notice”	a written notice served by one Party on the other stating that the Party serving the notice believes that there is a Dispute;
“Dispute Resolution Procedure”	the dispute resolution procedure set out in Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Documentation”	<p>descriptions of the Services and Performance Indicators, details of the Supplier System (including (i) vendors and versions for off-the-shelf components and (ii) source code and build information for proprietary components), relevant design and development information, technical specifications of all functionality including those not included in standard manuals (such as those that modify system performance and access levels), configuration details, test scripts, user manuals, operating manuals, process definitions and procedures, and all such other documentation as:</p> <ul style="list-style-type: none">(a) is required to be supplied by the Supplier to the Authority under this Contract;(b) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Authority to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide Services;(c) is required by the Supplier in order to provide the Services; and/or(d) has been or shall be generated for the purpose of providing the Services;
“DOTAS”	the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to national insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868) made under section 132A of the Social Security Administration Act 1992;

“DPA 2018”	the Data Protection Act 2018;
“Due Diligence Information”	any information supplied to the Supplier by or on behalf of the Authority prior to the Effective Date;
“EEA”	European Economic Area
“Effective Date”	the later of: (a) the date on which this Contract is signed by both Parties; and
“EIRs”	the Environmental Information Regulations 2004, together with any guidance and/or codes of practice issued by the Information Commissioner or any Crown Body in relation to such Regulations;
“Emergency Maintenance”	ad hoc and unplanned maintenance provided by the Supplier where: (a) the Authority reasonably suspects that the IT Environment or the Services, or any part of the IT Environment or the Services, has or may have developed a fault, and notifies the Supplier of the same; or (b) the Supplier reasonably suspects that the IT Environment or the Services, or any part the IT Environment or the Services, has or may have developed a fault;
“Employee Liabilities”	all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation related to employment including in relation to the following: (a) redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments; (b) unfair, wrongful or constructive dismissal compensation; (c) compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy

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	and maternity or sexual orientation or claims for equal pay;
	(d) compensation for less favourable treatment of part-time workers or fixed term employees;
	(e) outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions;
	(f) employment claims whether in tort, contract or statute or otherwise;
	(g) any investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;
“Employment Regulations”	the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced;
“Estimated Year 1 Charges”	the estimated Charges payable by the Authority during the first Contract Year, as set out in the Financial Model;
“Estimated Initial Service Charges”	the estimated Service Charges payable by the Authority during the period of 12 months from the first Operational Service Commencement Date, as set out in the Financial Model;
“EU GDPR”	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation) as it has effect in EU law;
“EU”	European Union
“Exit Management”	services, activities, processes and procedures to ensure a smooth and orderly transition of all or part of the Services from the Supplier to the Authority and/or a Replacement Supplier, as set out or referred to in Schedule 25 (<i>Exit Management</i>);
“Exit Plan”	the plan produced and updated by the Supplier during the Term in accordance with Paragraph 4 of Schedule 25 (<i>Exit Management</i>);
“Expedited Dispute Timetable”	the reduced timetable for the resolution of Disputes set out in Paragraph 3 of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Expert”	has the meaning given in Schedule 23 (<i>Dispute Resolution Procedure</i>);

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“Expert Determination”	the process described in Paragraph 6 of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Exposure Information (Contracts List)”	means part of the CRP Information relating to the Supplier Group to be provided by the Supplier in accordance with Paragraph Error! Reference source not found. and Annex Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Extension Period”	a period of 3 years from the end of the Initial Term;
“Financial Distress Event”	the occurrence of one or more of the events listed in Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Financial Information and Commentary”	means part of the CRP Information requirements set out in accordance with Paragraph Error! Reference source not found. and Annex Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Financial Distress Remediation Plan”	a plan setting out how the Supplier will ensure the continued performance and delivery of the Services in accordance with this Contract in the event that a Financial Distress Event occurs. This plan should include what the Authority would need to put in place to ensure performance and delivery of the Services in accordance with this Contract up to and including any Insolvency Event in respect of the relevant FDE Group entity and may refer to the Insolvency Continuity Plan in this regard;
“Financial Model”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.);
“Financial Reports”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.);
“Financial Transparency Objectives”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.);
“FOIA”	the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or any relevant Crown Body in relation to such Act;

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“Force Majeure Event”	any event outside the reasonable control of either Party affecting its performance of its obligations under this Contract arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including riots, war or armed conflict, acts of terrorism, acts of government, local government or regulatory bodies, fire, flood, storm or earthquake, or other natural disaster but excluding any industrial dispute relating to the Supplier or the Supplier Personnel or any other failure in the Supplier’s or a Sub-contractor’s supply chain;
“Force Majeure Notice”	a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;
“Former Supplier”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“General Anti-Abuse Rule”	(a) the legislation in Part 5 of the Finance Act 2013; and (b) any future legislation introduced into Parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;
“General Change in Law”	a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;
“Good Industry Practice”	at any time the exercise of that degree of care, skill, diligence, prudence, efficiency, foresight and timeliness which would be reasonably expected at such time from a leading and expert supplier of services similar to the Services to a customer like the Authority, such supplier seeking to comply with its contractual obligations in full and complying with applicable Laws;
“Guarantee”	the deed of guarantee in favour of the Authority entered into by the Guarantor on or about the date of this Contract (which is in the form set out in Error! Reference source not found. (Error! Reference source not found.), or any guarantee acceptable to the Authority that replaces it from time to time;
“Halifax Abuse Principle”	the principle explained in the CJEU Case C-255/02 Halifax and others;
“Health and Safety Policy”	the health and safety policy of the Authority and/or other relevant Crown Body as provided to the Supplier on or before the Effective Date and as subsequently provided to the Supplier from time to time except any provision of any such subsequently provided policy that cannot be reasonably

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	reconciled to ensuring compliance with applicable Law regarding health and safety;
“HMRC”	HM Revenue & Customs;
“Impact Assessment”	has the meaning given in Schedule 22 (<i>Change Control Procedure</i>);
“Implementation Plan”	the Outline Implementation Plan or (if and when approved by the Authority pursuant to Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.)) the Detailed Implementation Plan as updated in accordance with Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.) from time to time;
“Implementation Services”	the implementation services described as such in the Services Description;
“Implementation Services Commencement Date”	the date on which the Supplier is to commence provision of the first of the Services, being 30th March 2024 ;
“Indemnified Person”	the Authority and each and every person to whom the Authority (or any direct or indirect sub-licensee of the Authority) sub-licenses, assigns or novates any Relevant IPRs or rights in Relevant IPRs in accordance with this Contract;
“Independent Controller”	a party which is Controller of the same Personal Data as the other Party and there is no element of joint control with regards to that Personal Data;
“Information”	all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form);
“Initial Term”	the period of 3 years from and including the Effective Date;
“Initial Upload Date”	means the occurrence of an event detailed in Error! Reference source not found. (Error! Reference source not found.) Error! Reference source not found. which requires the Supplier to provide its initial upload of the relevant information to the Virtual Library;
“Insolvency Event”	with respect to any person, means:

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- (a) that person suspends, or threatens to suspend, payment of its debts, or is unable to pay its debts as they fall due or admits inability to pay its debts, or:
 - (i) (being a company or a LLP) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or
 - (ii) (being a partnership) is deemed unable to pay its debts within the meaning of section 222 of the Insolvency Act 1986;
- (b) that person commences negotiations with one or more of its creditors (using a voluntary arrangement, scheme of arrangement or otherwise) with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with one or more of its creditors or takes any step to obtain a moratorium pursuant to Section 1A and Schedule A1 of the Insolvency Act 1986 other than (in the case of a company, a LLP or a partnership) for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person;
- (c) another person becomes entitled to appoint a receiver over the assets of that person or a receiver is appointed over the assets of that person;
- (d) a creditor or encumbrancer of that person attaches or takes possession of, or a distress, execution or other such process is levied or enforced on or sued against, the whole or any part of that person's assets and such attachment or process is not discharged within fourteen (14) days;
- (e) that person suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business;
- (f) where that person is a company, a LLP or a partnership:
 - (i) a petition is presented (which is not dismissed within fourteen (14) days of its service), a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that person other than for the sole purpose of a scheme for a solvent amalgamation of that person with one or more other companies or the solvent reconstruction of that person;
 - (ii) an application is made to court, or an order is made, for the appointment of an administrator, or

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	if a notice of intention to appoint an administrator is filed at Court or given or if an administrator is appointed, over that person;
	(iii) (being a company or a LLP) the holder of a qualifying floating charge over the assets of that person has become entitled to appoint or has appointed an administrative receiver; or
	(iv) (being a partnership) the holder of an agricultural floating charge over the assets of that person has become entitled to appoint or has appointed an agricultural receiver; or
	(g) any event occurs, or proceeding is taken, with respect to that person in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned above;
“Intellectual Property Rights” or “IPRs”	(a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in Internet domain names and website addresses and other rights in trade names, designs, Know-How, trade secrets and other rights in Confidential Information;
	(b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and
	(c) all other rights having equivalent or similar effect in any country or jurisdiction;
“IT”	information and communications technology;
“IT Environment”	the Authority System and the Supplier System;
“Joint Controllers”	has the meaning given in Article 26 of the UK GDPR, or EU GDPR, as the context requires;
“Key Milestone”	the Milestones identified in the Implementation Plan as key milestones and in respect of which Delay Payments may be payable in accordance with Paragraph Error! Reference source not found. of Error! Reference source not found. of Schedule 15 (<i>Charges and Invoicing</i>) if the Supplier fails to Achieve the Milestone Date in respect of such Milestone;
“Key Performance Indicator”	the key performance indicators set out in Table 1 of Error! Reference source not found. of Error! Reference source

not found. of Error! Reference source not found. (*Error! Reference source not found.*);

“Key Personnel”	those persons appointed by the Supplier to fulfil the Key Roles, being the persons listed in Error! Reference source not found. (<i>Error! Reference source not found.</i>) against each Key Role as at the Effective Date or as amended from time to time in accordance with Clauses 14.5 and 14.6 (<i>Key Personnel</i>);
“Key Roles”	a role described as a Key Role in Error! Reference source not found. (<i>Error! Reference source not found.</i>) and any additional roles added from time to time in accordance with Clause 14.4 (<i>Key Personnel</i>);
“Key Sub-contract”	each Sub-contract with a Key Sub-contractor;
“Key Sub-contractor”	any Sub-contractor: <ul style="list-style-type: none">(a) which, in the opinion of the Authority, performs (or would perform if appointed) a critical role in the provision of all or any part of the Services; and/or(b) with a Sub-contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Charges forecast to be payable under this Contract (as set out in the Financial Model);
“Know-How”	all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know how relating to the Services but excluding know how already in the other Party’s possession before this Contract;
“KPI Failure”	a failure to meet the Target Performance Level in respect of a Key Performance Indicator;
“KPI Service Threshold”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (<i>Error! Reference source not found.</i>);
“Law”	any law, statute, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, right within the meaning of the European Union (Withdrawal) Act 2018 as amended by European Union (Withdrawal Agreement) Act 2020, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements of any regulatory body with which the Supplier is bound to comply;

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“LED”	Law Enforcement Directive (Directive (EU) 2016/680);
“Licensed Software”	all and any Software licensed by or through the Supplier, its Sub-contractors or any third party to the Authority for the purposes of or pursuant to this Contract, including any Supplier Software, Third Party Software and/or any Specially Written Software;
“Losses”	losses, liabilities, damages, costs and expenses (including legal fees on a solicitor/client basis) and disbursements and costs of investigation, litigation, settlement, judgment interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty or otherwise;
“Malicious Software”	any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence;
“Management Information”	Schedule 15 (<i>Charges and Invoicing</i> to be provided by the Supplier to the Authority;
“Material KPI Failure”	(a) a Serious KPI Failure; (b) a Severe KPI Failure; or (c) a failure by the Supplier to meet a KPI Service Threshold;
“Material PI Failure”	(a) a failure by the Supplier to meet the PI Service Threshold in respect of 25% or more of the Subsidiary Performance Indicators that are measured in that Service Period; and/or (b) a failure by the Supplier to meet the Target Performance Level in respect of 50% or more of the Subsidiary Performance Indicators that are measured in that Service Period;
“Measurement Period”	in relation to a Key Performance Indicator or Subsidiary Performance Indicator, the period over which the Supplier’s performance is measured (for example, a Service Period if measured monthly or a 12 month period if measured annually);
“Milestone”	an event or task described in the Implementation Plan which, if applicable, shall be completed by the relevant Milestone Date;

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“Milestone Achievement Certificate”	the certificate to be granted by the Authority when the Supplier has Achieved a Milestone, which shall be in substantially the same form as that set out in Annex Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Milestone Adjustment Payment Amount”	<p>in respect of each CPP Milestone the subject of a Milestone Adjustment Payment Notice, an amount determined in accordance with the formula:</p> $A - B$ <p>where:</p> <p>(a) A is an amount equal to the aggregate sum of all Milestone Payments paid to the Supplier in respect of the Milestones (or in the case of Partial Termination, the Milestones for the parts of the Services terminated) relating to that CPP Milestone; and</p> <p>(b) B is an amount equal to the aggregate Allowable Price for the Retained Deliverables relating to that CPP Milestone or, if there are no such Retained Deliverables, zero;</p>
“Milestone Adjustment Payment Notice”	Means in the event of termination or expiry of this Contract, the Supplier shall repay to the Authority all Charges it has been paid in advance in respect of Services not provided by the Supplier as at the date of expiry or termination.
“Milestone Date”	the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
“Milestone Payment”	a payment identified in Schedule 15 (<i>Charges and Invoicing</i>) to be made following the issue of a Milestone Achievement Certificate;
“Milestone Retention”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Minor KPI Failure”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Modern Slavery Assessment Tool”	means the modern slavery risk identification and management tool which can be found online at: https://supplierregistration.cabinetoffice.gov.uk/msat

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“Month”	a calendar month and “monthly” shall be interpreted accordingly;
“Multi-Party Dispute Resolution Procedure”	has the meaning given in Paragraph 9.1 of Schedule 28 (<i>Staff Transfer</i>) of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“Multi-Party Procedure Initiation Notice”	has the meaning given in Paragraph 9.2 of Schedule 23 (<i>Dispute Resolution Procedure</i>);
“NCSC”	the National Cyber Security Centre or any replacement or successor body carrying out the same function;
“New Releases”	an item produced primarily to extend, alter or improve the Software and/or any Deliverable by providing additional functionality or performance enhancement (whether or not defects in the Software and/or Deliverable are also corrected) while still retaining the original designated purpose of that item;
“Non-trivial Customer Base”	a significant customer base with respect to the date of first release and the relevant market but excluding Affiliates and other entities related to the licensor;
“Non-retained Deliverables”	in relation to a CPP Milestone Payment Notice and each CPP Milestone the subject of that CPP Milestone Payment Notice, Deliverables provided to the Authority which relate to the relevant CPP Milestone(s) and which are not Retained Deliverables;
“Object Code”	software and/or data in machine-readable, compiled object code form;
“Occasion of Tax Non-Compliance”	(a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of: (i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle; (ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or

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	(b) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise on or after 1 April 2013 to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Effective Date or to a civil penalty for fraud or evasion;
“Open Book Data”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.) ;
“Open Licence”	means any material that is published for use, with rights to access, copy and modify and publish, by any person for free, under a generally recognised open licence including Open Government Licence as set out at http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/ and the Open Standards Principles documented at https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles , and includes the Open Source publication of Software;
“Open Source”	computer Software that is released on the internet for use by any person, such release usually being made under a recognised open source licence and stating that it is released as open source;
“Operating Environment”	the Authority System and the Sites;
“Operational Change”	any change in the Supplier’s operational procedures which in all respects, when implemented: (a) will not affect the Charges and will not result in any other costs to the Authority; (b) may change the way in which the Services are delivered but will not adversely affect the output of the Services or increase the risks in performing or receiving the Services; (c) will not adversely affect the interfaces or interoperability of the Services with any of the Authority’s IT infrastructure; and (d) will not require a change to this Contract;
“Operational Service Commencement Date”	in relation to an Operational Service, the later of: (a) the date identified in the Operational Services Implementation Plan upon which the Operational Service is to commence; and

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	(b) where the Implementation Plan states that the Supplier must have Achieved the relevant ATP Milestone before it can commence the provision of that Operational Service, the date upon which the Supplier Achieves the relevant ATP Milestone;
“Operational Services”	the operational services described as such in the Services Description;
“Optional Services”	the services described as such in Schedule 2 (<i>Services Description</i>) which are to be provided by the Supplier if required by the Authority in accordance with Clause 5.10 (<i>Optional Services</i>);
“Optional Services Implementation Plan”	the implementation plan to effect the Optional Services agreed between the Parties prior to the Effective Date and, if not agreed prior to the Effective Date, to be developed by the Supplier and approved by the Authority;
“Other Supplier”	any supplier to the Authority (other than the Supplier) which is notified to the Supplier from time to time;
“Outline Implementation Plan”	the outline plan set out at Annex Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Parent Undertaking”	has the meaning set out in section 1162 of the Companies Act 2006;
“Partial Termination”	the partial termination of this Contract to the extent that it relates to the provision of any part of the Services as further provided for in Clause 31.2(b) (<i>Termination by the Authority</i>) or 31.3(b) (<i>Termination by the Supplier</i>) or otherwise by mutual agreement by the Parties;
“Parties” and “Party”	have the meanings respectively given on page 1 of this Contract;
“Performance Failure”	a KPI Failure or a PI Failure;
“Performance Indicators”	the Key Performance Indicators and the Subsidiary Performance Indicators;
“Personal Data”	has the meaning given in the UK GDPR or the EU GDPR as the context requires;

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“Data Loss Event”	has the meaning given in the UK GDPR or the EU GDPR as the context requires;
“PI Failure”	a failure to meet the Target Performance Level in respect of a Subsidiary Performance Indicator;
“PI Service Threshold”	shall be as set out against the relevant Subsidiary Performance Indicator in Table 2 in Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Prescribed Person”	a legal adviser, an MP, or an appropriate body which a whistleblower may make a disclosure to as detailed in ‘Whistleblowing: list of prescribed people and bodies’, available online at: https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2/whistleblowing-list-of-prescribed-people-and-bodies , as updated from time to time;
“Processor”	has the meaning given to it under the UK GDPR or the EU GDPR as the context requires;
“Processor Personnel”	means all directors, officers, employees, agents, consultants and suppliers of the Processor and/or of any Sub-processor engaged in the performance of its obligations under this Contract;
“Programme Board”	the body described in Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Prohibited Act”	<p>(a) to directly or indirectly offer, promise or give any person working for or engaged by the Authority a financial or other advantage to:</p> <ul style="list-style-type: none">(i) induce that person to perform improperly a relevant function or activity; or(ii) reward that person for improper performance of a relevant function or activity; <p>(b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Contract;</p> <p>(c) an offence:</p>

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- (i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act);
- (ii) under legislation or common law concerning fraudulent acts; or
- (iii) defrauding, attempting to defraud or conspiring to defraud the Authority (including offences by the Supplier under Part 3 of the Criminal Finances Act 2017); or
- (d) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK;

“Protective Measures” appropriate technical and organisational measures designed to ensure compliance with obligations of the Parties arising under Data Protection Legislation which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it, including those outlined in **Error! Reference source not found. (Error! Reference source not found.)**;

“Project Specific IPRs” (a) Intellectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Contract and updates and amendments of these items including (but not limited to) database schema; and/or

(b) Intellectual Property Rights arising as a result of the performance of the Supplier’s obligations under this Contract;

but shall not include the Supplier Background IPRs or the Specially Written Software;

“Public Sector Dependent Supplier” means a supplier where that supplier, or that supplier’s group has Annual Revenue of £50 million or more of which over 50% is generated from UK Public Sector Business;

“Publishable Performance Information” means any of the information in the Performance Monitoring Report as it relates to a Performance Indicator where it is expressed as publishable in the table in **Error! Reference source not found.** which shall not constitute Commercially Sensitive Information;

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- “Quarter”** the first three Service Periods and each subsequent three Service Periods (save that the final Quarter shall end on the date of termination or expiry of this Contract);
- “Recall”** a request by the Supplier to return Goods to the Supplier or the manufacturer after the discovery of safety issues or defects (including defects in the IPR rights) that might endanger health or hinder performance;
- “Rectification Plan”** a plan to address the impact of, and prevent the reoccurrence of, a Notifiable Default;
- “Rectification Plan Failure”**
- (a) the Supplier failing to submit or resubmit a draft Rectification Plan to the Authority within the timescales specified in Clauses 25.4 (*Submission of the draft Rectification Plan*) or 25.8 (*Agreement of the Rectification Plan*);
 - (b) the Authority, acting reasonably, rejecting a revised draft of the Rectification Plan submitted by the Supplier pursuant to Clause 25.7 (*Agreement of the Rectification Plan*);
 - (c) the Supplier failing to rectify a material Default within the later of:
 - (i) 30 Working Days of a notification
and
 - (ii) where the Parties have agreed a Rectification Plan in respect of that material Default and the Supplier can demonstrate that it is implementing the Rectification Plan in good faith, the date specified in the Rectification Plan by which the Supplier must rectify the material Default;
 - (d) a Material KPI Failure re-occurring in respect of the same Key Performance Indicator for the same (or substantially the same) root cause in any of the 3 Measurement Periods subsequent to the Measurement Period in which the initial Material KPI Failure occurred;
 - (e) the Supplier not Achieving a Key Milestone by the expiry of the Delay Deduction Period; and/or
 - (f) following the successful implementation of a Rectification Plan, the same Notifiable Default recurring within a period of 6 months for the same (or

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substantially the same) root cause as that of the original Notifiable Default;

“Rectification Plan Process”	the process set out in Clauses 25.4 (<i>Submission of the draft Rectification Plan</i>) to 25.9 (<i>Agreement of the Rectification Plan</i>);
“Registers”	has the meaning given in Schedule 25 (<i>Exit Management</i>);
“Reimbursable Expenses”	has the meaning given in ;
“Relevant Authority” or “Relevant Authorities”	means the Authority and the Cabinet Office Markets and Suppliers Team or, where the Supplier is a Strategic Supplier, the Cabinet Office Markets and Suppliers Team;
“Relevant IPRs”	IPRs used to provide the Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Authority or a third party in the fulfilment of the Supplier’s obligations under this Contract including IPRs in the Specially Written Software, the Supplier Non-COTS Software, the Supplier Non-COTS Background IPRs, the Third Party Non-COTS Software and the Third Party Non-COTS IPRs but excluding any IPRs in the Authority Software, the Authority Background IPRs, the Supplier COTS Software, the Supplier COTS Background IPRs, the Third Party COTS Software and/or the Third Party COTS IPRs;
“Relevant Requirements”	all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
“Relevant Tax Authority”	HMRC, or, if applicable, a tax authority in the jurisdiction in which the Supplier is established;
“Relevant Transfer”	a transfer of employment to which the Employment Regulations applies;
“Replacement Services”	any services which are the same as or substantially similar to any of the Services and which the Authority receives in substitution for any of the Services following the expiry or termination or Partial Termination of this Contract, whether those services are provided by the Authority internally and/or by any third party;
“Replacement Supplier”	any third party service provider of Replacement Services appointed by the Authority from time to time (or where the Authority is providing replacement Services for its own account, the Authority);

“Request For Information”	a Request for Information under the FOIA or the EIRs;
“Risk Register”	the register of risks and contingencies that have been factored into any Costs due under this Contract, a copy of which is set out in Annex Error! Reference source not found. of Schedule 15 (<i>Charges and Invoicing</i>);
“Security Management Plan”	the Supplier’s security plan as attached as Annex Error! Reference source not found. of Error! Reference source not found. and as subsequently developed and revised pursuant to Paragraphs Error! Reference source not found. and Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Serious KPI Failure”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Service Charges”	the periodic payments made in accordance with Schedule 15 (<i>Charges and Invoicing</i>) in respect of the supply of the Operational Services;
“Service Continuity Plan”	any plan prepared pursuant to Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.) as may be amended from time to time;
“Service Continuity Services”	the business continuity, disaster recovery and insolvency continuity services set out in Error! Reference source not found. (Error! Reference source not found.)
“Service Credits”	credits payable by the Supplier due to the occurrence of 1 or more KPI Failures, calculated in accordance with Paragraph Error! Reference source not found. of Error! Reference source not found. of Schedule 15 (<i>Charges and Invoicing</i>);
“Service Period”	a calendar month, save that: <ul style="list-style-type: none">(a) the first service period shall begin on the first Operational Service Commencement Date and shall expire at the end of the calendar month in which the first Operational Service Commencement Date falls; and(b) the final service period shall commence on the first day of the calendar month in which the Term expires or terminates and shall end on the expiry or termination of the Term;

“Service Points”	in relation to a KPI Failure, the points that are set out against the relevant Key Performance Indicator in the fifth column of the table in Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Services”	any and all of the services to be provided by the Supplier under this Contract, including those set out in Schedule 2 (<i>Services Description</i>);
“Service Transfer Date”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Services Description”	the services description set out in Schedule 2 (<i>Services Description</i>);
“Severe KPI Failure”	shall be as set out against the relevant Key Performance Indicator in Table 1 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Sites”	any premises (including the Authority Premises, the Supplier’s premises or third party premises): (a) from, to or at which: (i) the Services are (or are to be) provided; or (ii) the Supplier manages, organises or otherwise directs the provision or the use of the Services; or (b) where: (i) any part of the Supplier System is situated; or (ii) any physical interface with the Authority System takes place;
“SME”	an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;
“Social Value”	the additional social benefits that can be achieved in the delivery of the Contract, set out in the Authority’s Requirements;
“Social Value PI”	The Social Value performance indicators set out in Table 2 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);

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“Social Value KPI”	The Social Value key performance indicators set out in Table 1 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Software”	Specially Written Software, Supplier Software and Third Party Software;
“Software Supporting Materials”	has the meaning given in Paragraph Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.) (<i>Specially Written Software and Project Specific IPRs</i>);
“Source Code”	computer programs and/or data in eye-readable form and in such form that it can be compiled or interpreted into equivalent binary code together with all related design comments, flow charts, technical information and documentation necessary for the use, reproduction, maintenance, modification and enhancement of such software;
“Specially Written Software”	any software (including database software, linking instructions, test scripts, compilation instructions and test instructions) created by the Supplier (or by a Sub-contractor or other third party on behalf of the Supplier) specifically for the purposes of this Contract, including any modifications or enhancements to Supplier Software or Third Party Software created specifically for the purposes of this Contract.
“Specific Change in Law”	a Change in Law that relates specifically to the business of the Authority and which would not affect a Comparable Supply;
“Staffing Information”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Standards”	the standards, policies and/or procedures identified in Error! Reference source not found. (Error! Reference source not found.);
“Strategic Supplier”	means those suppliers to government listed at https://www.gov.uk/government/publications/strategic-suppliers ;
“Sub-contract”	any contract or agreement (or proposed contract or agreement) between the Supplier (or a Sub-contractor) and any third party whereby that third party agrees to provide to the Supplier (or the Sub-contractor) all or any part of the Services or facilities or services which are material for the provision of the Services or any part thereof or necessary for the management, direction or control of the Services or any part thereof;

“Sub-contractor”	any third party with whom: (a) the Supplier enters into a Sub-contract; or (b) a third party under (a) above enters into a Sub-contract, or the servants or agents of that third party;
“Sub-processor”	any third party appointed to process Personal Data on behalf of the Processor related to this Contract;
“Subsidiary Performance Indicator”	the performance indicators set out in Table 2 of Error! Reference source not found. of Error! Reference source not found. of Error! Reference source not found. (Error! Reference source not found.);
“Subsidiary Undertaking”	has the meaning set out in section 1162 of the Companies Act 2006;
“Supplier Background IPRs”	(a) Intellectual Property Rights owned by the Supplier before the Effective Date, for example those subsisting in the Supplier’s standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier’s Know-How or generic business methodologies; and/or (b) Intellectual Property Rights created by the Supplier independently of this Contract, which in each case is or will be used before or during the Term for designing, testing implementing or providing the Services but excluding Intellectual Property Rights owned by the Supplier subsisting in the Supplier Software;
“Supplier COTS Background IPRs”	Any embodiments of Supplier Background IPRs that: (a) the Supplier makes generally available commercially prior to the date of this Contract (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the Supplier save as to price; and (b) has a Non-trivial Customer Base;
“Supplier COTS Software”	Supplier Software (including open source software) that: (a) the Supplier makes generally available commercially prior to the date of this Contract (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the Supplier save as to price; and

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	(b) has a Non-trivial Customer Base;
“Supplier Equipment”	the hardware, computer and telecoms devices and equipment used by the Supplier or its Sub-contractors (but not hired, leased or loaned from the Authority) for the provision of the Services;
“Supplier Group”	means the Supplier, its Dependent Parent Undertakings and all Subsidiary Undertakings and Associates of such Dependent Parent Undertakings;
“Supplier Non-COTS Background IPRs”	Any embodiments of Supplier Background IPRs that have been delivered by the Supplier to the Authority and that are not Supplier COTS Background IPRs;
“Supplier Non-COTS Software”	Supplier Software that is not Supplier COTS Software;
“Supplier Personnel”	all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-contractor engaged in the performance of the Supplier’s obligations under this Contract;
“Supplier Profit”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Supplier Profit Margin”	has the meaning given in Schedule 15 (<i>Charges and Invoicing</i>);
“Supplier Solution”	the Supplier’s solution for the Services set out in Schedule 8 (<i>Supplier Solution</i>) including any Annexes of that Schedule;
“Supplier System”	the information and communications technology system used by the Supplier in implementing and performing the Services including the Software, the Supplier Equipment, configuration and management utilities, calibration and testing tools and related cabling (but excluding the Authority System);
“Term”	the period commencing on the Effective Date and ending on the expiry of the Initial Term or any Extension Period or on earlier termination of this Contract;
“Termination Assistance Notice”	has the meaning given in Paragraph 5 of Schedule 25 (<i>Exit Management</i>);
“Termination Assistance Period”	in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is required to provide the Termination Services as such period may be extended pursuant to Paragraph 5.2 of Schedule 25 (<i>Exit Management</i>);

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“Termination Date”	the date set out in a Termination Notice on which this Contract (or a part of it as the case may be) is to terminate;
“Termination Notice”	a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Contract (or any part thereof) on a specified date and setting out the grounds for termination;
“Termination Payment”	the payment determined in accordance with Error! Reference source not found. (<i>Error! Reference source not found.</i>) ;
“Termination Services”	the services and activities to be performed by the Supplier pursuant to the Exit Plan, including those activities listed in Annex 1 of Schedule 25 (<i>Exit Management</i>), and any other services required pursuant to the Termination Assistance Notice;
“Test Issues”	has the meaning given in Error! Reference source not found. (<i>Error! Reference source not found.</i>) ;
“Tests” and “Testing”	any tests required to be carried out under this Contract, as further described in Error! Reference source not found. (<i>Error! Reference source not found.</i>) and “Tested” shall be construed accordingly;
“Test Success Criteria”	has the meaning given in Error! Reference source not found. (<i>Error! Reference source not found.</i>) ;
“Third Party Auditor”	an independent third party auditor as appointed by the Authority from time to time to confirm the completeness and accuracy of information uploaded to the Virtual Library in accordance with the requirements outlined in Error! Reference source not found. (<i>Error! Reference source not found.</i>) ;
“Third Party COTS IPRs”	Third Party IPRs that: <ul style="list-style-type: none">(a) the supplier makes generally available commercially prior to the date of this Contract (whether by way of sale, lease or licence) on standard terms which are not typically negotiated by the supplier save as to price; and(b) has a Non-trivial Customer Base;
“Third Party COTS Software”	Third Party Software (including open source software) that: <ul style="list-style-type: none">(a) the supplier makes generally available commercially prior to the date of this Contract (whether by way of

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sale, lease or licence) on standard terms which are not typically negotiated by the supplier save as to price; and

(b) has a Non-trivial Customer base;

“Third Party IPRs”	Intellectual Property Rights owned by a third party, but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software, which in any case is, will be or is proposed to be used by the Supplier for the purposes of providing the Services;
“Third Party Non-COTS IPRs”	Third Party IPRs that are not Third Party COTS IPRs;
“Third Party Software”	software which is proprietary to any third party (other than an Affiliate of the Supplier) or any Open Source Software which in any case is, will be or is proposed to be used by the Supplier for the purposes of providing the Services, including the software specified as such in Error! Reference source not found. (Error! Reference source not found.) ;
“Transferring Assets”	has the meaning given in Paragraph 6.2.1 of Schedule 25 (<i>Exit Management</i>);
“Transferring Authority Employees”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Transferring Former Supplier Employees”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Transferring Supplier Employees”	has the meaning given in Schedule 28 (<i>Staff Transfer</i>);
“Transparency Reports”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.) ;
“UK”	the United Kingdom;
“UK GDPR”	has the meaning as set out in section 3(10) of the DPA 2018, supplemented by section 205(4) of the DPA 2018;
“UK Public Sector Business”	means any goods, service or works provision to UK public sector bodies, including Crown Bodies and their arm’s length bodies and agencies, non-departmental public bodies, NHS bodies, local authorities, health bodies, police, fire and rescue, education bodies and devolved administrations;
“Unacceptable KPI Failure”	the Supplier failing to achieve the KPI Service Threshold in respect of more than 50% of the Key Performance Indicators that are measured in that Service Period;

“Unconnected Sub-contract”	any contract or agreement which is not a Sub-contract and is between the Supplier and a third party (which is not an Affiliate of the Supplier) and is a qualifying contract under regulation 6 of The Reporting on Payment Practices and Performance Regulations 2017;
“Unconnected Sub-contractor”	any third party with whom the Supplier enters into an Unconnected Sub-contract;
“Unrecovered Payment”	has the meaning given in Error! Reference source not found. (Error! Reference source not found.) ;
“Updates”	in relation to any Software and/or any Deliverable means a version of such item which has been produced primarily to overcome Defects in, or to improve the operation of, that item;
“Update Requirement”	means the occurrence of an event detailed in Error! Reference source not found. (Error! Reference source not found.) (Error! Reference source not found.) which requires the Supplier to update the relevant information hosted on the Virtual Library;
“Upgrades”	means any patch, New Release or upgrade of Software and/or a Deliverable, including standard upgrades, product enhancements, and any modifications, but excluding any Update which the Supplier or a third party software supplier (or any Affiliate of the Supplier or any third party) releases during the Term;
“Valid”	in respect of an Assurance, has the meaning given to it in Paragraph Error! Reference source not found. of Error! Reference source not found. to Error! Reference source not found. (Error! Reference source not found.) ;
“VAT”	value added tax as provided for in the Value Added Tax Act 1994;
“VCSE”	means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives;
“Virtual Library”	means the data repository hosted by the Supplier containing the information about this Contract and the Services provided under it in accordance with Error! Reference source not found. (Error! Reference source not found.) ; and
“Working Day”	any day other than a Saturday, Sunday or public holiday in England and Wales.

Schedule 2

Services Description

Schedule 2: Services Description

1. Introduction

1.1 This Schedule sets out the intended scope of the Services to be provided by the Supplier and to provide a description of what each Service entails. The full specification has been included to give

2. Services Description

2.1 **Operational Services** – The core services to be provided by the SP shall involve:

2.2 Purchase of all solid fuels as listed in this specification (see Table 3 for details of current fuel types): natural smokeless fuels and manufactured smokeless fuel. Please note that products within the terms of the Fuel Agreements are at the choice of the Beneficiary subject to the availability and affordability of that fuel, which will be at the Department's discretion;

2.3 Delivery of solid fuel into Beneficiary's storage facilities/households;

2.4 General administration of services to solid fuel Beneficiaries including the issuing of the annual delivery letter with the scheduling of deliveries and any other communication with Beneficiaries relevant to the services required by the Contract;

2.5 Effective liaison (including regular electronic data exchange) with the NCFO to ensure the efficient delivery of services to solid fuel Beneficiaries and proactive entitlement management.

Specification

1. Introduction

1.1 Overview

Following the privatisation of British Coal Corporation (BCC) in 1994, the Government assumed the liability for the provision of the concessionary fuel entitlements to former employees of BCC and their adult dependents. These former employees of BCC were those already retired or made redundant at the point of privatisation. Concessionary fuel entitlements began in the 1980s and are governed by the National Concessionary Fuel Agreements (NCFA). These take the form of collective agreements and were put in place between the BCC and the mining unions. These agreements were amended from time to time until the industry privatised; and the obligation was

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transferred to HMG. This was achieved by means of a Restructuring Scheme made on 27th March 1995, made under sections 12 and 19 of the Coal Industry Act 1994.

On this basis, the Secretary of State has a legally binding obligation to provide solid fuel or cash in lieu to former BCC employees as the collective agreements specify. This cohort is managed by DESNZ through a scheme known as the National Concessionary Fuel Scheme (NCFS).

There are two NCFS Agreements for different employment groups:

- the National Concessionary Fuel Agreement (NCFA) for Mineworkers, Officials and Clerical Staff and;
- the British Association of Colliery Management (BACM) for management staff.

Under the terms of the Fuel Agreements, Beneficiaries can move from concessionary fuel to cash-in-lieu (CIL) and vice versa as many times as they want. The trend however is to move from concessionary fuel to CIL. The other option (CIL to fuel) is rarely taken.

This tender is for the procurement and award of the Contract for the provision of solid fuel services.

The Role of the National Concessionary Fuel Office (NCFO)

Overall eligibility management for all Beneficiaries and administration of CIL Beneficiaries is the responsibility of the NCFO, currently contracted out to Capita Pension Solutions, under a separate DESNZ contract. Those services are outside the scope of this tender process.

To support the main activities, DESNZ has broader responsibilities to adhere to current and relevant legislation such as the GDPR and the Freedom of Information Act. Due to the nature of the work, the Service Provider (SP) will manage Personal Data on behalf of DESNZ. This data is subject to a robust data handling policy and must be managed in line with this and as set out in the Standard Terms and Conditions and this Specification.

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1.2 Expected Number of Beneficiaries (2025-2031)

1. Under the current arrangements, the Department has a responsibility to provide either solid fuel or CIL. As of December 2023, there were 27,419 Beneficiaries. Of these, 3,320 Beneficiaries are in receipt of the solid fuel option (figures as of December 2023). The overall number of Beneficiaries is currently decreasing at around 8-10% per annum (based on female mortality rates). Taking into consideration this assumption it is estimated that the NCFS liability will exist for up to a further 40 years, i.e. until around the mid 2060s based on actuarial modelling. Current forecasts suggest that there will be approximately 2,680 solid fuel Beneficiaries in April 2025, when the Contract is envisaged to start.

DESNZ also assumed responsibility (following Government announcements in November 2013 and March 2015) of a further two cohorts of certain ex-employees of UK Coal. These entitlements are separate from the NCFS with different rules and qualifying criteria¹. The servicing of these fuel Beneficiaries will form part of the contractual arrangements for the administration of the NCFS although these entitlements will be transferred under the same terms of the relevant UK Coal scheme, they were under at the time of the demise of the company.

1.3 Beneficiaries in receipt of Solid Fuel

Table 1 below shows the expected number of Beneficiaries (including ex UK Coal Beneficiaries) for the 6 years from 2025 until the end of March 2031

Table 1:

Financial Year		2025/ 26	2026/ 27	2027/ 28	2028 /29	2029/30	2030/ 31
No. of Beneficiaries	Solid Fuel	2680	2350	2050	1780	1550	1340

¹ On privatisation, a number of former BCC employees were TUPE transferred to successor companies (for example, UK Coal Group). In these cases, the concessionary fuel entitlements were also transferred, and were funded by the successor companies from arrangements agreed at privatisation.

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Table 2 shows the geographical split of Beneficiaries (within the UK) based on numbers as of 1st December 2023

Country	No. of Concessionaires
England	2877
Northern Ireland	0
Scotland	78
Wales	363
Isle of Man	2
Total	3320

Data as of 1st December 2023

1.4 Overall Contract Objectives

Alongside meeting our legal obligations to former BCC employees, the Department is responsible for ensuring that all contracts deliver Value for Money (VfM) to the public purse and has set out below its main objectives. These align with the Department’s overall strategic objective to manage the energy legacy responsibly and cost-effectively. The SP must proactively meet the following objectives:

- The SP must be able to deliver the services as described in this Specification and pursuant to the terms of the Contract (inclusively).
- The SP must manage the service requirements efficiently and contribute to the Department’s strategic and operational decisions to ensure the provision of a quality service, which is reliable, consistent, fit for purpose, and delivers VfM.
- The SP must work in partnership with the Department’s staff, the NCFO and other contractors and stakeholders as required.
- The SP must be able to provide a flexible service, which allows for the predicted decrease of the business and unpredicted changes in requirements (as a result of policy or other decisions) over the duration of the Contract Period.

The Department is open to the SP proposing different and innovative ways of working, if they meet the requirements of the Fuel Agreements and the objectives of this Specification (see

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above). Any new proposal should be set out in the Bid Response (response to the ITT) and will be considered by the Department and if acceptable be agreed during the Transition Period.

2. Core Services

2.1 Overview

The core services to be provided by the SP shall involve:

- Purchase of all solid fuels as listed in this specification (see Table 3 for details of current fuel types): natural smokeless fuels and manufactured smokeless fuel. Please note that products within the terms of the Fuel Agreements are at the choice of the Beneficiary subject to the availability and affordability of that fuel, which will be at the Department's discretion;
- Delivery of solid fuel into Beneficiary's storage facilities/households;
- General administration of services to solid fuel Beneficiaries including the issuing of the annual delivery letter with the scheduling of deliveries and any other communication with Beneficiaries relevant to the services required by the Contract;
- Effective liaison (including regular electronic data exchange) with the NCFO to ensure the efficient delivery of services to solid fuel Beneficiaries and proactive entitlement management.

The support services to be provided by the SP shall include:

- Provision of relevant information and reporting to the Department on Beneficiary numbers, deliveries, operational activity and financial data as required;
- Stakeholder management and communication with relevant parties;
- Financial management including forecasting, in year monitoring and financial modelling;
- Effective governance of the contracted service including audit and risk management and fraud management controls;
- Effective Business Continuity Plans (BCP) and Data Retention Policies (DRP) in place;
- A Data handling framework (compliant with DESNZ's requirements) and as set out in the Standard Terms and Conditions and this Specification;
- IT systems to enable regular electronic data exchanges with the NCFO to ensure the effective delivery of the contract distribution and supply requirements and entitlement management controls;
- Transition management to enable the Contract to go live on 29th March 2025.

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- Exit management, including full cooperation with DESNZ, the NCFO and any successor contractor to ensure smooth transition to a new SP (if relevant) at the end of the Contract Period.

2.2 Purchase of all Solid Fuels

The SP will be required to purchase solid fuels that are suitable for Beneficiaries' appliances from the Contract List. For the purposes of this Specification and the pricing of relevant fuel types, information will be provided in the Pricing and Performance Schedule attached to this Specification.

2.2.1 Categorisation of Fuel Types:

For the purpose of this tender, solid fuels are categorised into fuel types. The following descriptions are for general clarification only.

2.2.1.1 Natural Coal Products

(i) Bituminous coal

There are currently no products being supplied under this category. The most polluting coal (bituminous/traditional house coal) is not available for domestic use.

(ii) Natural Smokeless Fuels supplied in the following grades:

- Anthracite "large nuts" and "small nuts" (for use on closed appliances and cookers);
- Anthracite "beans" and "grains" (for use on gravity feed boilers);
- Anthracite "cobblestones" (for use on open fires).

Currently only Anthracite "beans" and "grains" are supplied to concessionaires. Products must be approved by HETAS or by an equivalent standard setting body such as DEFRA's "Ready to Burn" scheme. The most recent published list of HETAS approved fuels is set out on the HETAS website <https://www.hetas.co.uk/find-fuels/>

The Official Guide to HETAS Approved Products and Services is updated annually and the SP will ensure that the products comply with the latest published list. The above products must be approved by HETAS or by an equivalent standard setting body. Where no HETAS test or agreed equivalent standard exists, the SP must ensure that the fuel supplied in these exceptional circumstances is fit for purpose and of suitable quality.

2.2.1.2 Manufactured Smokeless Fuels

- Briquettes (for domestic open fires)

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This is a compacted agglomerate of carbonaceous fines which comprises principally of a mixture of one or more of the following: Anthracite, Bituminous coal, Brown coal and Petroleum coke or products derived there from, and if necessary, a binding agent. The size and formulation of a briquette, especially the binding agent (if present) is optimised for open fires.

- Briquettes (for domestic closed appliance)

This is a compacted agglomerate of carbonaceous fines which comprises principally of a mixture of one or more of the following: Anthracite, Bituminous coal, Brown coal, Petroleum coke, or products derived there from, and if necessary, a binding agent. The size and formulation of a briquette, especially the binding agent (if present) is optimised for closed fires.

- A coke blend (for domestic open fires and closed appliances)

This is normally a physical blend of high temperature coke (made from either high or low volatile coal) and a more reactive low temperature coke or petroleum coke. This blend is designed to improve ignition properties and low temperature sustainability of the high temperature coke. The size of the fuel should be suitable for the use on both closed appliances and open fires.

- High temperature coke (for domestic closed appliances)

This is normally made in a by-product coke oven from high volatile coal. The coal is indirectly heated (in the absence of air) to a temperature of 1000°C or more. The coal softens, re-solidifies and is devolatilised to form a coke structure. This coke should then be size screened to give a fuel suitable for use on closed appliances.

The above products must be approved by HETAS or by an equivalent standard setting body. The most recent published list of HETAS approved fuels is set out on the HETAS website <https://www.hetas.co.uk/find-fuels/>

The Official Guide to HETAS Approved Products and Services is updated annually and the SP will ensure that the products comply with the latest published list.

2.2.2 HETAS Approval

HETAS is the independent body recognised by Government, dedicated to setting and raising standards across the UK domestic solid fuel and wood-burning sector. The tests are designed

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to establish if the fuel performs to the standards set by HETAS and therefore whether it receives official approval from HETAS.

All fuels supplied under the Contract must be HETAS approved or have an agreed equivalent standard. The SP will be required to provide for each product for which a bid is made, details of the latest HETAS approval performance results, or have been independently tested under an agreed equivalent standard or demonstrate that HETAS approval/compliance will be achieved by the start of the Contract.

All products must be re-submitted to HETAS or be independently tested under an agreed equivalent standard at least annually.

If producers adjust their products, the SP should advise the Department of these changes and provide a further HETAS approval or be independently tested under an agreed equivalent standard.

Any fuel, which is removed from the HETAS list or failed an independent test under an agreed equivalent standard, will be removed from the Contract List at the Department's discretion.

The Department reserves the right to request the SP (at the SP's expense) to submit random samples of products for testing for compliance with HETAS, without prior consultation with the producer. If the product fails to meet the minimum standard the SP will notify the producer. The product may be removed from the Contract List within 3 weeks from the date of notification unless in the meantime another HETAS test or independent test under an agreed equivalent standard (at the SP's expense) has proven to be satisfactory, in which case the SP shall provide relevant particulars to the Department. Whether or not the product is re-selected will be at the Department's discretion. Please note that the SP will be liable for all costs incurred as a result of the above actions.

2.2.3 Product Purchased

The Department will give no guarantee whatsoever relating to minimum or maximum tonnages to be purchased supplied or delivered for the requirements of the Contract. The Department reserves the right to:

- Add or delete products (from the list referred to in paragraph 2.2 above) at any point during the Contract Period without reference to or consultation with the relevant producers. The reason for the removal of any product will be notified to the SP accordingly.

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- Instruct the SP to purchase any alternative fuel (not included in the list referred to in paragraph 2.2 above). Reasons for any addition to the list will be notified to the SP accordingly.
- Instruct the SP to change the current agreed tonnage of any product at any time during the Contract Period. Reasons for these changes will be notified to the SP accordingly.

The SP will put in place commercial contracts for the purchase of fuels from relevant producers. Such contracts shall reflect the Department's payment terms as set out in the Pricing and Performance Schedule. The SP will also need to arrange collection and transport of any purchased fuel to their local storage facility. The SP must ensure that they have sufficient stock to cover at least 3 weeks of scheduled deliveries and sufficient contingency to allow for potential degradation of the product whilst stocks are being transported and/or stored.

A full list of products currently delivered can be found at Table 3. Please note that this list has been provided for illustrative purposes only. The SP can provide details of additional fuels that are available to the domestic market for the Department to consider.

The SP will work with the Department and the NCFO to plan a withdrawal, replacement or addition of a product as specified above if required.

Table 3. Current Fuel Types, Producers and Products

As of January 2024

Fuel Type	Producer	Product	Annual Tonnage	Beneficiary Numbers
Natural Coal Products				
	CPL Processing/available imports	Anthracite Beans	1,327.898	343
		Anthracite Grains	1,135.709	289
Manufactured Smokeless Fuels	CPL Products Ltd	Homefire	1,337.208	401
		Homefire Ovals	1,620.988	432
		Phurnacite	3,921.667	1,080
		Supertherm	639.256	166
		Taybrite	67.456	16
		CPL Closed Appliance Briquettes	1,445.819	345
		CPL Open Fire Briquettes	275.650	66
		CPL Closed Appliance Coke Alternative Briquette	357.150	76

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		CPL Open Fire Coke Alternative Briquette	70.000	14
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TOTAL 12,198.801* 3,228

*note that there are some differences in tonnage numbers in the various documents and schedules that form this ITT – this is a consequence of the timing of the data collection and is an expected inconsistency. Numbers provided are indicative.

For the Contract Period, Beneficiaries have the option to nominate, by brand, as specified in the Fuel Agreements, their choice of product, together with any additional brands, which may be added at the Department’s discretion, as specified above. In addition, an alternative fuel known as a “generic” fuel will be offered to Beneficiaries, providing it has the same properties to fit the criteria of the fuel type selected by the Beneficiary. This “generic” fuel will be offered to Beneficiaries as an alternative equivalent to “named fuels” and its availability will be determined at the Department’s discretion.

The entitlement levels (tonnes per beneficiary per year) for each generic product will be communicated to the SP as part of the list mentioned in paragraph 2.2 above. Beneficiaries will be given the opportunity to review their preferences accordingly. Any entitlement levels prescribed in the NCFAs will not be reduced from present levels. Entitlements of products not included in the NCFAs will be amended at the Department’s discretion.

2.2.4 Purchasing Requirements

- A) Commercial agreements for purchase of products from relevant suppliers.
- B) Collection and transport of purchased products from suppliers’ collection points to SP’s storage facilities.
- C) Hold sufficient stock to meet at least 3 weeks’ deliveries.
- D) Order sufficient product to cover any losses through degradation from transportation and storage
- E) Remove or add a product at the Department’s discretion and under instructions.
- F) Ensure all products purchased have current HETAS certification or independently tested under an agreed equivalent standard.

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A) Purchase products from Suppliers	a) The SP will be required to enter into robust and transparent commercial arrangements with producers/suppliers of the fuels selected for delivery to Beneficiaries by the Department. These will be audited as set out at section 3.7 Audit and Risk Management. Details of fuels selected (including tonnage required) will be made available as part of the Transition Period.
	b) Any commercial arrangements entered into between the SP and its supply chain shall include payment terms corresponding with the Pricing and Performance Schedule. DESNZ shall have no direct liability to the SP's supply chain members for any default by the SP on those payment terms.
	c) The SP must demonstrate that any purchases under the Contract will ensure the best commercial value available in the market to achieve VfM for the Department (via bulk purchasing, discounts, summer buying, etc.). These will be audited as set out at section 3.7 Audit and Risk Management.
	d) The SP shall provide the Department with any supporting documentation, i.e. invoices or any other relevant documents, for any products purchased for delivery to Beneficiaries under the requirements of the Contract, for the sub-contractor arrangements above and satisfy the Department's audit requirements as set out at section 3.7 Audit and Risk Management.

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B) Collection and Transport of purchased products from Producer/Supplier to SP's storage facilities.	a) The SP will arrange the collection and transport of products from the producer/supplier's site to the SP's storage facilities. The SP needs to ensure that there are no delays in transport of products to maintain the required level of stock at the SP's storage facilities.
C) Hold of sufficient stock to meet at least 3 weeks of deliveries.	a) The SP will ensure that their stock management means the Beneficiary receives uninterrupted deliveries of solid fuel according to the agreed schedule in the annual fuel letter.
D) Order sufficient product to cover any losses through degradation of the product through transport and storage.	a) SP to order and hold sufficient product to cover losses for degradation of the product.
	b) SP to ensure adequate and secure storage of product at the SP's storage facilities to minimise any loss of product through degradation or theft.
E) Remove or add a product as per Department instructions.	a) The Department may from time to time instruct that a product should be removed from the list of products available to Beneficiaries. The SP must work with the Department and the NCFO to ensure there is no disruption to deliveries to the Beneficiary and the Beneficiary is aware of any change in product due to withdrawal or addition of a product to the approved list.
F) Ensure all products purchased have current HETAS certification or meet	a) The SP must liaise with producers/suppliers to ensure all products supplied are HETAS approved or meet quality standards under an agreed equivalent standard.

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standards under an agreed equivalent standard.

b) The SP must carry out an annual review of any HETAS approval or quality standards under an agreed equivalent standard for all products supplied to the Department under the requirements of the Contract.

Additional reviews may be necessary if there are significant changes in the make-up and/or composition of a product, in the quality of a product or if this review is instructed by the Department.

2.3 Delivery of Solid Fuel into Beneficiaries' storage facilities

2.3.1 Background

Fuel deliveries are phased over the fuel year, April to March. The majority of Beneficiaries in Scotland, North East England and Cumbria receive 12 deliveries of fuel a year while in the rest of the country Beneficiaries receive 9 deliveries a year. The amount of fuel in each delivery may vary to reflect summer and winter usage. Beneficiaries may request adjustments of scheduled loads depending on their storage capacity at the time. The Beneficiary or the NCFO may request a delivery to be made out of phase (emergency) but only in exceptional circumstances.

It should be noted that previous SPs have made special arrangements with a small number of Beneficiaries in relation to the regularity, tonnage and packaging of their deliveries. The arrangements may be about a reduced number of deliveries, making the delivery in pre-packed bags, or contacting the Beneficiary to advise of the date of delivery before this is made. The Department is not obliged to continue these arrangements as they are not specified in the NCFAs, and it will be at the SP's discretion to continue these working practices if they consider it is appropriate to do so. Details of these special arrangements are provided separately (Ref 1).

2.3.2 Delivery Phasing

The SP will be expected to phase the deliveries for all fuel Beneficiaries from information provided by the NCFO. The NCFO will send electronically, via secure File Transfer Process (FTP), entitlement information specifying:

- Name and address of Beneficiary
- Type of fuel

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- Annual allowance of fuel

This information will be sent at the commencement of the Contract for all fuel Beneficiaries and at the beginning of each Fuel Year thereafter i.e. before April to enable the SP to put together an annual schedule of deliveries. Any changes during the Fuel Year will be communicated by the NCFO to the SP daily via secured FTP. The file specifications for this data transfer are provided separately (Ref 2) as are the list of postcodes, fuel types and annual entitlements for each of the current beneficiaries (Ref 3).

The SP will plan the deliveries through the year based on the number of deliveries a Beneficiary has received in the past. If the SP has any innovative ideas/suggestions on how to make these deliveries in a different way from the one specified above, they will need to consider the capacity for domestic storage of solid fuel and the age profile of the Beneficiaries. However, the Department will consider any suggestion providing it meets the service requirements.

2.3.3 Making Deliveries

The SP will deliver fuel to Beneficiaries as set out in the annual schedule prepared at the commencement of the Fuel Year, considering any notified changes to the entitlement from the NCFO.

Fuel deliveries to the Beneficiary's home storage facility will be made after 7.30am and before 18.30pm, Monday to Friday. The fuel will be put into the designated storage area up to a reasonable capacity. Any excess will be left as close to the storage area as possible, providing the Beneficiary has given previous access to this area. The SP's delivery crew will be polite and courteous and will deliver the fuel in a sensible manner.

Where the SP fails to make a delivery, because of not having access to the designated storage area, they will leave a calling card to let the Beneficiary know they have attempted to deliver the fuel. The Beneficiary should then arrange for an alternative delivery to be made. For each delivery the SP will be required to produce a delivery ticket for the Beneficiary, showing the Beneficiary's name, address, fuel type and quantity delivered. This can be an electronic record. An example of the current delivery ticket is provided separately (Ref 4). Where possible the delivery crew will gain the beneficiary's signature to confirm delivery to avoid potential complaints about non-delivery or short weight.

From time to time a Beneficiary may request a delivery to be made outside of the delivery pattern. These are known as emergency deliveries. The SP will arrange for the emergency delivery to be made within 3 working days of the delivery request.

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The SP will provide an electronic file, via a secure FTP to the NCFO, of the schedule of deliveries to be made in the following week, daily files of emergency orders and confirmation of these deliveries including cancellations. This information will allow the NCFO to work out the outstanding entitlement for each of the Beneficiaries and calculate the remaining allowance if any changes in circumstances occur during the Fuel Year. The file specification is (Ref 2).

2.3.4 Handling Beneficiary's Complaints on Deliveries

2.3.4.1 Quality Complaints

In addition to HETAS approved fuels or agreed equivalent standard, the SP is required to maintain the quality of the fuel, whilst in transit, stocked and delivered to the Beneficiary. Fuel supplied to the Beneficiary will not contain excessive smalls or moisture. On this basis, the SP must ensure that stocks held are laid down on hard, properly drained areas to avoid degradation which may affect the quality of the product and its burning characteristics.

The SP must be prepared, on receipt of a quality complaint, to investigate whether this is justified, within 10 working days, and, if so, to replace the product affected, promptly and with minimum inconvenience to the Beneficiary and solely, at the SP's cost.

2.3.4.2 Delivery Complaints

On receipt of a complaint regarding the delivery of the product, the SP must investigate the complaint within 10 working days, to ascertain whether the complaint is justified and if so, take corrective and preventative actions as appropriate. The SP will be required to provide the Department with reports on all quality and delivery complaints and any subsequent progress on mitigating actions as part of their monthly reporting.

2.3.4.3 Fuel Recovery and Uplifts

The NCFO will instruct the SP where there is fuel at a Beneficiary's property that needs to be recovered. The recovery of fuel may be because the Beneficiary has changed the form of heating, has moved address or has died. The SP will complete recovery of fuel as soon as possible, but not later than one calendar month from the day when the request was issued by the NCFO.

Any fuel recovered by the SP under these circumstances, if re-usable, should be returned to the SP's stock facility for re-delivery. The SP should properly dispose of any fuel that cannot be re-used. Any invoice to the Department should be adjusted accordingly.

2.3.4.4 Short Weight Allegations

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Where a Beneficiary complains that their delivery has not been made in full (short weight) the SP must arrange for an immediate re-weigh of the fuel delivered. However, it is accepted that it is not always possible to re-weigh the fuel, as sometimes there are residual stocks from previous deliveries. When a short weight complaint cannot be justified this should be managed as a delivery complaint and be recorded accordingly. Short weight allegations are taken very seriously by the Department and the SP will be required to carry out full investigations of these delivery complaints and take appropriate action, particularly if a trend in such complaints can be established.

Table 4 Number of short weight allegations and quality complaints in Fuel Year 2022/2023

	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023
Short Weight Allegations	0	0	0	0	0	0	1	1	1	1	0	0
Quality Complaints	1	2	2	1	1	2	1	10	25	14	24	2

2.3.5 Delivery Requirements

- A) Delivery Phasing
- B) Electronic files import and export
- C) Out of Phase Deliveries or Emergency Deliveries
- D) Making Deliveries
- E) Quality Complaints
- F) Delivery Complaints
- G) Short Weight Allegations
- H) Recovery of solid fuel delivered or Uplifts

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A) Delivery Phasing	a) Annually the SP will be expected to phase deliveries to be made in the forthcoming Fuel Year, April to March. Traditionally, Beneficiaries in Scotland, North East England and Cumbria receive 12 deliveries a year and the rest of the UK and Isle of Man 9 deliveries a year. Number of deliveries a year will be agreed during the Transition Period. Example of a Beneficiary's delivery phasing is at Ref 5.
	b) The weight of solid fuel to be made in each delivery must, in total, equal the annual entitlement. The amount (kilograms) in a delivery should not exceed the capacity for domestic storage and preferably less fuel should be scheduled for delivery in the summer months.
	c) Beneficiaries can change the volume of fuel (no. of bags per delivery) but not the delivery week, providing the Beneficiary gives sufficient notice to the SP. This is currently two weeks prior to the delivery week. Notice periods to change delivery tonnages will be agreed during the Transition Period and must be made clear to the Beneficiaries in the annual fuel letter.
	d) Any untaken fuel at the end of the Fuel Year that has accrued due to the Beneficiary adjusting deliveries cannot be carried forward into a new Fuel Year. Each Fuel Year starts afresh.
	e) The SP will adjust delivery phasing, for an individual Beneficiary, through the year within 2 days of receiving notification of amended entitlements from the NCFO. The notification will be because of a Beneficiary changing address or fuel type.

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	<p>f) The SP may adjust the delivery phasing mid-Fuel Year, to reflect changes in the distribution of the Beneficiary population, restructure of the SP's storage infrastructure or to optimise delivery efficiency. Any change to delivery phasing must be agreed with the Department in advance and no cost will fall to the Department because of such adjustment.</p>
B) Electronic Files import and export	<p>a) As part of transition the NCFO will provide the SP with an electronic file of all solid fuel Beneficiaries' entitlement details. File specification is at Ref 2. Frequency of the full solid fuel details will be agreed during the Transition Period.</p>
	<p>b) Daily thereafter, the NCFO will send an electronic file of changes to those entitlements. The daily file specification is at Ref 2. Timing for the transfer of files between the SP and the NCFO will be agreed during the Transition Period.</p>
	<p>c) Each week the SP will be required to provide the NCFO with an electronic file to the specification at Ref 2 of deliveries to be made in the forthcoming delivery week.</p>
	<p>d) Each day the SP will be required to provide the NCFO with electronic files to the specification at Ref 2 of confirmation of the deliveries that have been made. For every delivery to be made there must be a corresponding confirmation.</p>
C) Out of Phase Deliveries ("Emergency Deliveries")	<p>a) From time to time a Beneficiary may request a delivery to be made outside of the delivery pattern. These are known as "Emergency Deliveries". The SP is required to make an Emergency Delivery within 3 working days of the delivery request.</p>

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	<p>b) An Emergency Delivery must not exceed the annual entitlement or entitlement due for the remainder of the year and the SP must adjust future deliveries accordingly.</p>
	<p>c) An Emergency Delivery should only be made in exceptional circumstances, considering the age of the Beneficiary, the reason for the request and whether refusal will bring the Department's reputation into disrepute. It is at the SP's discretion as to whether to make an Emergency Delivery. Please note that any additional costs incurred because of an Emergency Delivery will be at the SP's expense.</p>
	<p>d) The SP will send, daily electronic files to the specification at Ref 2 of Emergency Delivery to be made and a further daily file to confirm the Emergency Delivery has been made.</p>
D) Making Deliveries	<p>a) The SP will deliver fuel to Beneficiaries as set out in the annual schedule prepared at the commencement of the Fuel Year, considering notified changes to the entitlement from the NCFO.</p>
	<p>b) Fuel deliveries to the Beneficiary's home storage facility will be made after 07:30 hours and before 18:30 hours, Monday to Friday.</p>
	<p>c) The fuel will be put into the designated storage area up to a reasonable capacity. Any excess will be left as close to the storage area as possible, providing the Beneficiary has given previous access to the area.</p>

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	<p>d) For each delivery the SP will be required to produce a delivery ticket for the Beneficiary, showing the Beneficiary’s name, address, fuel type and quantity delivered. Where possible the delivery crew will gain the Beneficiary’s signature to confirm delivery. This can be an e-signature.</p>
	<p>e) Where the SP fails to make a delivery, because of not having access to the designated storage area, they will leave a card to let the Beneficiary know a delivery has been attempted. The Beneficiary should then arrange for an alternative delivery to be made.</p>
	<p>f) The delivery crew will be polite and courteous and will deliver the fuel in a sensible manner.</p>
E) Quality Complaints	<p>a) The SP is required to maintain the quality of fuel, whilst in transit, stocked and delivered. Fuel delivered to the beneficiary must not contain excessive smalls or moisture. The SP must ensure that stocks are laid down on hard, properly drained areas to avoid degradation, which may affect the quality of the product and its burning characteristics.</p>
	<p>b) On receipt of a complaint about the quality of the product/coal delivered, the SP must investigate and establish if the complaint is justified within 10 working days of receipt. If the complaint is found to be justified, the SP will replace the product promptly and with minimum inconvenience to the Beneficiary and at the SP’s own expense. It will be up to the SP to take the matter further with the specific supplier to avoid further recurrences of quality problems.</p>
	<p>c) Quality complaints must be recorded and reported regularly in monthly MI to allow the monitoring of trends and comparison with previous periods.</p>

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F) Delivery Complaints	<p>a) On receipt of a delivery complaint regarding the delivery of the product, the SP must investigate within 10 working days. If the complaint is justified take corrective and preventative actions as appropriate.</p>
	<p>b) The SP will be required to report to the Department on all quality and delivery complaints and subsequent progress on mitigating actions as part of the monthly reporting.</p>
	<p>c) Delivery complaints must be recorded and reported regularly in monthly MI to allow the monitoring of trends and comparison with previous periods.</p>
G) Short Weights	<p>a) Where a Beneficiary complains that their delivery has not been made in full (short weight) the SP must arrange for an immediate re-weigh of the fuel delivered. However, it is accepted that it is not always possible to re-weigh the fuel as sometimes there are residual stocks from previous deliveries.</p>
	<p>b) When a short weight complaint cannot be justified the SP will manage as a delivery complaint and be recorded accordingly.</p>
	<p>c) Short weight allegations must be recorded and reported regularly in monthly MI to allow the monitoring of trends and comparison with previous periods.</p>
	<p>d) The Department take allegations of short weights very seriously and the SP will be required to carry out full investigations and take appropriate action, particularly if a trend in the complaints can be established.</p>

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H) Recovery of Fuel	a) The NCFO will instruct the SP where there is fuel at a Beneficiary's property that needs to be recovered. The recovery of fuel may be because the Beneficiary has changed the form of heating, moved address or died. The SP will complete recovery of fuel as soon as possible, but no later than one calendar month from the day when the request was issued by the NCFO.
	b) Any fuel recovered by the SP, if reusable, should be returned to the SP's stock facility for re-delivery. Any invoice to the Department should be adjusted accordingly. The SP should properly dispose of any fuel that cannot be re-used.
	c) The SP will inform the NCFO of the outcome of the recovery of fuel so that the NCFO can adjust the Beneficiary's entitlement accordingly.
	d) If the SP recovers fuel due to a quality complaint the NCFO will not be notified, and the SP will replace as part of the resolution of the quality complaint at no additional cost to the Department.

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2.4 General Administration of Services to Solid Fuel Beneficiaries

2.4.1 Background

The SP will be required to provide administration and customer services for solid fuel Beneficiaries which should be operated Monday to Friday from 9am to 4pm (excluding Public Holidays). Administration services will include:

- Production and despatch of annual delivery letters to Beneficiaries (normally sent in March) with details of deliveries (dates and tonnage) over the full year. Examples of fuel letters have been included at Ref 6a and Ref 6b
- Handling all fuel related enquiries both written and verbal from solid fuel Beneficiaries, spouses and other family members (as set out in the Standard Terms and Conditions and this specification). Contact with other stakeholders including MPs and representatives of Trade Unions may also be required where enquiries arise on behalf of constituents or members
- Customer call handling on general queries about fuel deliveries, the delivery of solid fuel or about the solid fuel itself
- Managing fuel related complaints and fuel related queries (except in relation to overall eligibility or entitlement – which is the responsibility of the NCFO)
- Informing the NCFO of any requirements to suspend, terminate or amend fuel entitlements based on customer interactions
- Liaising with the NCFO or DESNZ to manage complaint resolution, when necessary.

In terms of telephone communication with the Beneficiaries and members of the public, the volumes in 2022/23 are shown in Table 5 below for illustrative purposes:

Table 5. Call volumes in Fuel Year 2022/2023

	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023
Number of Telephone Calls - inbound	486	479	635	587	519	897	864	625	1124	740	814	1049
Outbound	542	694	691	645	671	579	687	692	720	542	692	713

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Most telephone calls are from Beneficiaries themselves who call to inform the SP to amend a delivery weight, to cancel a delivery, to request an Emergency Delivery or to make complaints. Outbound calls are largely ‘call before delivery’ volumes.

Note that fuel beneficiaries will call the SP directly on all matters. Any call received by the SP regarding entitlement, will need to be redirected to the NCFO. It will be acceptable to have an automated message to inform callers of the NCFO details.

In terms of written correspondence and emails, the volumes received in 2022/2023 are shown in Table 6 below:

Table 6

Correspondence volumes in fuel year 2022/2023

	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	Oct-2022	Nov-2022	Dec-2022	Jan-2023	Feb-2023	Mar-2023
Entitlement Advisory Letters	265	184	196	183	151	234	290	258	382	269	286	145
Annual Entitlement Letters											3879	
Others eg MPs, Unions etc	1	1	3				1					

In addition to general calls and correspondence, formal requests may be received under the FOIA and other legislation such as GDPR. During 2022/2023, no requests of this nature were received.

As part of handling calls and correspondence with various stakeholders, the SP will be required to manage a complaints process. This will include the recording, monitoring and handling of complaints about their administration of services to a successful conclusion.

2.4.2 Requirements: Beneficiaries, spouse/family and members of the public

- A) Call Centre
- B) Written Communications Received
- C) Written Communications Sent: Fuel Letters
- D) Written Communications Sent: Other

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A) Call Centre	<p>a) The SP will operate a single local rate telephone service from 9am to 4pm, from Monday to Friday both inclusive (except public holidays in England and Wales).</p>
	<p>b) The SP should endeavour to respond to the query during the call, but where they are unable to do so, the SP should be clear to the caller, what actions will be taken and the timescales for completion of the actions.</p>
	<p>c) The SP must have procedures in place to verify the caller's identity in relation to Beneficiary entitlements.</p>
	<p>d) The SP should have the ability to record on their relevant IT system the following information, to monitor and report information accordingly:</p> <ul style="list-style-type: none">▪ Number of calls received.▪ Call patterns/trends▪ Duration▪ Abandonment rate▪ Nature of call
	<p>e) If queries are received relating to the obligations of the NCFO or the entitlements under NCFAs, the SP will inform the caller of the NCFO's contact details. It will be acceptable to have an automated message to inform callers of the NCFO's details.</p>
	<p>f) For clarity, if queries are received relating to deliveries of solid fuel, this remains the responsibility of the SP.</p>

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B) Written communication received	a) On receipt of written correspondence, whether by letter or email, the SP will scan the correspondence to required standards. The hard copy for general correspondence can be securely destroyed once the electronic copy has been saved.
	b) The SP will respond to written communication, either by letter or email, within 10 working days.
	c) The SP should take the appropriate course of action, depending on what correspondence is received. As an example, returned post will need to be investigated to establish whether the Beneficiary has moved or died. Any changes in circumstances must be communicated to the NCFO immediately.
	d) If the SP receives correspondence about the entitlement, the SP will scan the correspondence to the required standards and the electronic copy must be forwarded to the NCFO within 1 working day. Note, if the correspondence relates to deliveries of solid fuel, this remains the responsibility of the SP.
	e) For clarity, if correspondence is received relating to potential changes in entitlement including a change to the type of solid fuel, this remains the responsibility of the NCFO.
C) Written communication sent: Fuel Letters	a) For Beneficiaries in receipt of Fuel Deliveries, the SP will write to each Beneficiary on an annual basis, informing them of their entitlement and the phasing of the deliveries. This is known as a "Fuel Delivery Letter". Examples can be found at Ref 6a and Ref 6b.

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<p>b) Fuel Delivery Letters should be sent to each fuel Beneficiary by mid-March (before the beginning of the new Fuel Year). This follows the annual exercise undertaken by the SP to plan the delivery patterns and phasing of deliveries. This process or timetable may be amended if there is a strong business case for doing so, with prior written approval from the Department.</p>	
<p>c) The annual Fuel Delivery Letters must include the following information:</p> <ul style="list-style-type: none">▪ Annual Entitlement in tonnes▪ Fuel type▪ Delivery dates▪ Delivery amounts▪ Guidance on the importance of informing the NCFO of any changes to circumstances and include the details of how the NCFO can be informed. It should also include a warning of the consequences of a failure to notify the NCFO of a change of circumstances.	
<p>D) Written communication sent: Other</p>	<p>a) There are a number of standard, “business as usual” letters which the SP will be required to send out as part of the core service. For example, letters should be sent to Beneficiaries to confirm a change of delivery patterns, delivery tonnage, etc. For clarity, the SP will not be able to charge separately for this type of communication, as this will remain a requirement under the core services as set out under section 2.1 of the Specification.</p>

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b) Where necessary and, subject to the Department’s agreement, the SP may be required to issue ad-hoc mail shots, to a large cohort of Beneficiaries to respond to policy decisions. If this occurs, additional costs can be charged in accordance with the Pricing and Performance Schedule.

2.4.3 Requirements: Managing Complaints and Disputes

A) Managing Complaints and Disputes

A) Managing Complaints and Disputes	a) The SP must ensure that all formal complaints are managed effectively. A complaint is any expression of dissatisfaction, whether oral or written from or on behalf of an eligible complainant about the SP’s provision of, or failure to provide the Services specified as part of this Contract. For the avoidance of doubt, issues raised about the quality of solid fuel, the manner of fuel deliveries or the administration services will be regarded as a complaint.
	b) If the SP receives a complaint directly, they must record and track the complaint through to resolution with all associated actions and provide a monthly report of all complaints as part of the monthly management reporting to the Department.
	c) If the complaint is received in writing, the SP must respond in writing within 10 working days from receipt of the complaint.

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<p>d) The SP must assess and categorise the complaints received at least quarterly, to determine whether there are any systemic reasons for them. If this is the case, the SP will take any necessary steps to rectify this in discussion with the Department. Where a systemic issue is identified a rectification process will be agreed and implemented within a reasonable timescale previously agreed with the Department.</p>
<p>e) The SP must use all reasonable endeavours to resolve the complaint. Where complaints cannot be resolved to the satisfaction of the complainant, the SP must escalate these to the Department to agree the best way forward.</p>

2.4.4 Requirements: MPs and others

A) MPs, MSPs, and AMs of the Welsh Assembly

B) Others

<p>A) MPs, MSPs, and AMs of the Welsh Assembly</p>	<p>a) Where the enquiries are directly addressed to the SP, the SP will respond, on behalf of the Department, within 10 working days. If these enquiries are an issue of policy, before any response is issued, the SP will forward the enquiry to the Department providing a recommendation on the response, including any necessary background information. The SP will seek approval from the Department before issuing any responses. Copies of replies sent should be provided to the Department.</p>
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	b) Where the enquiries are addressed to the Department, upon notification of the enquiry raised, the SP will supply the Department, within 3 working days, a brief on the issue and a suggested draft response to enable the Department to respond within agreed timescales.
	c) The SP will provide the number and type of enquiries and action taken during the Reporting Period as part of their agreed Reporting Cycle.
B) Others	a) There may be a requirement to liaise or respond to queries from other bodies, e.g. Trade Unions. These should be referred to the Department with a recommendation on the course of action, seeking approval to implement these actions.

2.5 Effective Liaison with the NCFO

2.5.1 Background

The SP will be required to establish an effective liaison with the NCFO to ensure the efficient delivery of solid fuel to Beneficiaries.

The NCFO is responsible for the management of the overall entitlements of Beneficiaries, including solid fuel. Any changes in the existing circumstances of the Beneficiaries may lead to changes in their allowance levels including termination of this allowance.

On this basis, it is important that regular contact exists between the SP and the NCFO. Any changes that may affect entitlement levels should be communicated to the NCFO in the daily electronic data exchange arrangements. These will include deliveries made, deliveries cancelled, product uplifted, etc. The NCFO will also communicate to the SP of any substantive changes in fuel allowances, including termination, tonnage adjustment, change of fuel, change of address, etc. so that the entitlement can be established and/or the remaining allowance can be amended accordingly.

2.5.2 Requirements: Liaison with the NCFO and data exchange

NCFO	a) The SP is required to work closely and effectively with the NCFO.
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<p>b) On a daily basis, the SP will send information about confirmed deliveries.</p> <p>On a weekly basis, the SP will send information about planned deliveries.</p> <p>The NCFO will send daily information to the SP about changes to entitlements to enable the SP to amend their delivery plan accordingly</p> <p>Refer to Ref 7 for a flowchart showing the interface between the SP and NCFO.</p>
<p>c) On a monthly basis, the SP and the NCFO must work together to ensure that both the Entitlement Database and Delivery Database reconcile. Any variances will be investigated and resolved accordingly.</p>
<p>d) On an ad-hoc basis, or when the interface is required, the SP and the NCFO must work together to provide each other, and the Department, with the required information to manage the services effectively. This includes, but is not limited to:</p> <ul style="list-style-type: none">• Annual changes to fuel rates/fuel inflators• Suspected fraud or other information which may affect entitlement e.g. empty property, no burning facility, etc.• Forecast/financial information• Audit information
<p>e) In terms of the electronic data exchange between the SP and the NCFO, high level requirements can be found at Ref 2.</p>
<p>f) The SP must refer any calls or correspondence to the NCFO in line with section 2.4.2 A e) and B d) and e) above.</p>

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<p>g) The SP and NCFO must also actively communicate with each other in circumstances where there are changes to the amount of fuel required, delivered or retrieved (“uplifted”). The NCFO will need to update the Entitlement Database as required.</p>
<p>h) The SP and the NCFO may also want to meet on a regular or ad-hoc basis to discuss operational issues and improvements to the process. This should be agreed with the NCFO separately during the Transition Period. Such meetings will be covered by the overall contract pricing.</p>

3. Support Services

3.1 Introduction to the Services to be provided

The SP must provide services for the following:

- Stakeholder Management
- Account Governance and Management
- Management Information and Reporting
- Audit and Risk Management
- Business Continuity and Disaster Recovery
- Data Handling
- IT Requirements
- Transition
- Exit Management

3.2 Stakeholder Management

Beyond the Department itself, the SP will need to interact, communicate and build effective working relationships with several stakeholders, including:

- Department’s Contractors (NCFO and others)

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- Other government departments
- The Trade Unions, CISWO, etc.

3.2.1 Requirements:

- A) The Department
- B) Press Office
- C) Trade Unions

A) The Department	a) The SP will work closely and effectively with the Department.
	b) The SP will work with the Department to seek ways to improve the process and improve VfM.
	c) The SP should assist the Department, contributing to and analysing strategic options for the medium and long-term future of the NCFS. This will include supporting the Department with any proposals in relation to future energy liability/NCFS related legislation.
	d) The SP will need to also work with the Department in policy and operational matters, for example, changes to relevant legislation and the subsequent implementation of these changes in the SP's working practises.
	e) The SP will be required to produce a monthly contract performance report and meet with the Department at least quarterly to discuss the performance of the Contract. Further details can be found in the Pricing and Performance Schedule.
	f) The SP must be proactive and co-operate fully with the Department in fulfilling its obligations of this Contract. This includes the provision of management and financial information to the Department, as well as meetings as and when required and responses to Parliamentary Questions.

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B) Press / Media	<p>a) The SP must put in place arrangements to ensure that any approach from the media is referred to the Department. This includes enquiries from the press/media, and the release of any marketing or publicity material related to the Contract.</p>
	<p>b) The SP must provide the Department with any necessary information to respond to media queries accurately and within the agreed deadline. Such enquiries normally require urgent responses subject to the nature of the enquiry.</p>
C) Trade Unions	<p>a) The SP should maintain a professional working relationship with the Mining Trade Unions. The SP should be mindful that the co-operation of the unions might be required in some circumstances to address Beneficiary concern.</p>
	<p>b) The SP will be required to assist the Department in preparing for any meetings with the unions, as well as participating in the meetings and action items which are appropriate to its role. The SP may also be asked to host the meetings.</p>
	<p>c) If a union or CISWO representative telephones or writes to the SP in their representational role, about an operational matter/specific delivery issue, the SP should (taking point a) above into account) assist the union representative as appropriate considering GDPR obligations regarding information about individual Beneficiaries.</p>
	<p>d) If a union or CISWO representative telephones or writes to the SP about a policy issue or any issues, which may affect the Fuel Agreements or have financial consequences, the matter must be referred to the Department for agreement on what the response options might be.</p>

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3.2.2 Requirements: Department’s Contractors

- A) Records Management Contractor
- B) Legal Advisors
- C) Others

A) Records Management Contractor (currently Iron Mountain).	a) The SP is required to work closely and effectively with the Department’s Records Management Contractor, currently Iron Mountain.
	b) The SP must always adhere to the Department’s data handling policies and procedures.
B) Legal Advisors	a) The Department may ask the SP to liaise with the Department’s legal advisers in relation to matters such as follow-up on suspected or established fraud or any other issues which require legal input.
C) Others	a) Periodically, the Department also appoints other contractors, for example, to undertake actuarial reviews of the NCFS to review forecasting and projections related to the profile of expenditure.
	b) The SP will be expected to liaise with such contractors including providing operational advice and management information as required.

3.2.3 Requirements: Government Departments and Bodies

- A) Other Government Departments and Bodies

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A) Other Government Departments and Non-Departmental Public Bodies (NDPBs)	a) Where necessary, the SP will co-operate fully with other Government departments and bodies. For example, this may include: <ul style="list-style-type: none"> • HM Revenue and Customs for tax purposes; • HM Treasury for financial purposes; • GAD for forecasting/actuarial purposes; • National Audit Office for audit purposes; • Public Accounts Committee (PAC) as required; • Parliamentary Ombudsman • DEFRA • and others that may be identified by the Department from time to time.
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3.3 Financial Management

3.3.1 Background

Strong financial management is a core service required in the provision of the Services. Importantly, the SP must be able to demonstrate a commitment to deliver VfM throughout the lifetime of the Contract.

3.3.2 Requirements

- A) Financial Controls
- B) Invoices
- C) Reports

A) Financial controls	a) The SP must have clear audit trails for all financial transactions.
	b) The SP must have strong financial controls in place to ensure that it can record and report accurately to the Department and other third parties.

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	<p>c) The SP must ensure adequate financial controls are in place for any sub-contractors where used or where the SP is required to monitor other contractor's financial matters as required by the Specification.</p>
	<p>d) The SP must allow the Department, or its nominated advisers, to examine its financial controls as and when required. The SP must provide suitable resource to support this process.</p>
B) Invoices	<p>a) The SP must submit accurate invoices monthly for processing and payment, no later than 10 working days following the end of the financial period which the charges relate to. Payments will be submitted and processed in arrears of services provided.</p>
	<p>b) The SP must ensure invoices are submitted together with all supporting documentation for the billed services. The documentation required to support any monies invoiced will be confirmed by the Department during the Transition Period.</p>
C) Reports	<p>a) The SP must be able to provide the Department with the In Year Expenditure Forecasts (broken down by month) for funding and cash management purposes. Any changes in the submitted forecasts must be communicated to the Department when they are identified.</p>
	<p>b) This information should be provided on request. An example of the In Year Forecast template is included at Ref 8.</p>

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c) The SP must be able to produce ad hoc financial reports from time to time as required by the Department. These reports may be used to support the submissions to the Department's financial management team, forecasting or actuarial reviews or externally with parties such as HM Treasury and the NAO.

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3.4 Fraud Management

3.4.1 Background

Fraud management - monitoring, identifying and preventing fraud - is an important obligation of the Contract. As with other self-verified entitlement-based benefits, the NCFS is at risk of fraud.

The Beneficiaries themselves, family members/others or employees of either the SP or NCFO, can commit fraud. Each case will need to be assessed and determined on its own merit.

3.4.2 Requirements

- A) Policy and Procedures
- B) Suspected Fraud
- C) Fraud Initiatives
- D) Fraud Reports

A) Policy and procedures	a) The SP must put in place adequate fraud management controls, processes and procedures to minimise this risk of fraudulent activity related to solid fuel.
	b) The SP must have a suitable fraud policy, which should be agreed with the Department during the Transition Period. This should be reviewed and updated on an annual basis.
	c) The SP may be alerted to fraud (potential or actual) from different routes. It could be from anonymous allegations, from the NCFO, from property when making deliveries, etc. This is not an exhaustive list.
	d) The SP must ensure that all staff are aware of the fraud policies and procedures.

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B) Suspected fraud	a) The SP will inform the Department as soon as practicable (within 24 hours) if it suspects any serious fraud relating to the supply of solid fuel or operation of the Service (which shall include any suspected significant fraud by a Beneficiary or any member of the SP's staff) that has occurred.
	b) The SP will take whatever immediate steps it considers to be appropriate in the circumstances, and in consultation with the Department, on further steps including obtaining the Department's approval for commencing any legal proceedings in respect of any suspected fraud.
C) Fraud initiatives	a) The SP should be proactive in managing fraud. As part of this, the SP should develop and implement its own fraud prevention initiatives and agree them with the Department during the Transition Period and refresh them periodically throughout the life of the contract.
	b) Additionally, the SP may be required to participate in any HMG fraud prevention initiatives as applicable at the time.
D) Fraud reports	a) The SP should develop a suite of fraud reports, some of which may be exception reports. This could include a report on duplicate records, results of a cross check from other sources such as the NCFO.

3.5 Account Governance and Management

A) General	a) The SP must have in place an effective management structure with a named Contract Manager.
	b) The SP must ensure that there is appropriate governance and controls to prevent any compromise to the services.

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B) Staff	a) The SP must put in place an appropriately sized and skilled team to deliver the required services.
	b) The SP must employ staff of the correct competency and level of experience to ensure that the SP can deliver the required service.
	c) The SP must have a suitable training and development programme for staff. Staff must be fully aware of their roles and responsibilities throughout the life of the contract and have an awareness of rules on data handling, DPA etc.

3.6 Management Information (MI) & Reporting

A) MI and reporting	a) The SP must have information tools to deliver accurate and effective MI to the Department derived from the Beneficiary data held. The type of reports, timescales and frequency of the MI will be agreed during the Transition Period. It will be reviewed at least every six months to ensure it continues to meet the Department's requirements.
	b) MI reporting may change from time to time or ad hoc reports may be requested. These are at the discretion of the Department and all such reasonable changes will be implemented at no additional charge by the SP.
	c) The SP must ensure appropriate liaison with the NCFO to ensure consistency of information on solid fuel Beneficiaries.

3.7 Audit and Risk Management

A) Audit	a) The SP must proactively support and co-operate with all audit activity commissioned by the Department.
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<p>b) The SP must have an appropriate management structure in place to ensure that sufficient resources are available at a senior level to support the audit process.</p>	
<p>c) The SP must have appropriate internal audit processes and procedures in place to ensure a quality service. For example, there should be audits in the following areas:</p> <ul style="list-style-type: none"> ▪ Fuel stock management; ▪ Fuel quality; ▪ Financial controls; ▪ Fraud management controls ▪ Data quality and MI. 	
<p>d) The Department’s audit team or another Government body such as the NAO must have complete right of access to all SP and sub-contractor related information, relevant locations, IT systems, documentation and personnel to undertake any audits as required by the Department.</p>	
<p>e) The data and information provided to the auditors must be accurate, transparent and consistent. For the avoidance of doubt, the Department will not pay for the collation and provision of data to enable audits to proceed.</p>	
<p>f) Information requests, and responses to queries must be provided in a timely manner.</p>	
<p>g) Recommendations arising from any audits carried out must be implemented within agreed timescales or alternative arrangements agreed with the Department.</p>	
<p>B) Risk Management</p>	<p>a) The SP must have an effective risk management process in place.</p>

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b) The SP must maintain a written record of risks and issues (Risk Log) which could affect any part of the services. This Risk Log must be shared with the Department on a regular basis as part of contract compliance meetings.
c) The SP must raise any new risk concerns with the Department and work with the Department to confirm the relevant ratings and actions to be taken to mitigate these.

3.8 Business Continuity and Disaster Recovery

A) Procedures	a) The SP must have in place procedures to recover and restore partially or completely interrupted critical function(s) within a predetermined time after a disaster or extended disruption: <ul style="list-style-type: none">▪ Telephone service back up within 24 hours;▪ IT systems available within 48 hours;▪ Staff at desks available within 48 hours;▪ Deliveries re-commenced within 48 hours.
	b) The SP must have in place contingency procedures to handle incidents which might include bad weather (including snow), fires, floods, pandemics, a prolonged loss of power and IT downtime and other events determined from time to time.
	c) The procedures must cover both operational issues (such as staff, buildings, and facilities) and IT systems.

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B) Disaster Recovery Plan (DRP)	<p>a) The SP must develop and maintain a DRP to include preventative and remedial steps to be taken in the event of interruption to the services or business processes, to ensure continuity of the service or to recover data and other Intellectual Property Rights (IPR). The Department must approve the DRP, and the SP must, in the event of interruption of the services, act in accordance with the same. The cost of such act will not trigger an additional charge to the Department.</p>
	<p>b) The SP must be able to recover the applications to a consistent point at the end of standard service hours before the disaster occurred within the timescale for recovery as defined in the DRP for the applications.</p>
	<p>c) The SP must conduct an annual Disaster Recovery Exercise. The first annual test must take place no later than December 2025 with a full report on the outcome made available to the Department by the end of January 2026.</p>
	<p>d) The SP must inform the Department immediately of any necessity to invoke the DRP.</p>
	<p>e) If the DRP involves the SP entering into any agreement with a disaster recovery service provider, such an agreement shall be subject to the Department's prior written approval. Any such agreement or approval must not prejudice or affect the liabilities of the SP under or in connection with the contract and the SP should be fully liable for the acts and/or omissions of any recovery service provider acting on its behalf.</p>

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3.9 Data Handling (see also section 5)

A) Policies, procedures and plans	a) The SP must ensure that all its data storage and handling policies comply fully with all relevant UK and EU regulations and as set out in the Standard Terms and Conditions.
	b) The SP must adhere to the requirements of the GDPR and support the Department in its compliance when processing Personal Data.
	c) The SP must ensure that its own data handling policies and procedures are designed and operate effectively, ensuring that the security and integrity of this data is always maintained.
	d) At the beginning of the contract and subsequently on an annual basis, the Department will ask the SP to undertake a self-compliance check review against the Departments requirements for data handling and security. A copy of the Departments requirements and compliance matrix is contained at Ref 9. The Department reserves the right to deploy short notice audit checks to confirm the information provided in the self-assessment compliance response.
	e) The SP must produce a Security Plan during the Transition Period, which will require approval from the Department.
B) Staff	a) The SP must ensure that all staff are aware of data handling policies and procedures.
	b) The SP must take steps to ensure that those staff processing Personal Data on behalf of the Department are adequately trained and made aware of their roles and responsibilities on at least an annual basis.

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C) Infrastructure	a) The SP must maintain an appropriate infrastructure, procedural and resource framework to ensure that the Personal Data held by the SP, is always managed in compliance with the GDPR.
	b) The SP must have adequate technical and organisational measures in place to prevent unauthorised and unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data.
D) Incidents and breaches	a) The SP must operate to defined procedures and organisational controls for monitoring and reporting all incidents involving Personal Data.
	b) The SP must have a process in place to identify, log and report all unauthorised and unlawful processing of Personal Data and accidental loss or destruction of, or damage to, Personal Data.
	c) The SP must ensure that any breaches in data security are reported as soon as possible, which must be within 24 hours of the breach, through the appropriate channels to the Department and any other appropriate Governmental Department or Agency as directed by the Department including the Information Commissioners Office (ICO).

3.10 IT Requirements

If the SP proposes developing a new system or amending an existing system to meet the requirements as set out in this Specification, all IT costs must be wrapped up in the Service Charge. No separate or additional charges for IT development, etc. will be acceptable.

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A) General	a) The SP must provide a resilient IT infrastructure to ensure minimal downtime in the event of software or hardware failure.
	b) This must also include appropriate levels of backup and recovery procedures and processes.
	c) The core system deployed to meet the contract obligations must conform to the requirements specified by the Risk Management and Accreditation Documentation Set (RMADS) ² process adopted by Government.
B) Data	a) The SP will manage the master solid fuel Delivery Database, ensuring that the data is accurate and up to date.
	b) The unique NCFO Beneficiary reference number must be retained within the system to ensure the ability to data synchronise with the NCFO.
	c) Information to and from the NCFO must be sent via secure FTP. A flowchart showing the interface between the two parties, and a description of the file transfer protocol, file format and daily file specification is included at Ref 2. More detailed information will be available during the Transition Period.
C) Transition	a) The SP must ensure that the transition of systems and data is secure, complete and accurate.
	b) In the event that the SP develops a new system, the SP must ensure the integrity of the data and minimise disruption to the operations.
D) Refresh / upgrade	a) Any future upgrade or refresh of the systems must already be included in the fixed fee. There will be no additional charge for this exercise(s).

² For public bodies, a key part of the government accreditation process is preparation of a Risk Management Accreditation Document Set (RMADS) - a formal analysis that demonstrates that a system delivers appropriate levels of information assurance

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b) Any upgrade or refresh must ensure the integrity of the data and minimise disruption to the operations.
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3.11 Transition

It is expected that the date of contract award will be on or before October 2024 and therefore the Transition Period for the new contract will be 6 months from October 2024 to March 2025.

A) Governance	a) The SP must ensure adequate governance arrangements during transition including, inter alia, MI and risk reporting, assets inventory, BCP and DRP, service manual, working procedures and invoice process.
	b) The SP must work constructively with the current incumbent supplier and other third parties as required to enable the SP to meet their responsibilities.
B) Planning and monitoring	a) The SP must develop a robust Transition Plan, including stock acquisition, stakeholder communication and delivery of annual fuel letters, on a timescale agreed with the Department, which minimises disruption of the current services, but ensures that the new service requirements can be fully operational by March 2025.
	b) The plan must be discussed and agreed in advance with the Department.
	c) The SP must update the Department with progress, risks and issues at least weekly unless otherwise agreed.
	d) The SP must provide the Department, at the end of transition, with written and signed assurances that the transition has been successfully completed.

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3.12 Exit Management

A) General	a) The SP must ensure adequate governance arrangements to ensure a smooth exit from the Contract.
	b) The SP must work constructively with the Department and the future SP to ensure an effective handover.
B) Planning and monitoring	a) The SP must provide and implement an exit management plan, which must be agreed by the Department.
	b) The plan should include: <ul style="list-style-type: none">▪ all activities needed in the transfer of the services from the SP to any potential new SP within timescales directed by the Department;▪ individual activities relating to the SP and how they will be exited;<ul style="list-style-type: none">▪ staff;▪ assets;▪ premises;▪ licenses and IPR;▪ data and records;▪ communications between stakeholders; and▪ MI.
	c) The SP must update the Department with progress, risks and issues at least weekly unless otherwise agreed.
C) Lessons learnt	a) The SP is required to produce a lessons learnt report covering the term of the Contract.

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4. Working Arrangements

Working Arrangements

The successful contractor will be expected to identify one named point of contract through whom all enquiries can be filtered. A DESNZ project manager will be assigned to the project and will be the central point of contact.

5. Data Protection

The Contractor will be compliant with the Data Protection Legislation, as defined in the terms and conditions applying to this Invitation to Tender. A guide to The General Data Protection Regulation published by the Information Commissioner’s Office can be found [here](#).

The only processing that the Contractor is authorised to do is listed in **Annex 1** and may not be determined by the Contractor.

Annex 1: Processing, Personal Data and Data Subjects

(1) The contact details of the Department’s Data Protection Officer are:

Data Protection Officer
Department for Energy Security and Net Zero
3-8 Whitehall Place
London
SW1A 2EG

Email dataprotection@energysecurity.gov.uk

(2) The contact details of the Supplier’s Data Protection Officer are: [To be completed by the Contractor]

(3) The SP shall comply with any further written instructions with respect to processing by the Department.

(4) Any such further instructions shall be incorporated into this Annex 1.

Description	Details
Subject matter of the processing	The processing is needed to ensure that the Contractor can effectively deliver the contract to provide the core services as set out in the specification.

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	<p>The processing of names and business contact details of staff of the Department, the NCFO and the SP will be necessary to deliver the services exchanged during the Contract, and to undertake contract and performance management.</p> <p>The Contract itself will include the names and business contact details of staff of both the Department and the SP involved in managing the Contract.</p>
Duration of the processing	Processing will take place from 29 th March 2025 for the duration of the Contract. The Contract will end on 28 th March 2028 but may be extended until 28 th March 2031.
Nature and purposes of the processing	<p>The nature of the processing will include 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 secure destruction of data</p> <p>Processing takes place for the purposes of managing solid fuel entitlements under various historic fuel agreements for which the Department is responsible.</p> <p>The nature of processing will include the storage and use of names and business contact details of staff of both the Department and the SP as necessary to deliver the services and to undertake contract and performance management. The Contract itself will include the names and business contact details of staff of both the Department and the SP involved in managing the Contract.</p>
Type of Personal Data	Names, telephone numbers, addresses of solid fuel beneficiaries and entitlement levels. The Contract itself will include the names and business contact details of staff of both the Department and the SP involved in managing the Contract.

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Categories of Data Subject	Individuals qualifying for solid fuel under historic fuel agreements. Staff of the Department and the SP, including where those employees are named within the Contract itself or involved within contract management.
Plan for return and destruction of the data once the processing is complete UNLESS requirement under UK law to preserve that type of data	The SP will provide the Department with a complete and uncorrupted version of the Personal Data in electronic form (or such other format as reasonably required by the Department and erase from any computers, storage devices and storage media that are to be retained by the SP after the expiry of the Contract. The SP will certify to the Department that it has completed such deletion.

Cyber Security

In line with HM Government’s Cyber Essentials Scheme, the SP will hold valid Cyber Essentials certification by the time of contract award. Evidence of the certification must be provided to the Department for the contract to be awarded.

Evidence of renewal of certification must then be provided to the Department on each anniversary of the first applicable certificate obtained by the SP for the duration of the Contract. In the event the SP fails to comply, the Department reserves the right to terminate the Contract for material breach in line with the Standard Terms and Conditions of Contract.

If the Contractor already holds ISO27001 accreditation, no further Cyber Essentials certification will be necessary provided that the certification body carrying out this verification is approved to issue a Cyber Essentials certificate by one of the accreditation bodies.

6. Skills and Capability

DESNZ would like you to demonstrate that you have the skills and capabilities to undertake the project. Your tender response should include a summary of each proposed team members skills and capabilities.

Contractors should propose named members of the project team and include the tasks and responsibilities of each team member. This should be clearly linked to the work programme, indicating the grade/ seniority of staff and number of days allocated to specific tasks.

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Contractors should identify the individual(s) who will be responsible for managing the project.

7. Consortium Bids

In the case of a consortium tender, only one submission covering all the partners is required but consortia are advised to make clear the proposed role that each partner will play in performing the contract as per the requirements of the technical specification. We expect the bidder to indicate who in the consortium will be the lead contact for this project, and the organisation and governance associated with the consortia.

Contractors must provide details as to how they will manage any sub-contractors and what percentage of the tendered activity (in terms of monetary value) will be sub-contracted.

If a consortium is not proposing to form a corporate entity, full details of alternative proposed arrangements should be provided in the Annex. However, please note the Department reserves the right to require a successful consortium to form a single legal entity in accordance with Regulation 19 of the Public Contracts Regulations 2015.

The Department recognises that arrangements in relation to consortia may (within limits) be subject to future change. Potential Providers should therefore respond in the light of the arrangements as currently envisaged. Potential Providers are reminded that any future proposed change in relation to consortia must be notified to the Department so that it can make a further assessment by applying the selection criteria to the new information provided.

8. Budget

Contractors should provide a full and detailed breakdown of costs. This should include staff (and day rate) allocated to specific tasks. Cost will be a criterion against which bids which will be assessed.

In submitting full tenders, contractors confirm in writing that the price offered will be held for a minimum of 120 calendar days from the date of submission. Any payment conditions applicable to the prime contractor must also be replicated with sub-contractors.

The Department aims to pay all correctly submitted invoices as soon as possible with a target of 10 days from the date of receipt and within 30 days at the latest in line with standard terms and conditions of contract.

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9. Performance Management

1. INTRODUCTION

- 1.1 The Specification states that a core objective of the Contract is:
“The SP must manage the business efficiently and contribute to strategic and operational matters to ensure the provision of a quality service which is reliable, fit for purpose, consistent and delivers VfM”.
- 1.2 The SP is required to establish a quality management system to ensure that all aspects of the contract are delivered to the required standards.

2. CONTRACT PERFORMANCE

- 2.1 The SP’s performance will be measured and reported in the Contract Performance Report. The measures will be based on a “Balanced Scorecard” which has 4 main perspectives:
- Operations
 - Financial
 - People
 - Customer
- 2.2 The SP will be required to produce both a monthly and quarterly report (“the Contract Performance Reports”) no later than 10 working days following the period it relates to. These monthly Contract Performance Reports will feed into the quarterly meetings between the SP and the Department.
- 2.3 The Department and the SP will agree the content and format during the Transition Period, but the report is likely to include the following information:

Operational

- Number of successful deliveries
- Tonnes of successful deliveries
- Number of out of phase deliveries and tonnage
- Number of recoveries, tonnage recovered and tonnage re-usable
- Number of failed deliveries
- Meeting the timescales as set out in the Specification and the Pricing and Performance Schedule
- Meeting the electronic data exchange obligations with the NCFO
- Response times for calls and correspondence and call abandonment rates
- Fraud indicators
- Operational issues and risks

Financial

- Funding requirements in tonnage and cost
- Accuracy and timeliness of invoicing
- Tracking indices used to amend fees
- Tracking contract prices to retail prices for each of the products supplied under the Contract

People

- Up to date organogram for key management and operational staff with job titles
- Report of information on insurance and MOT status for all vehicles requiring renewal that are used in the delivery of solid fuel to Beneficiaries-

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Customer

- Beneficiary complaints split into complaints about the service, delivery and quality of product, comparing against previous month and quarter
 - Audit results of any audits performed by the SP in the reporting month,
 - Relationship with the Department and the other stakeholders including complaints from other parties that are not the Beneficiaries, e.g. unions or MPs
- 2.4 Exception reporting such as data security breaches, IT disruption, etc. should also be included in the monthly and quarterly reports if applicable.
- 2.5 The SP should provide a RAG (Red – Amber – Green) status for each of the above components:
- Green – there are no issues or where there are a few issues, these issues are being managed in a controlled and effective manner
 - Amber – there are some issues but there is a clear plan to address these issues.
 - Red – there are some issues but there is only a limited plan to address the issues or that the plan has been implemented but does not appear to be working well.

3. SERVICE CREDITS

- 3.1 Where the SP fails to deliver fuel to the Beneficiary as set out in the Fuel Delivery Letter i.e. the schedule agreed with the Beneficiary, the SP will be charged £20 per working day for every day that the delivery is not made.
- 3.2 Where the SP fails to deliver an Emergency Delivery within 3 working days of an accepted request, the SP will be charged £20 per working day for every day the delivery is not made.
- 3.3 Where the SP fails to recover fuel within 1 calendar month of the instruction being received from the NCFO, the SP will be charged £20 per working day for every day the recovery is not made.
- 3.4 Service credits will be reported as part of the Contract Performance Reports with an explanation of the reasons for the failings.
- 3.5 Reimbursements to the Department will be credited against the monthly invoice of the subsequent month from the occurrence.
- 3.6 The Department may exercise discretion in the application of service credits if these occur as a result exceptional circumstances, e.g. bad weather, natural disasters or other occurrences to be agreed with the Department.

10. KPIs

Key contract delivery KPIs are outlined below, these are also included in Appendix 5 of the pricing and performance schedule.

Clause	Work	Task	Timescale
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2.2.4 A) b)	Purchasing Requirements	Payment terms within commercial contracts with solid fuel suppliers reflect the Department's contract terms.	Annually
2.2.4 A) d)	Purchasing Requirements	The Department receives, each year, supporting documentation of the product prices submitted by the SP from Suppliers	Annually
2.2.4 C) a)	Purchasing Requirements	The SP will ensure that their stock management means the Beneficiary receives uninterrupted deliveries of solid fuel according to the agreed schedule.	Weekly
2.2.4 F) b)	Purchasing Requirements	HETAS approval certificates (or equivalence agreed standard) and data sheets provided to the Department each time a product is tested.	At least once a year
2.3.5 A) a)	Delivery Requirements	Annually the SP will be expected to phase deliveries to be made in the forthcoming Fuel Year, April to March.	Annually
2.3.5 B) c)	Delivery Requirements	The SP will send NCFO, weekly, electronic file of deliveries, one week in advance of the week in which deliveries to be made. The file content to be to the agreed specification.	Weekly
2.3.5 B) d)	Delivery Requirements	The SP will send NCFO, daily, electronic file confirmation of deliveries made. The file content to be to the agreed specification.	Daily
2.3.5 C) a)	Delivery Requirements	The SP will make out of phase deliveries within 3 working days of the request being received.	3 working days
2.3.5 D) a)	Delivery Requirements	The SP will make deliveries as set out in the beneficiaries Delivery Letter.	Weekly
2.3.5 D) b)	Delivery Requirements	The SP will only make deliveries to Beneficiaries' homes on Monday to Friday within the hours of 07.30am to 18.30pm.	Weekly
2.3.5 D) d)	Delivery Requirements	For each delivery the SP will be required to produce a delivery ticket (or e-ticket) for the Beneficiary, showing the Beneficiary's name, address, fuel type and quantity delivered.	Per Delivery
2.3.5 D) e)	Delivery Requirements	Where the SP fails to make a delivery, as a result of not having access to the designated storage area, they will leave a card to let the Beneficiary know a delivery has been attempted.	Per failed delivery
2.3.5 E) b), F) a) and G) b)	Delivery Requirements	The SP will investigate and resolve as far as reasonable complaints about the quality of the fuel delivered, the manner in which the delivery was made, or the amount of fuel delivered within 10 working days of the complaint being received.	10 working days
2.3.5 H) a)	Delivery Requirements	The SP will recover previously delivered solid fuel, as instructed by NCFO within 1 Calendar month of the instruction being received.	1 calendar month
2.4.2 A) a)	Beneficiary Requirements	The SP will operate a local telephone helpline, to enable Beneficiaries to contact the SP between the	Daily

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		hours of 9am and 4pm on normal working days (Monday to Friday excluding Bank Holidays)	
2.4.2 B) b)	Beneficiary Requirements	If necessary, the SP will respond to written communication, either by letter or email, within 10 working days.	10 working days
2.4.2 B) d)	Beneficiary Requirements	If the SP receives correspondence about the entitlement, or a change of solid fuel, the SP will scan the correspondence to the required standards and the electronic copy must be forwarded to the NCFO within 1 working day.	1 working day
2.4.2 D) a)	Beneficiary Requirements	Annual Letters are sent to all solid fuel Beneficiaries to notify of the phasing of deliveries for the forthcoming Fuel Year.	Mid-March
2.4.2 E) a)	Beneficiary Requirements	On the day after the notification of a change in entitlement level by the NCFO the SP will send to the Beneficiary a letter confirming the re-phasing of deliveries and when these will be made.	Daily
2.4.3 A) c)	Managing Complaints and Disputes	The SP must respond within 10 working days from receipt of the complaint	10 working days
2.4.4 B) a)	MPs, others	Where MPs, MSPs, and AMs of the Welsh Assembly enquiries are directly addressed to the SP, the SP will respond, on behalf of the Department, to the enquiry within 10 working days, unless such enquiries are an issue of policy, in which case the SP will recommend a course of action and request approval of such action from the Department.	10 working days
2.4.4 B) b)	MPs, others	Where MPs, MSPs, and AMs of the Welsh Assembly enquiries are addressed to the Department, upon notification of the enquiry raised, the SP will supply the Department within 3 working days, a brief on the issue and a suggested draft response to enable the Department to respond by Departmental deadlines for such cases.	3 working days
2.5.2 b)	Liaison with the NCFO and data exchange	Daily, the SP will send information about confirmed deliveries. On a weekly basis, the SP will send information about planned deliveries. The NCFO will send daily information to the SP about changes to entitlements to enable the SP to amend their delivery plan accordingly.	Daily and Weekly
2.5.2 c)	Liaison with the NCFO and data exchange	On a monthly basis, the SP and the NCFO must work together to ensure that both the entitlement database and delivery database reconcile. Any variances will be investigated and resolved accordingly.	Monthly
3.3.2 B) a)	Financial Management	The SP must submit accurate invoices monthly for processing and payment, no later than 10 working days following the end of the month. Payments will	10 working days

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		be submitted and processed in arrears of services provided.	
3.3.2 C) b)	Financial Management	The in-year expenditure forecasts (broken down by month) should be provided at least once a year in March.	March
3.4.2 B) a)	Fraud Management	The SP will inform the Department as soon as practicable (within 24 hours) if it suspects any serious fraud relating supply of solid fuel or operation of the Service (which shall include any suspected significant fraud by a Beneficiary or any member of the SP's staff) that has occurred.	24 hours
3.8 A) a)	Business Continuity and Disaster Recovery	Recovery timescales are likely to be (i) telephone service backup within 24 hours (ii) IT systems available within 48 hours (iii) staff at desks available within 48 hours (iv) deliveries re-commenced within 48 hours	24 Hours, and 48 Hours
3.9 D) c)	Data Handling Incidents and Breaches	The SP must ensure that any breaches in data security are reported as soon as possible, which must be within 24 hours of the breach.	Within 24 hours

Schedule 8

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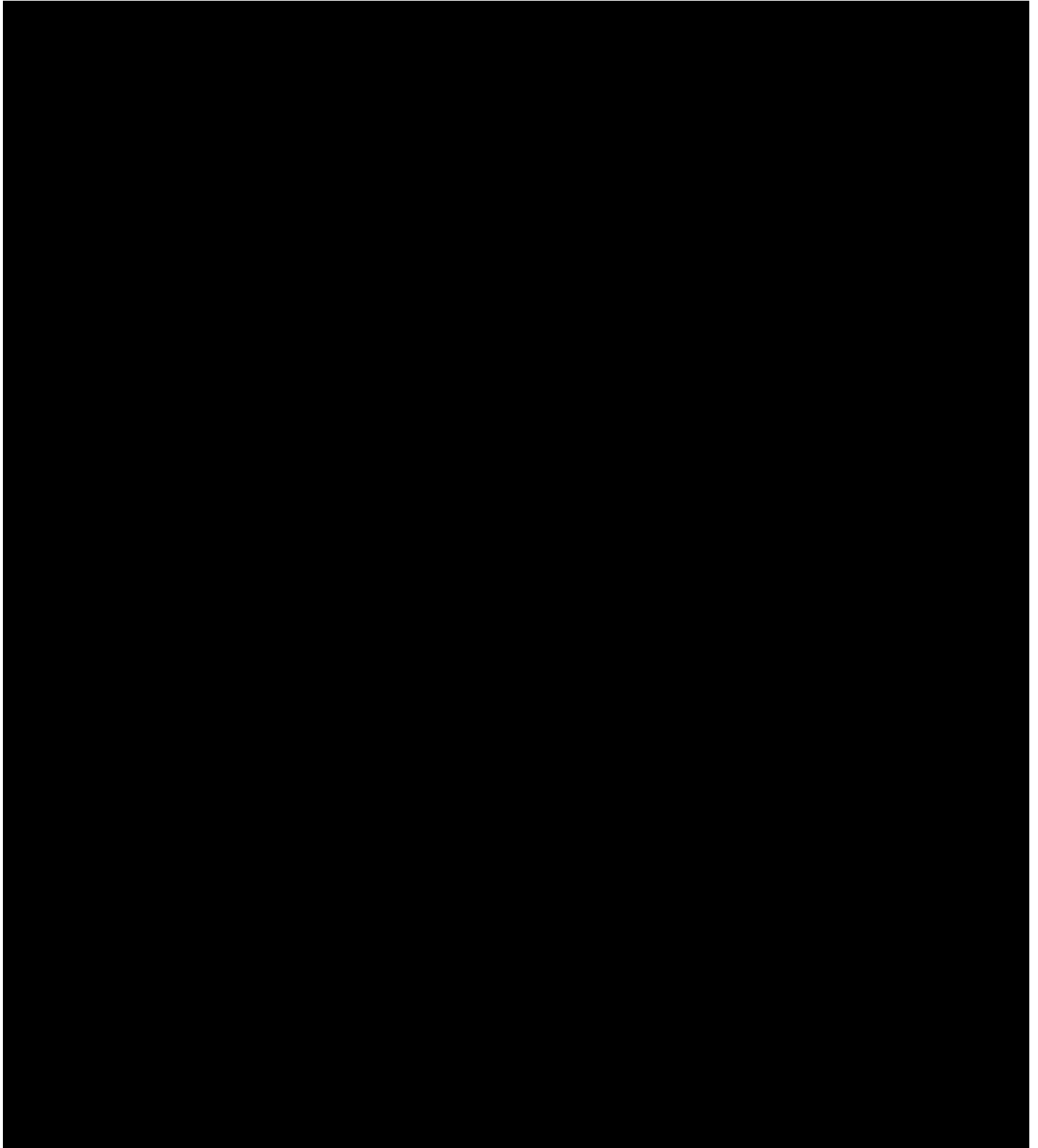
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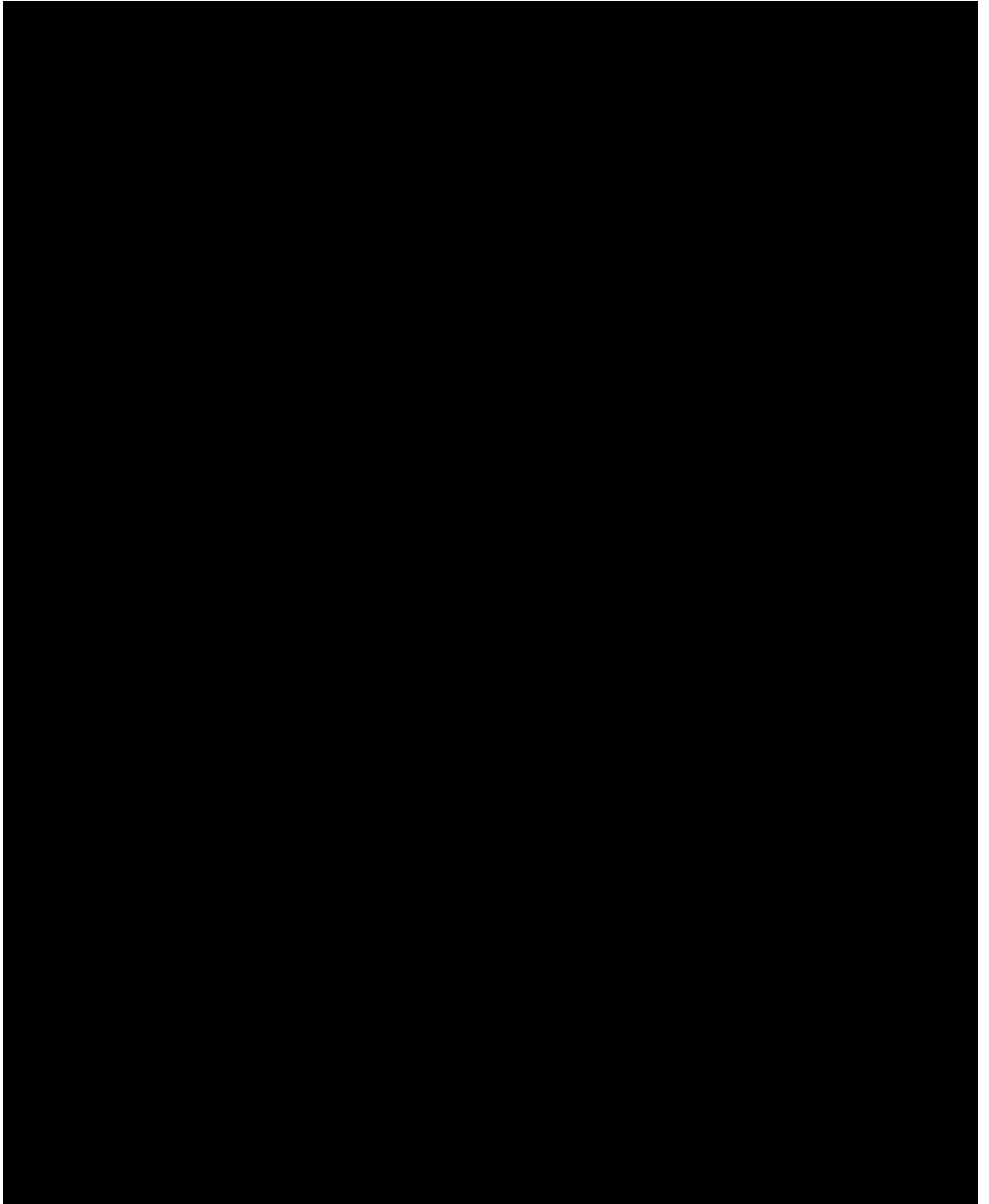
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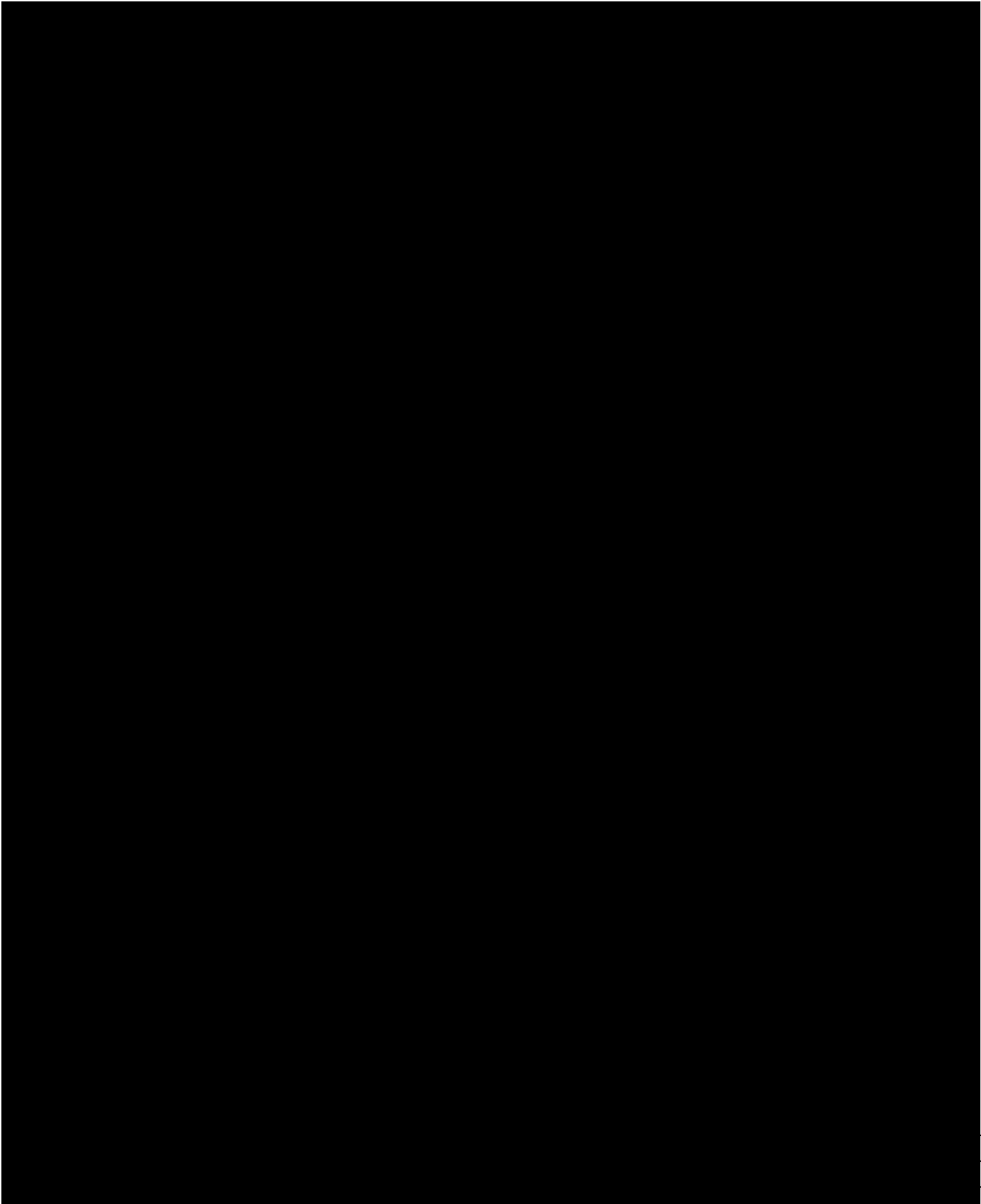
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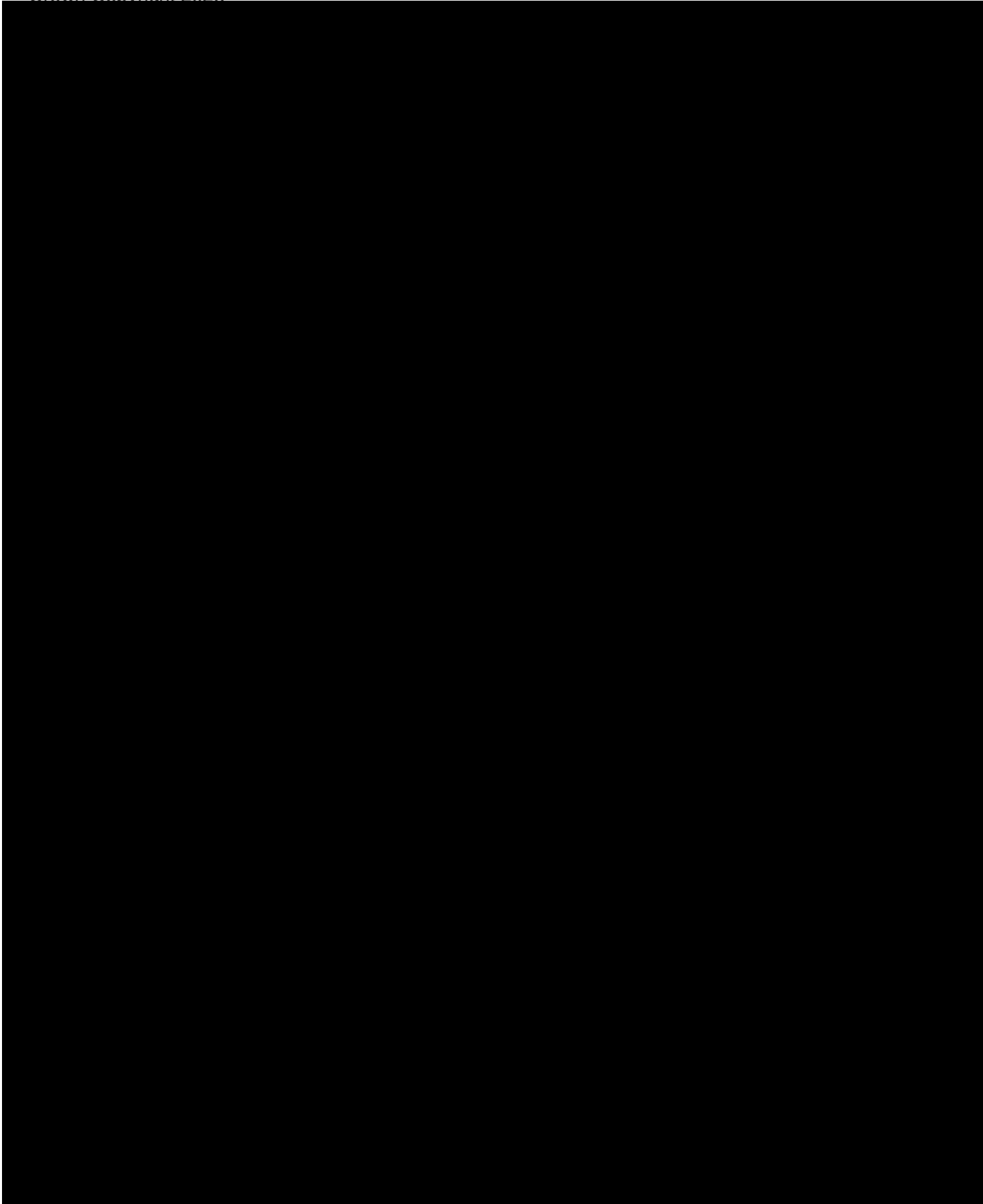
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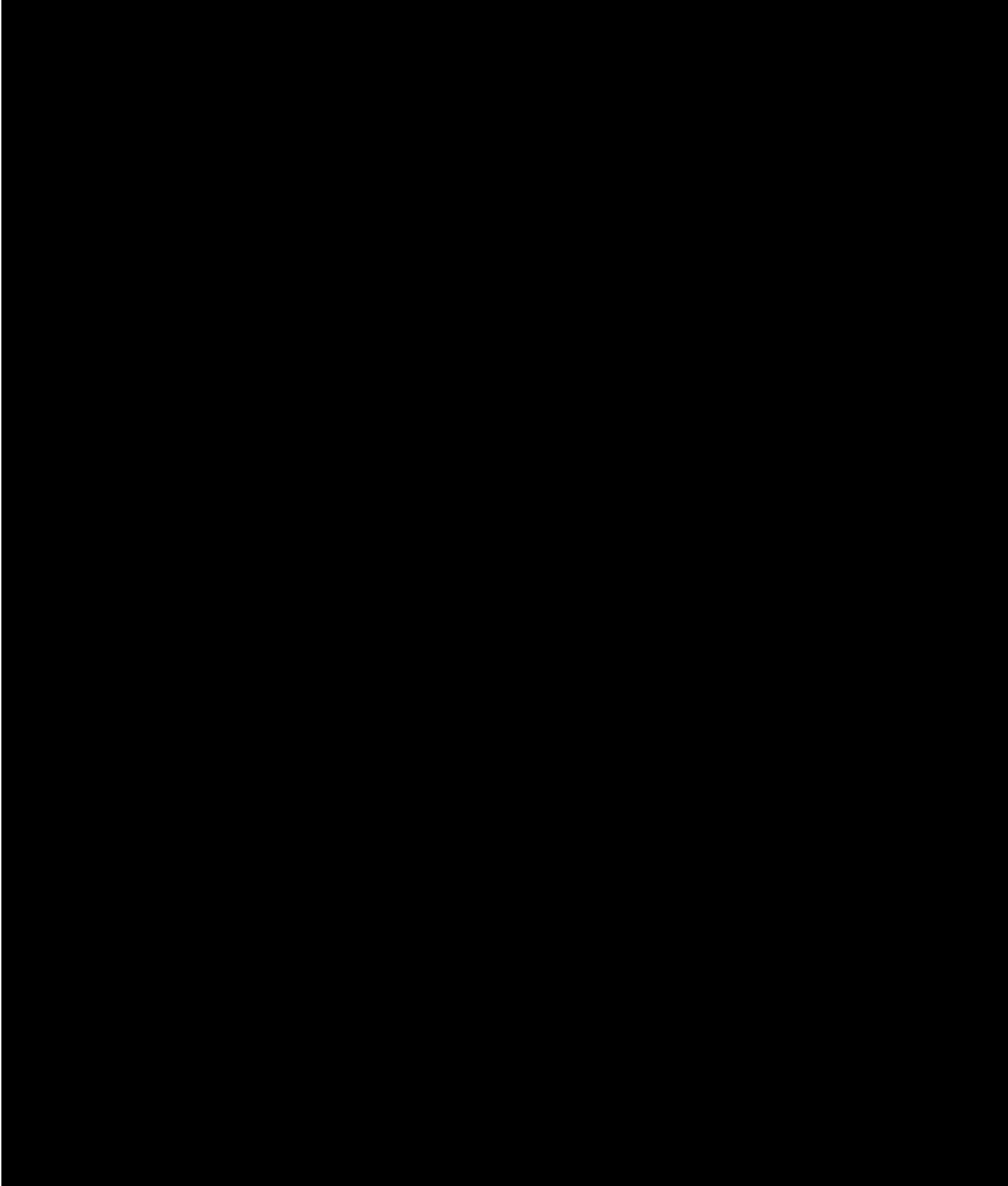
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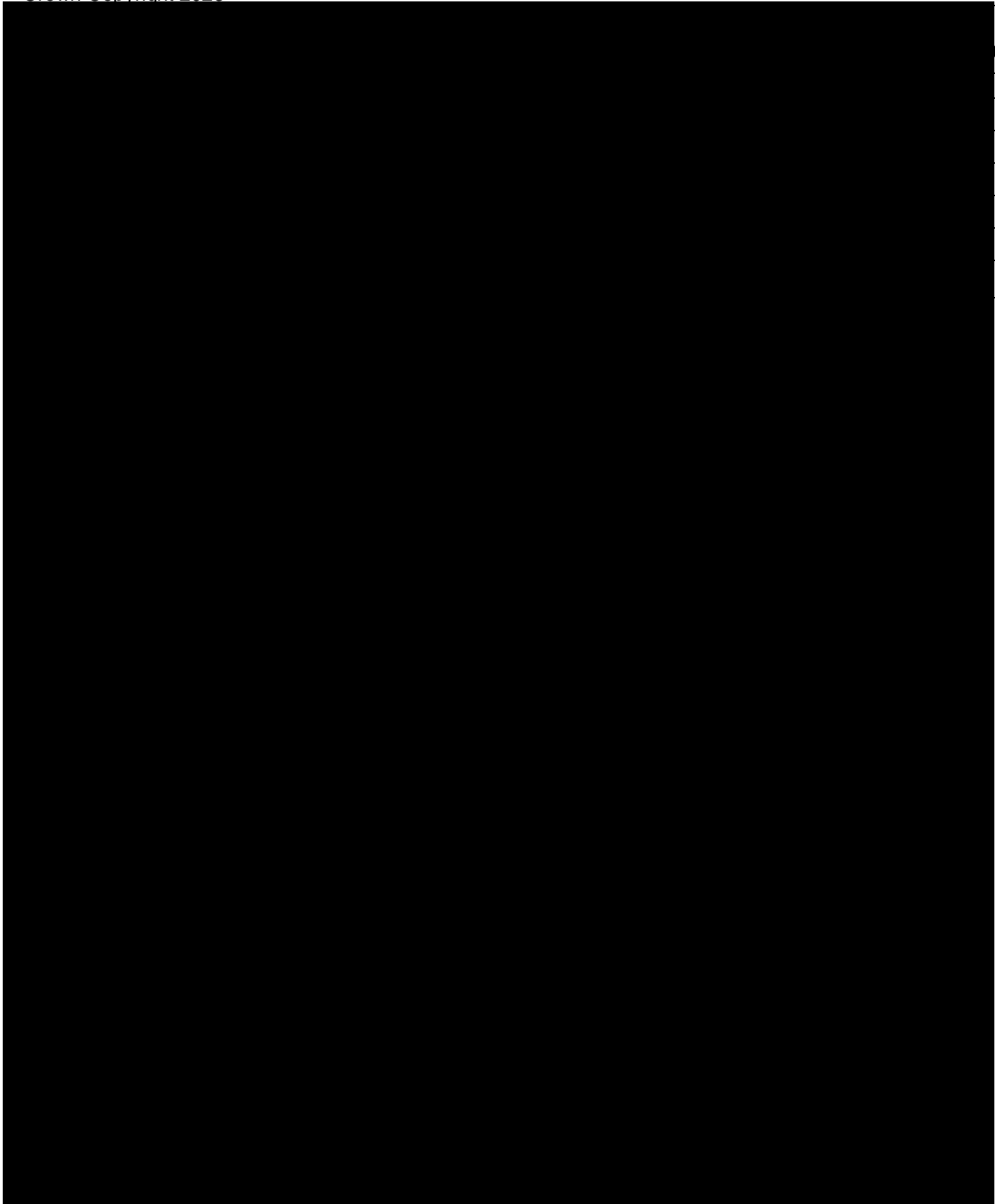
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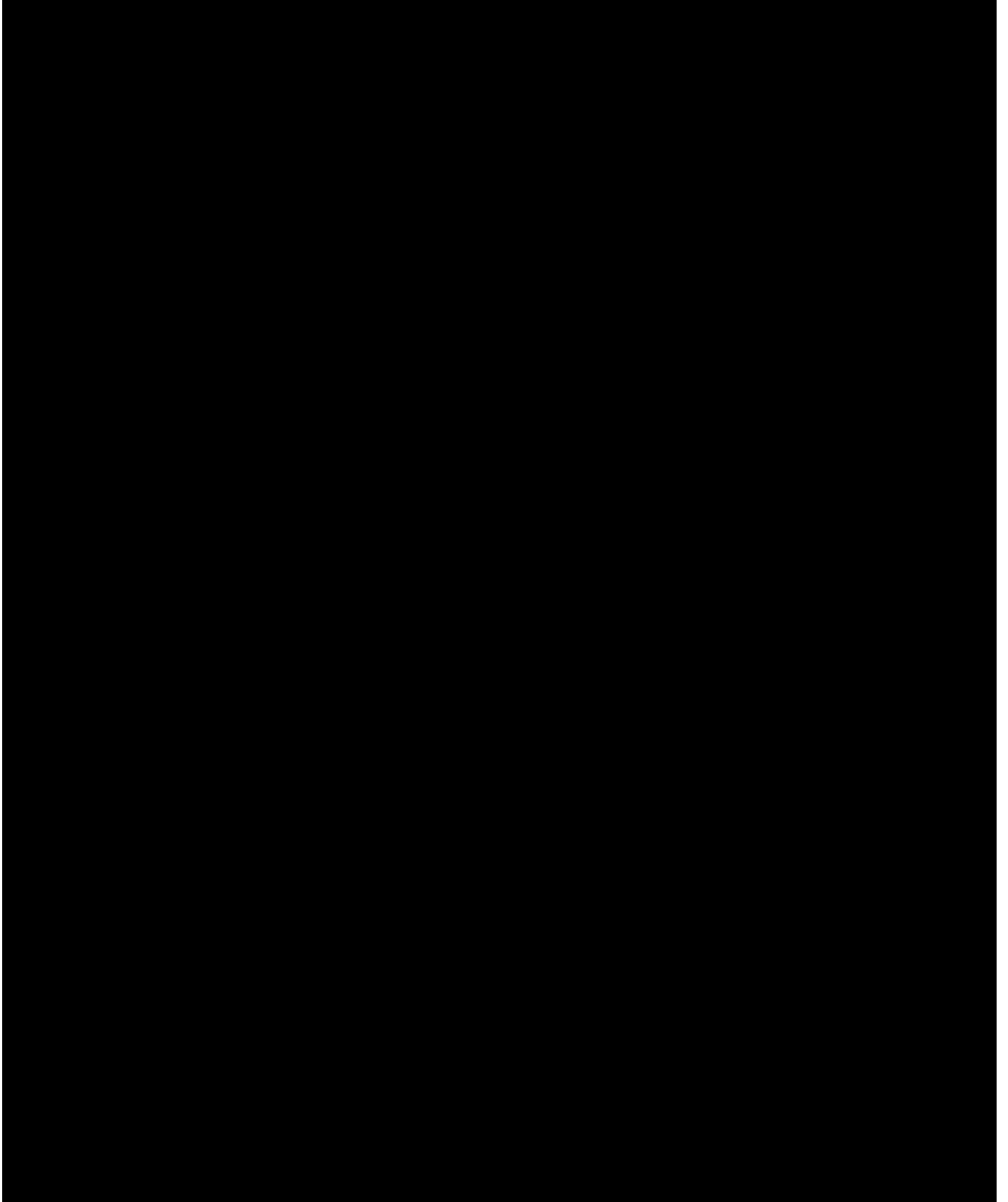
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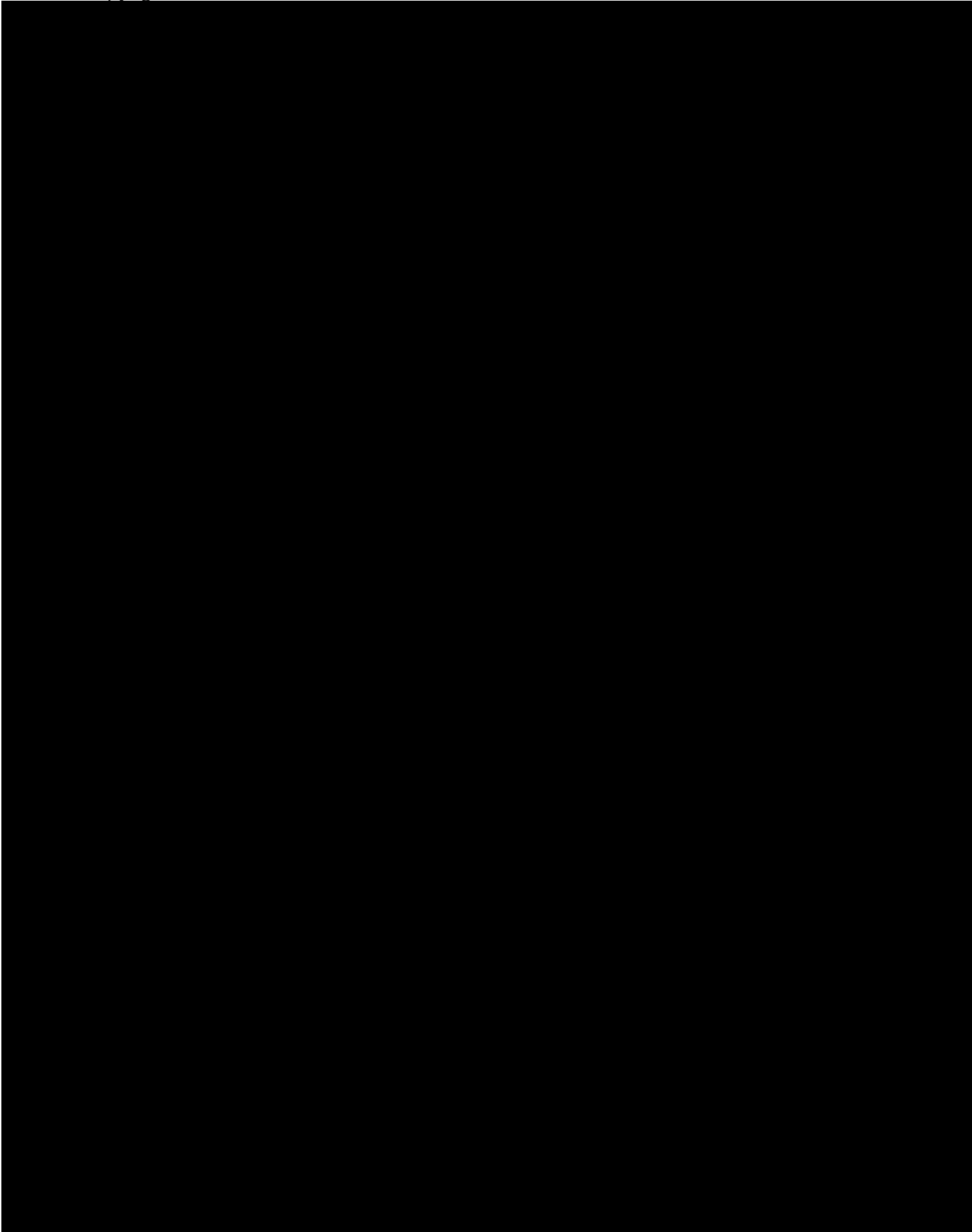
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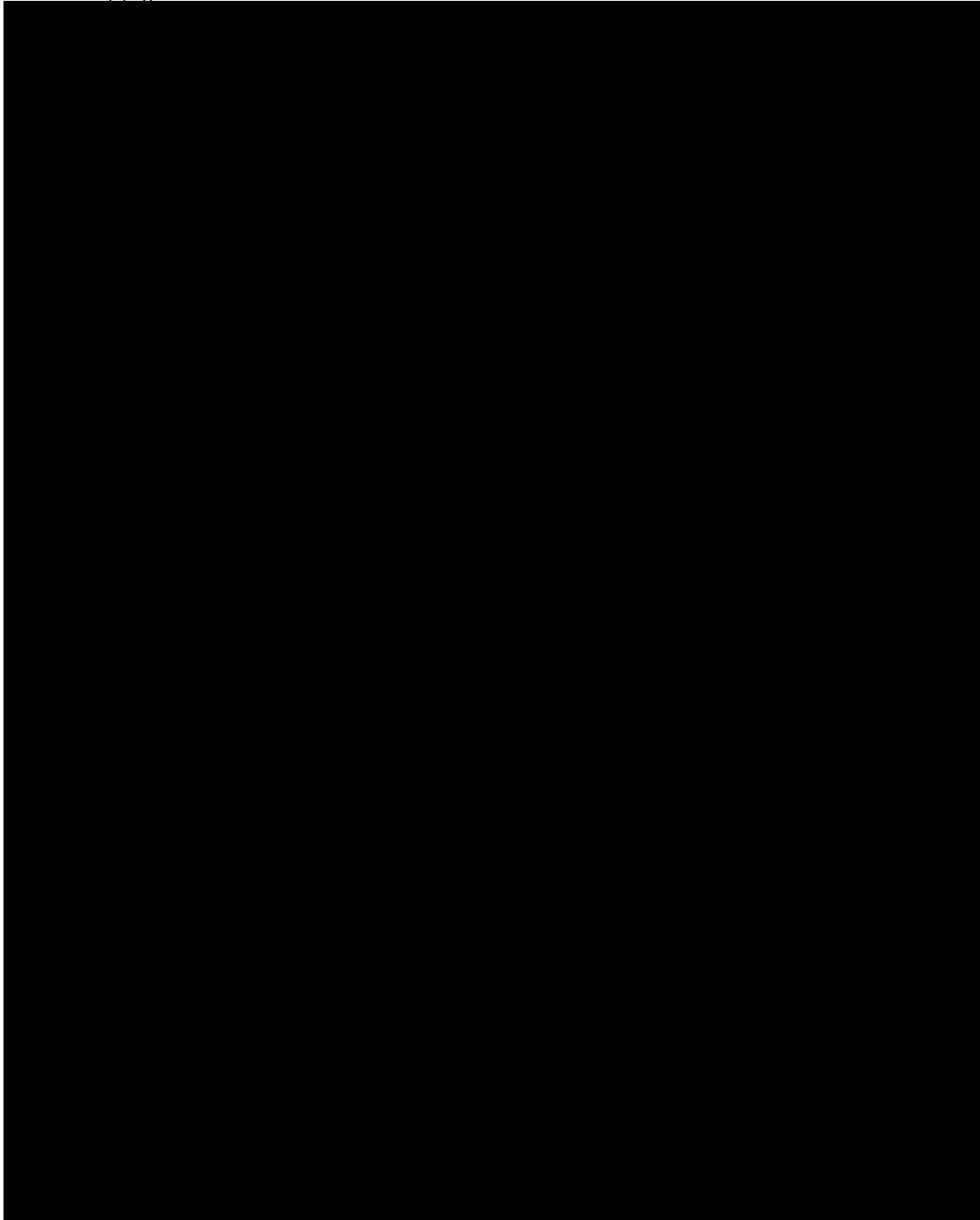
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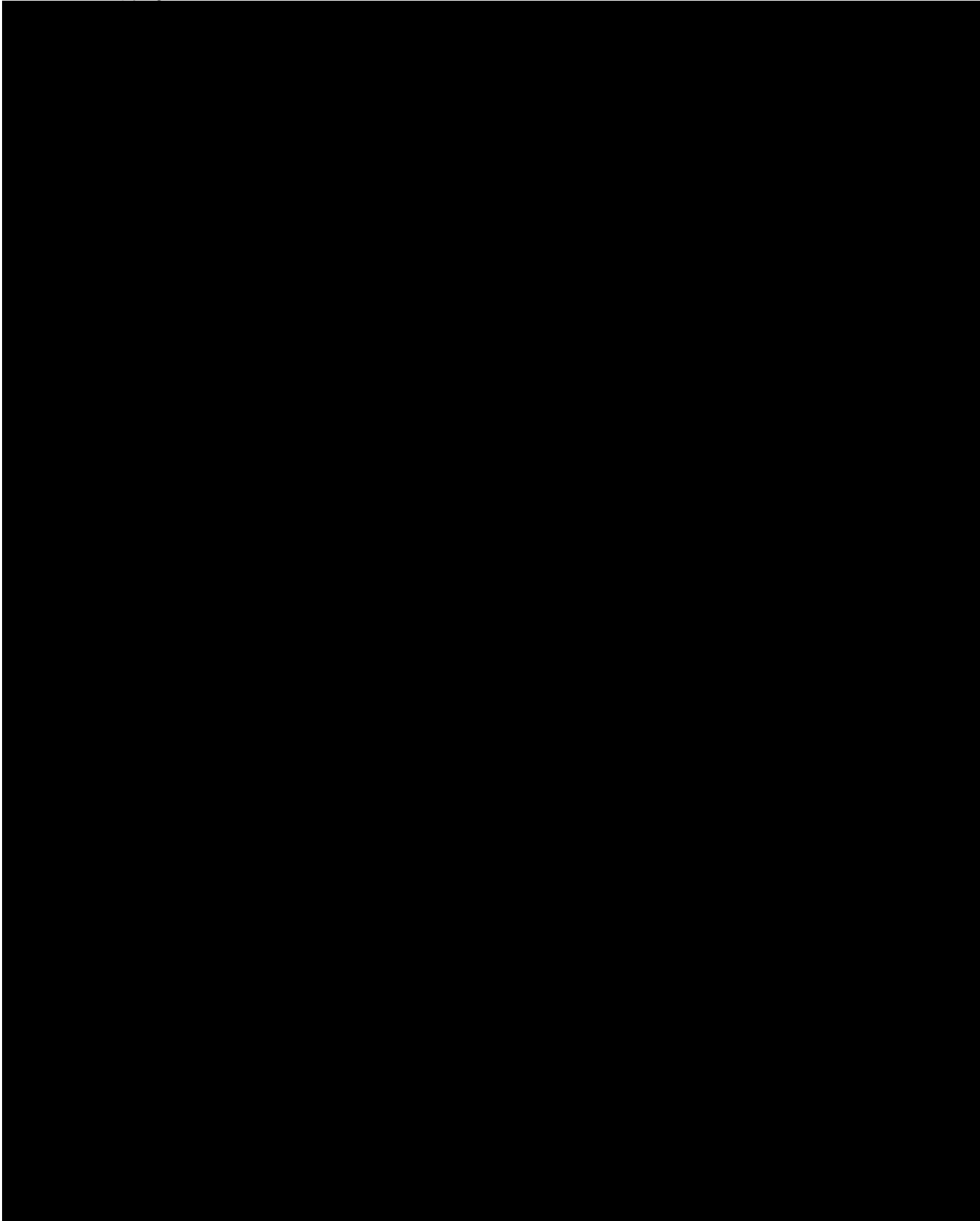
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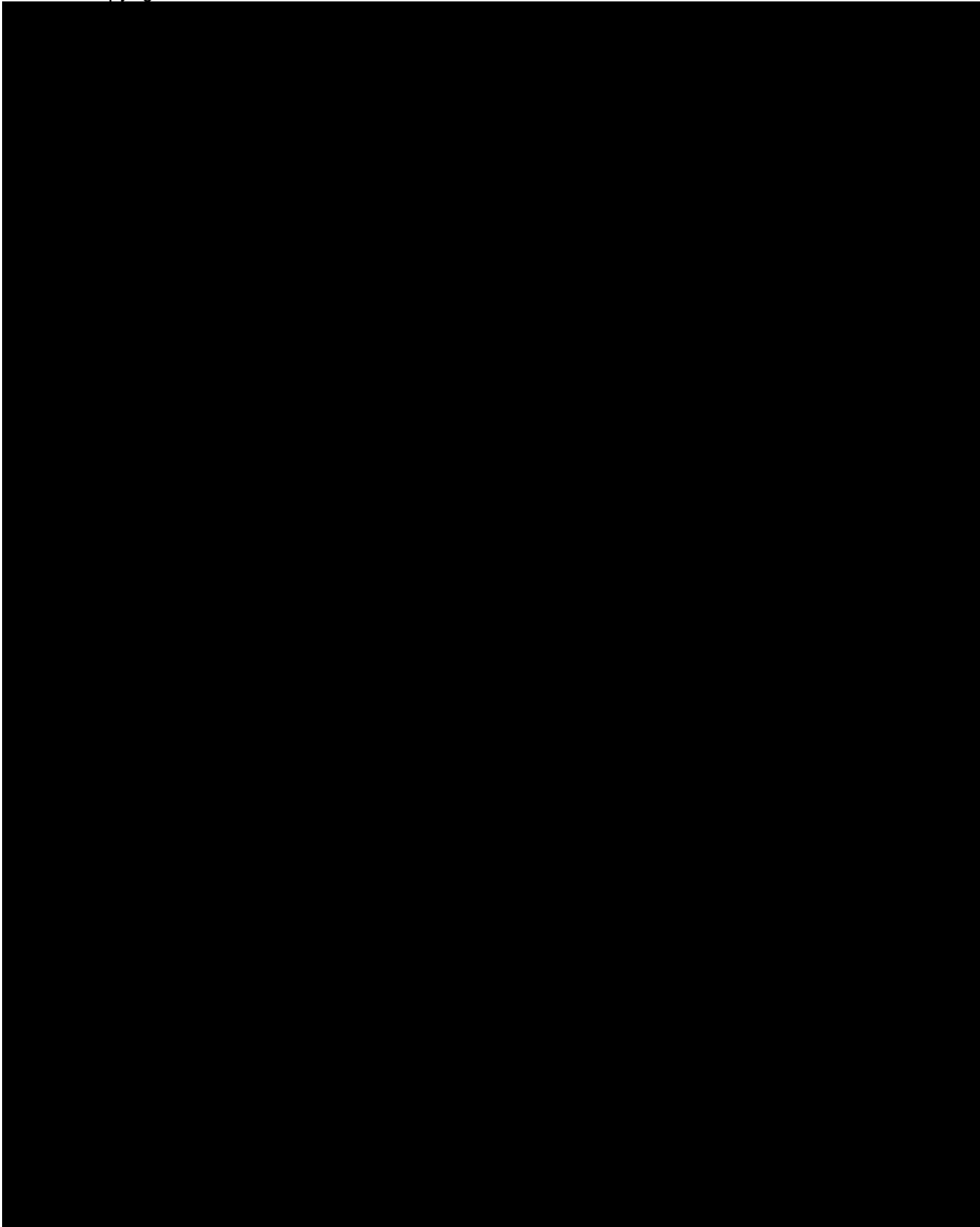
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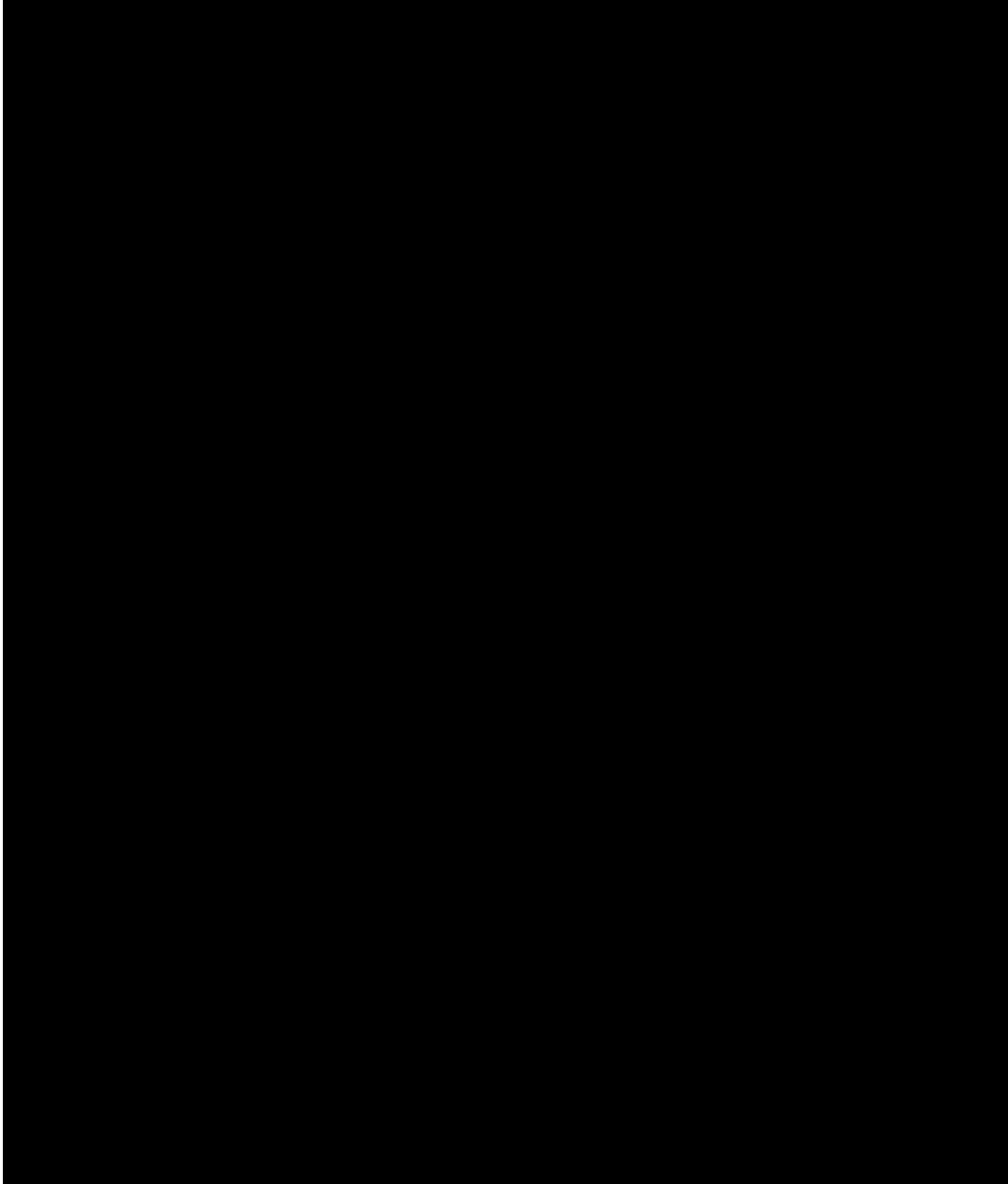
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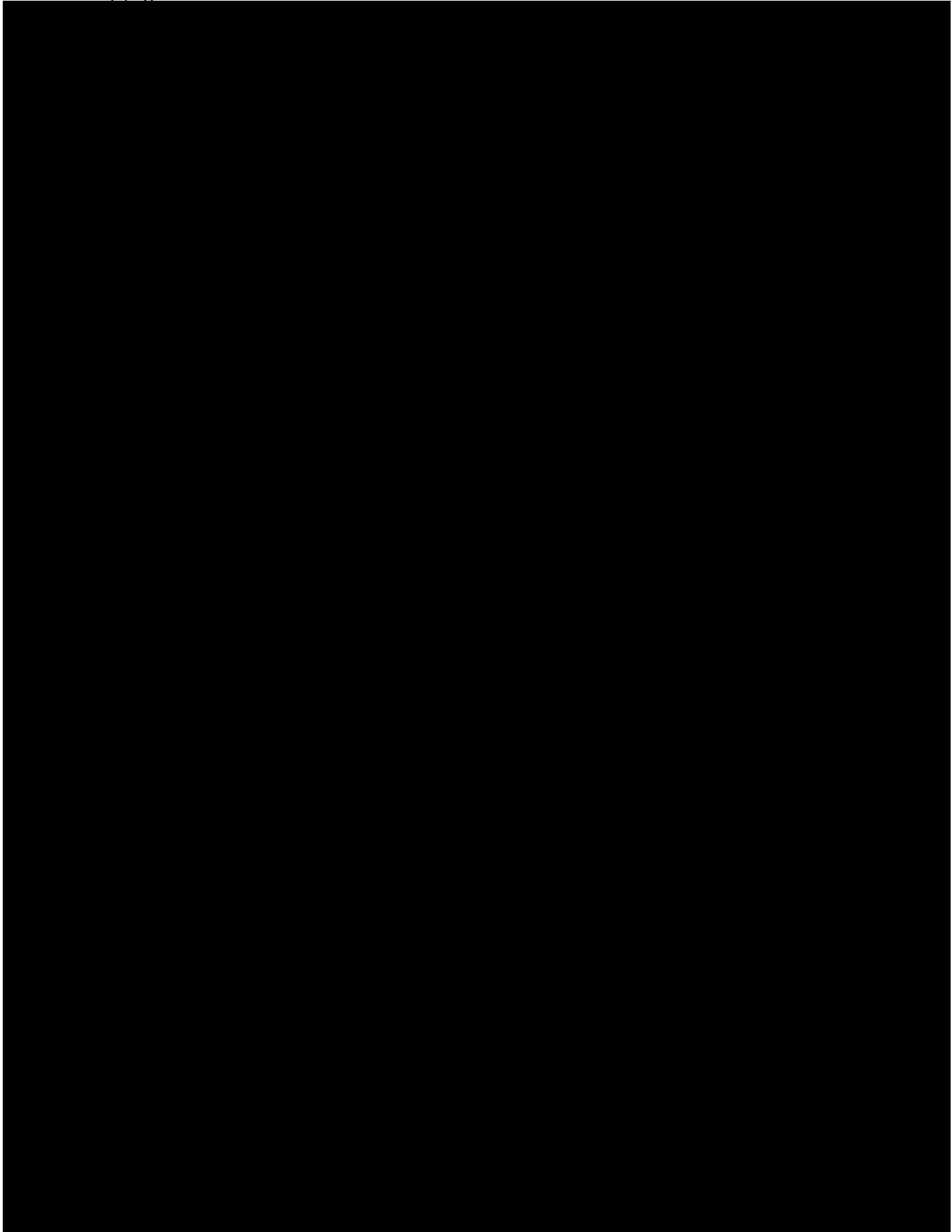
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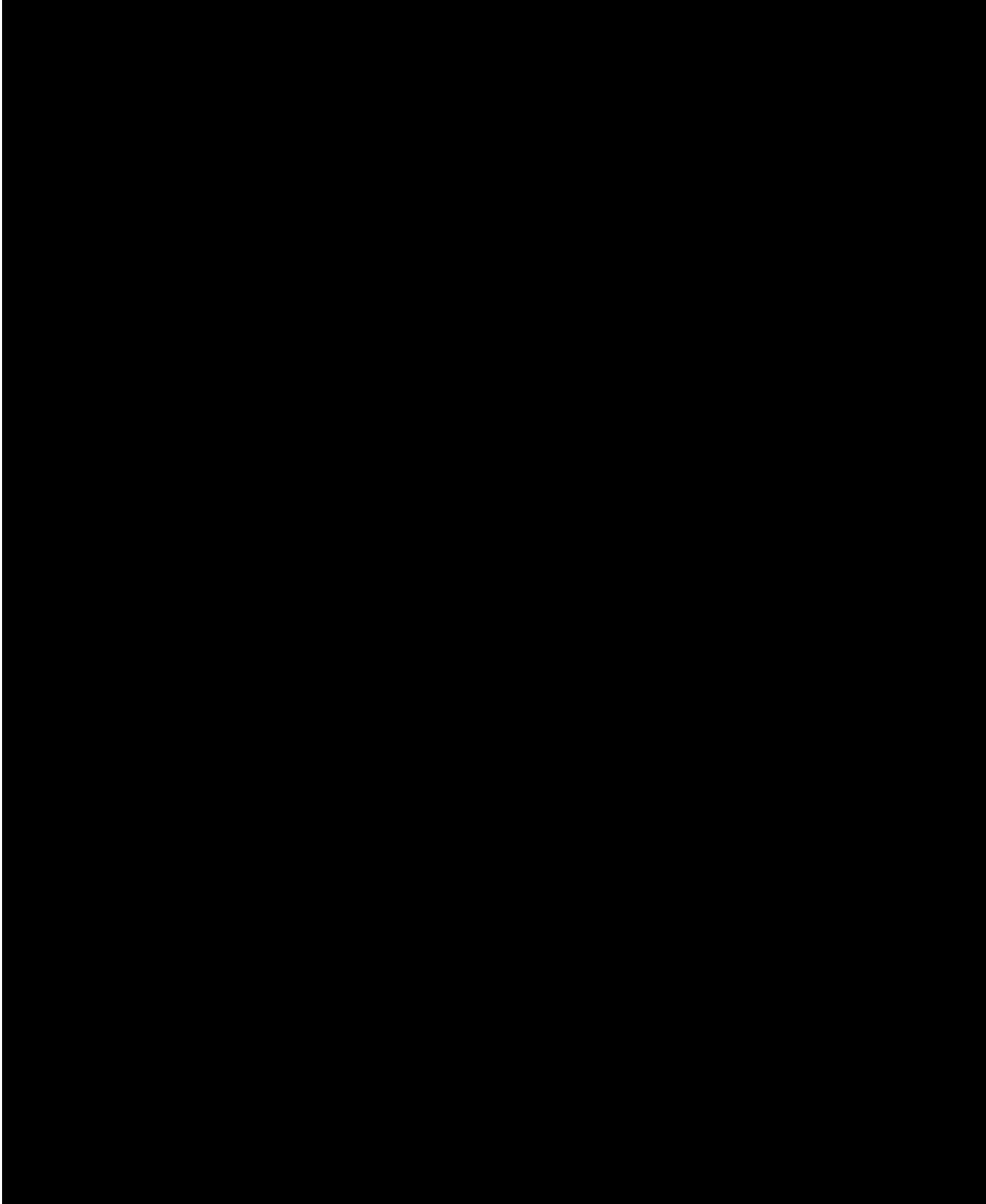
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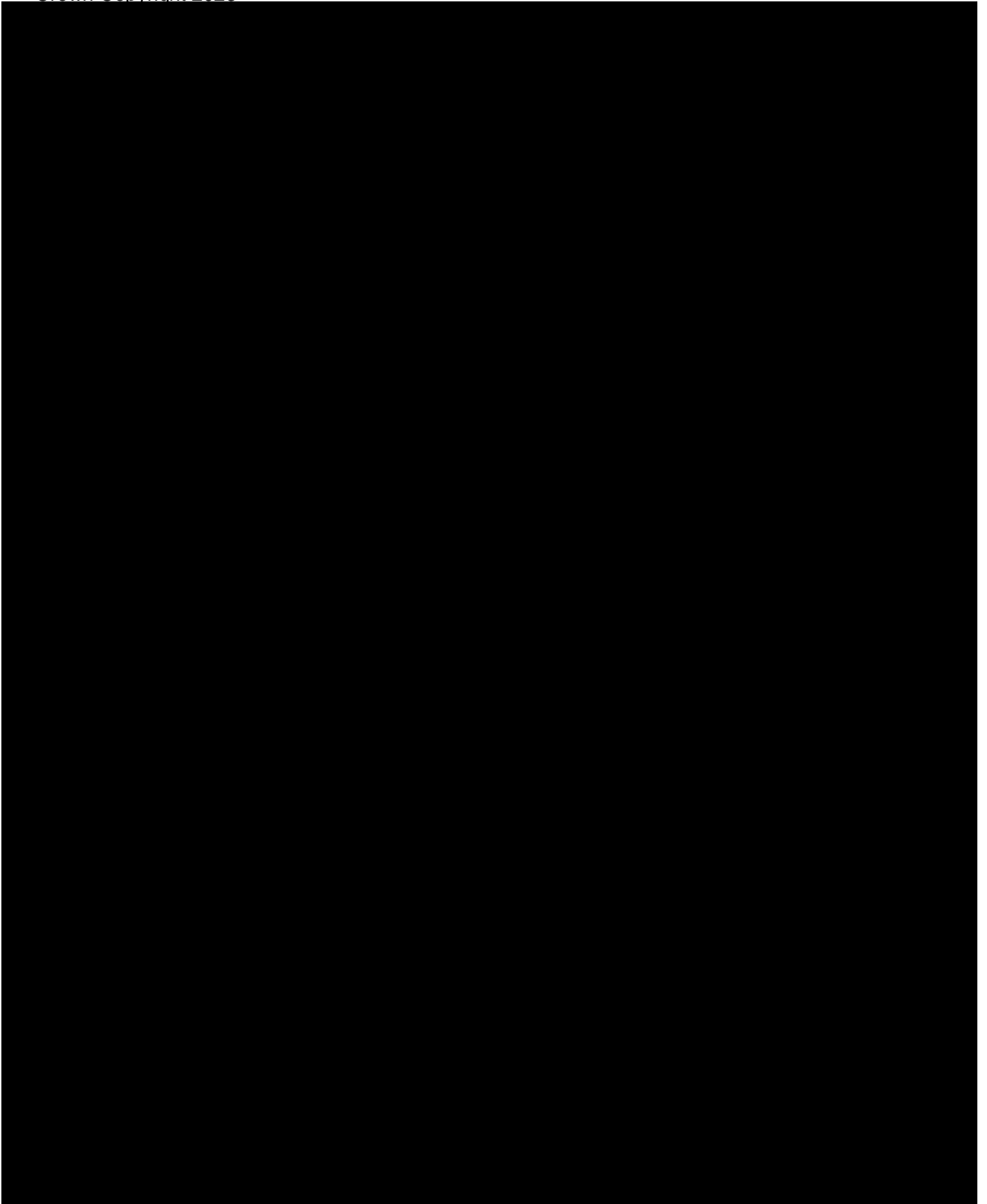
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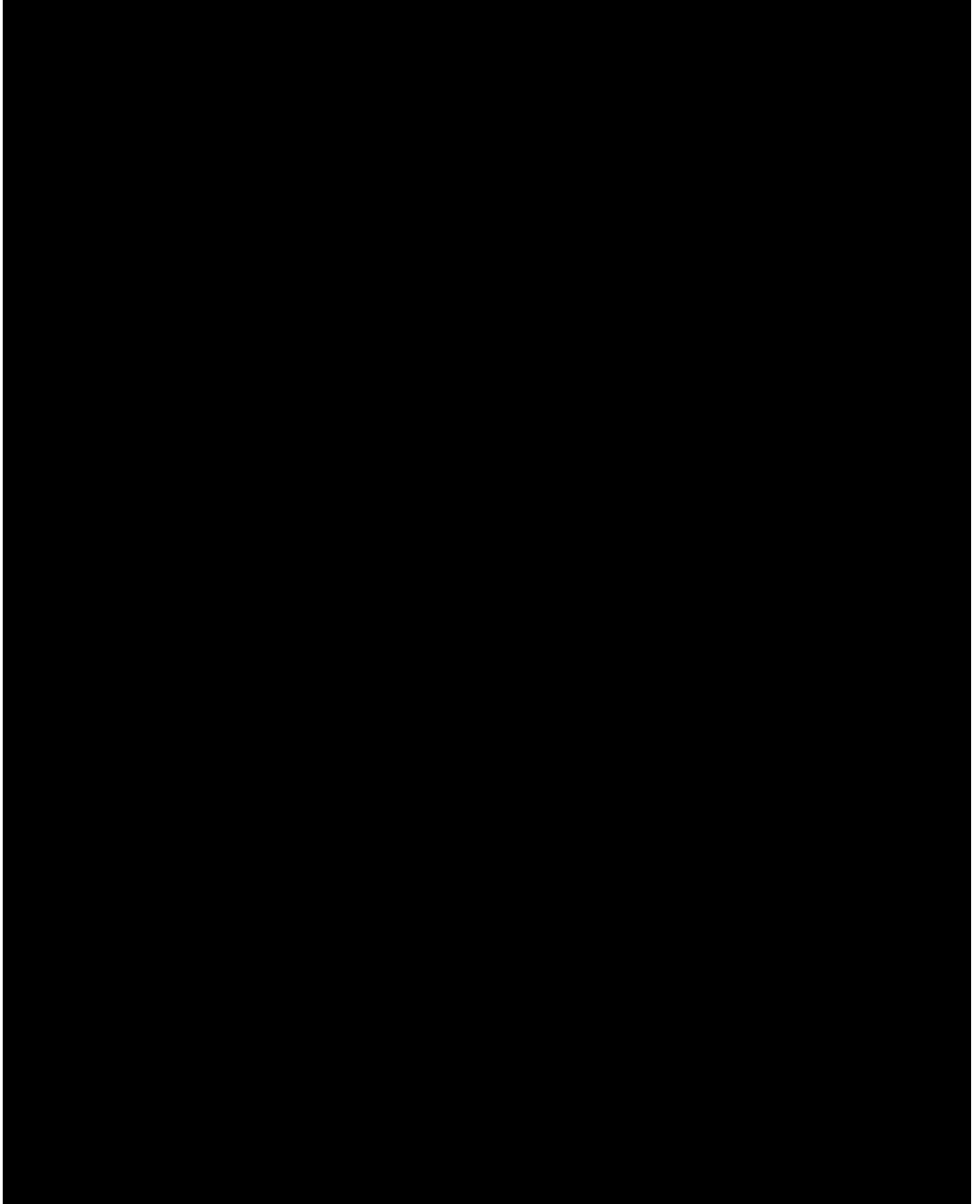
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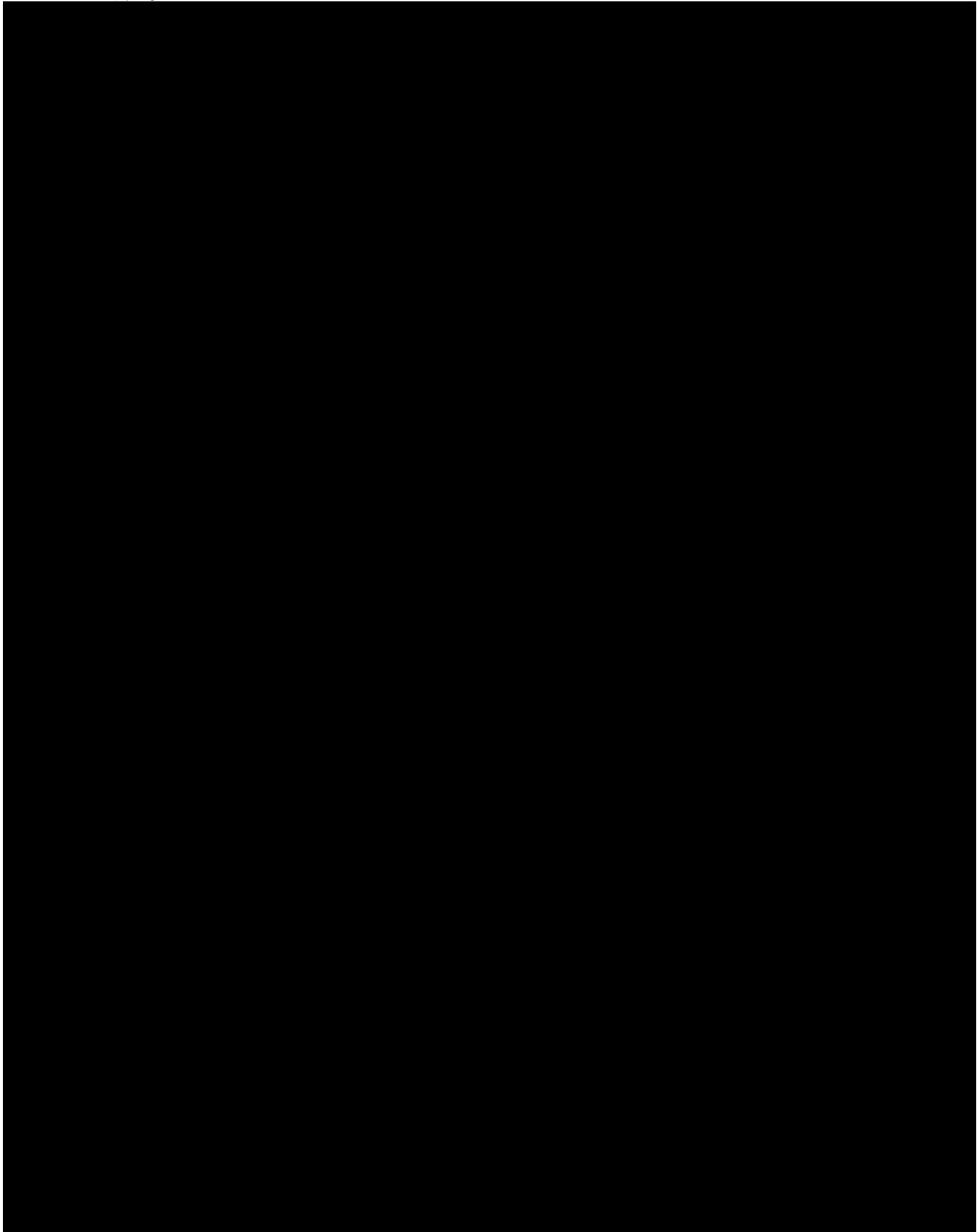
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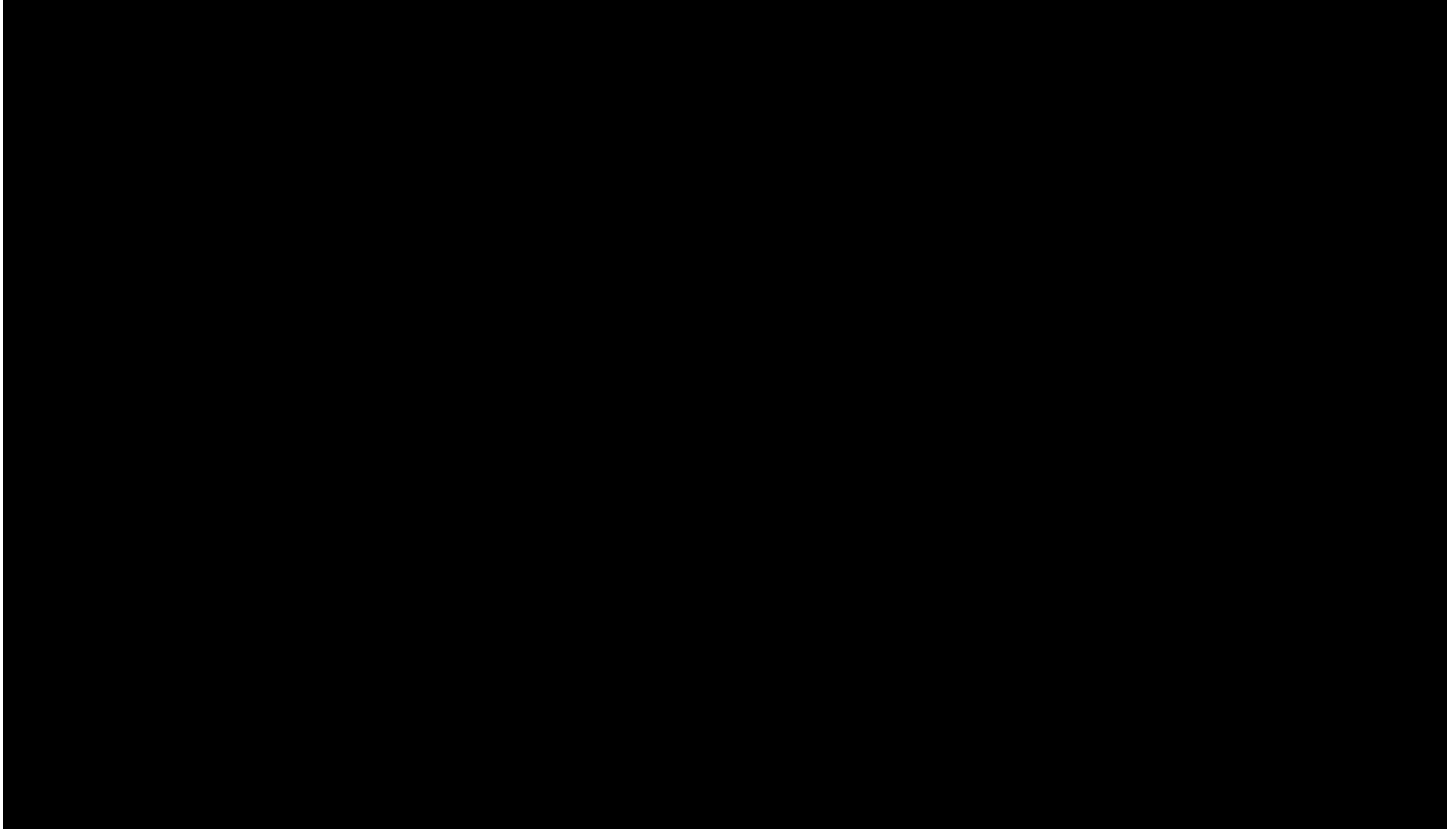
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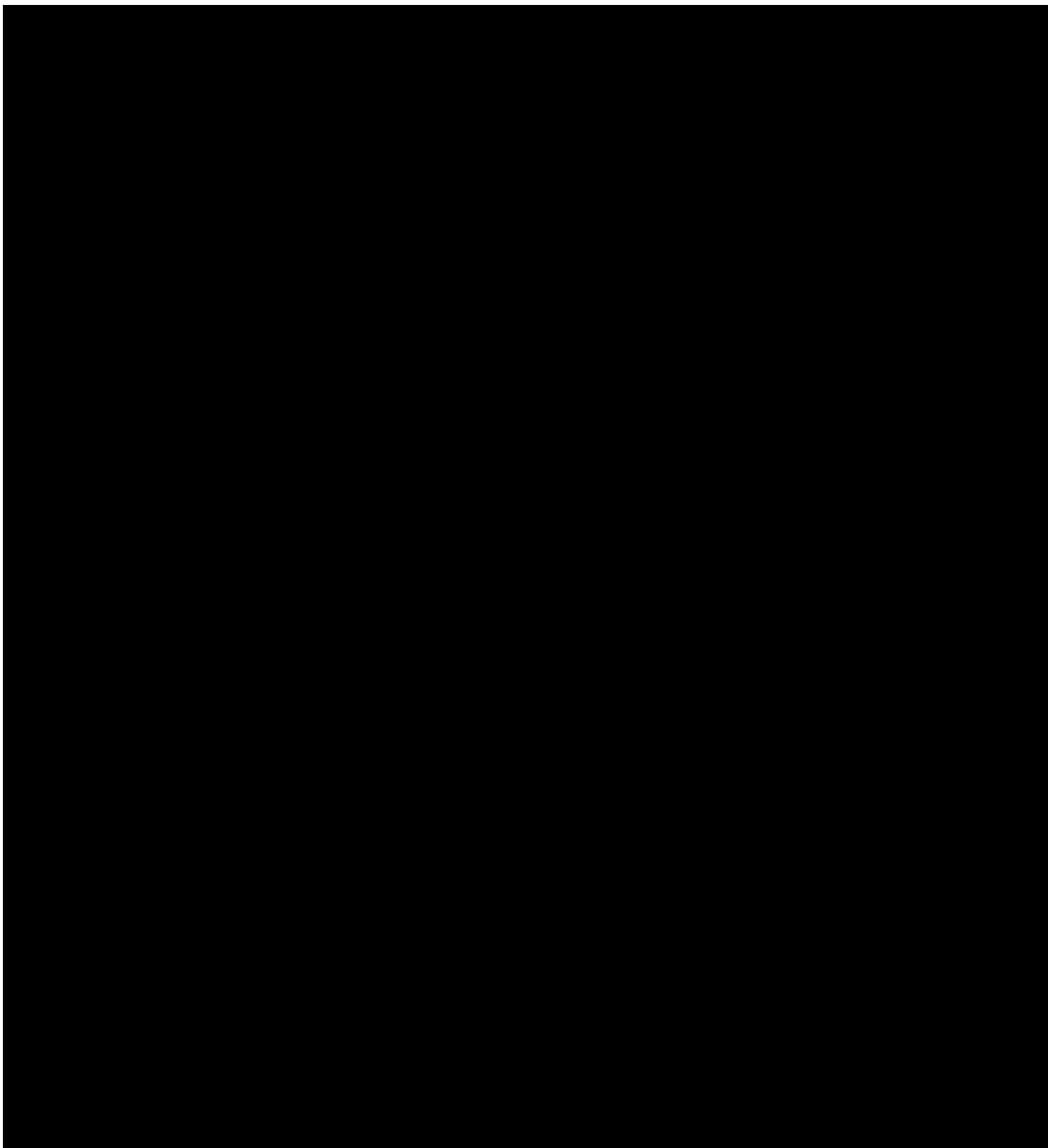
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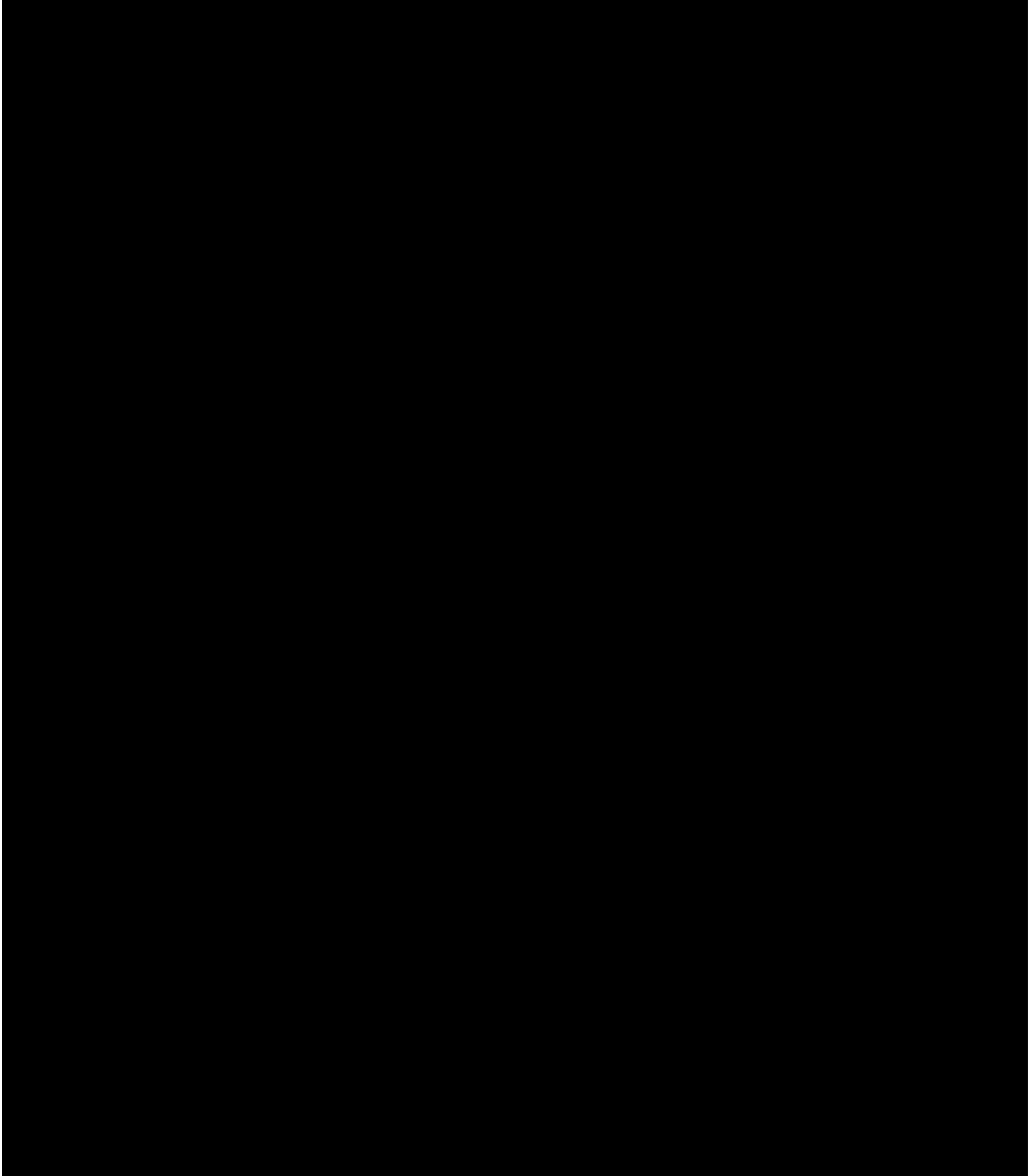


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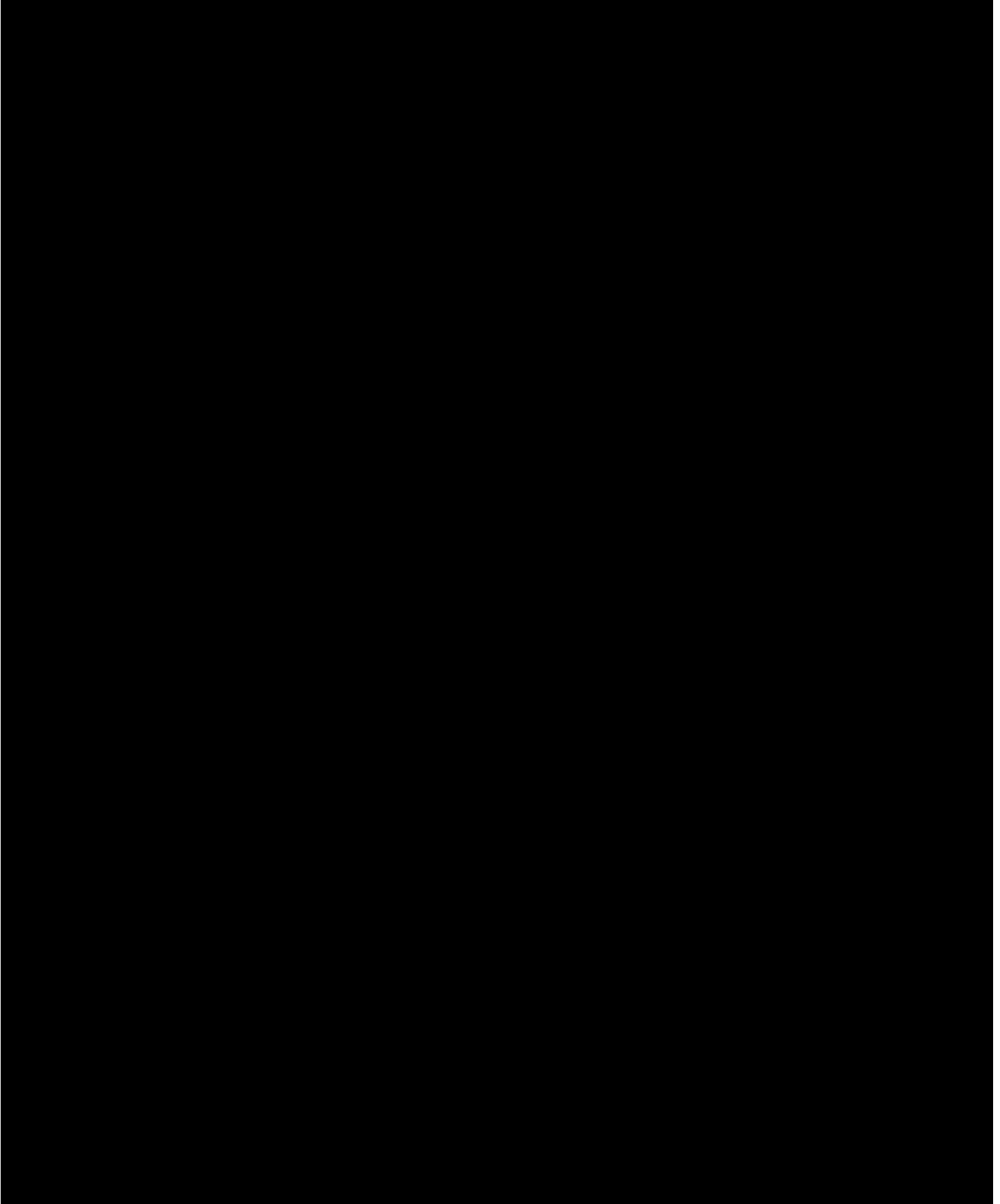
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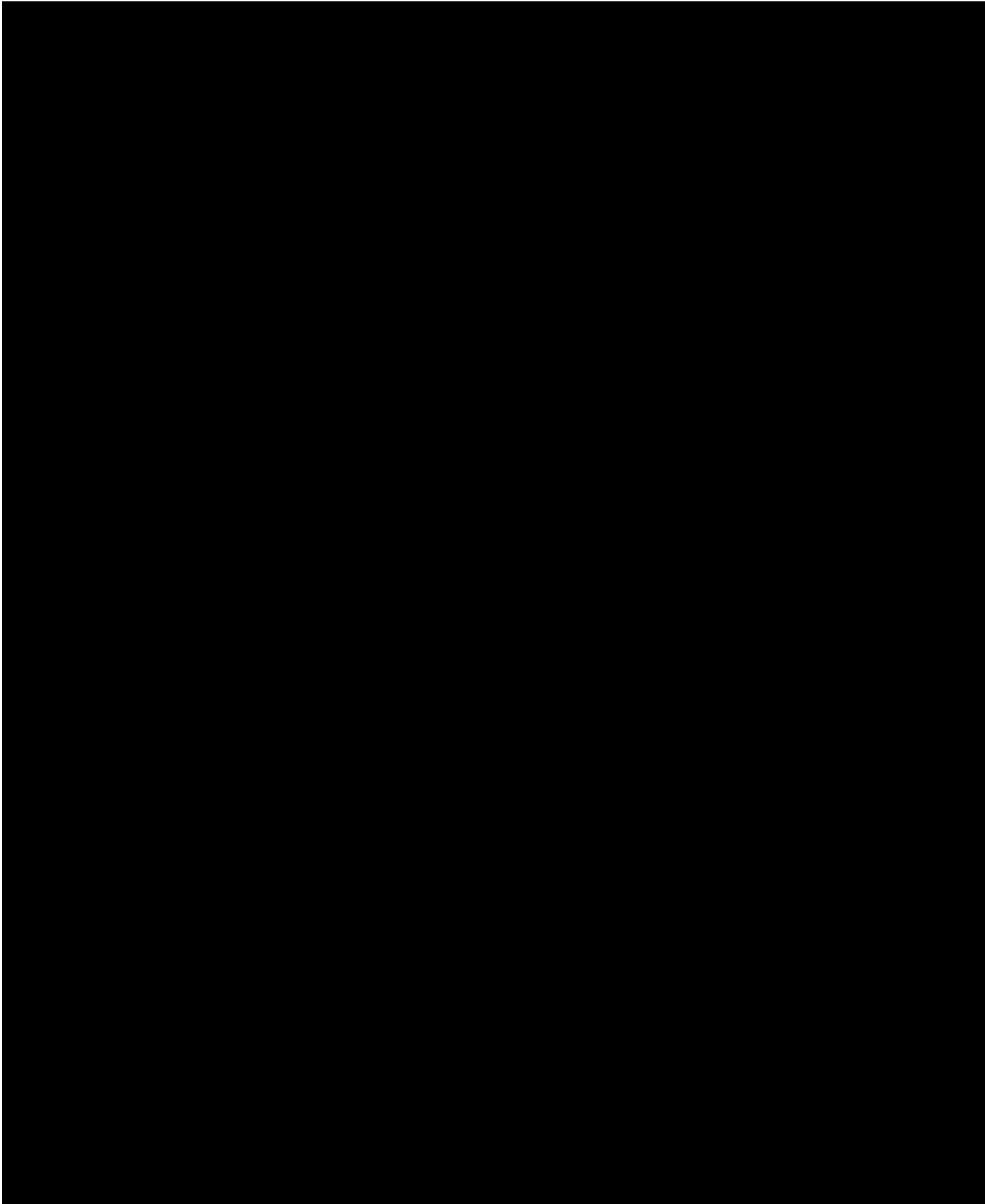
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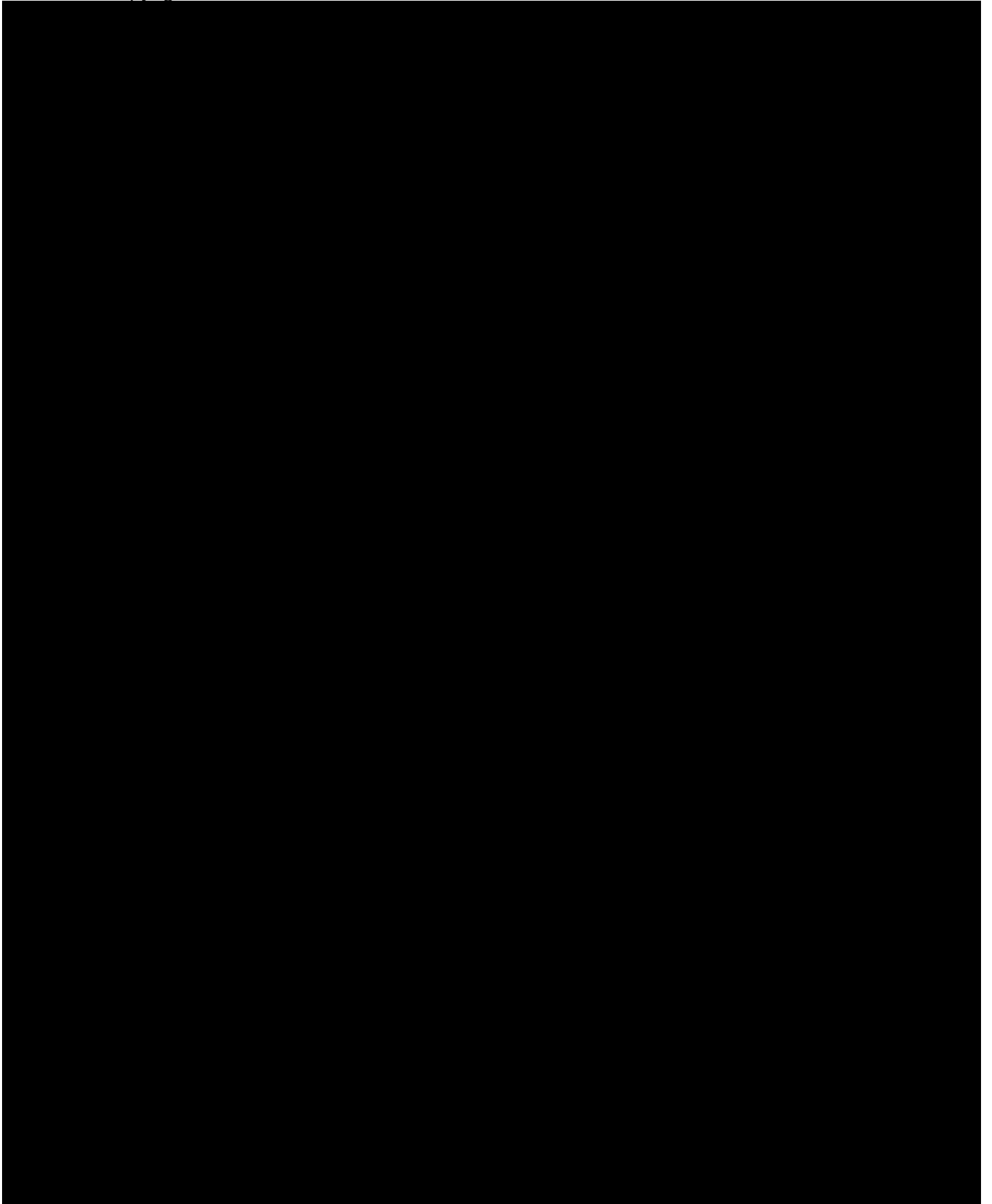
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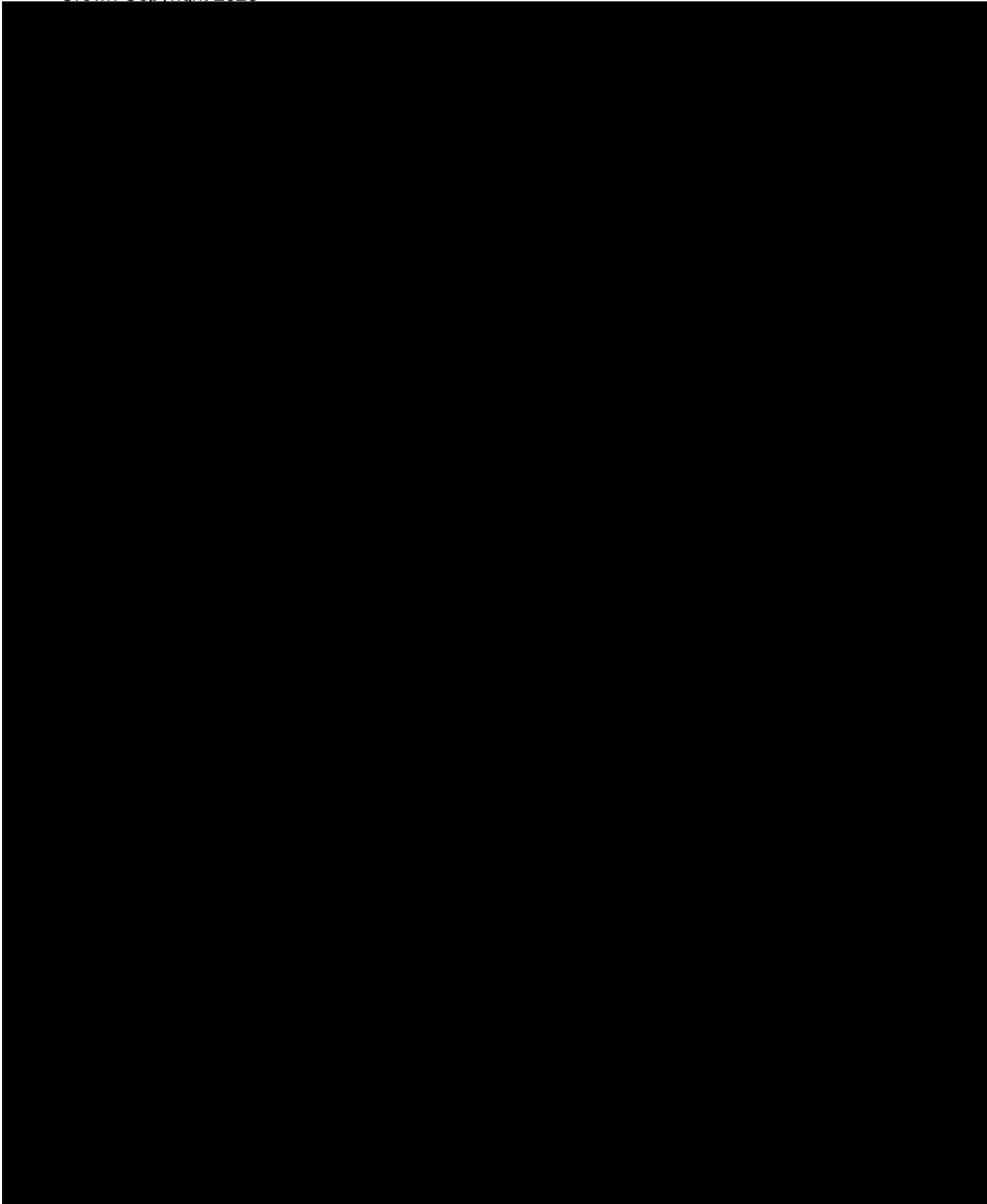
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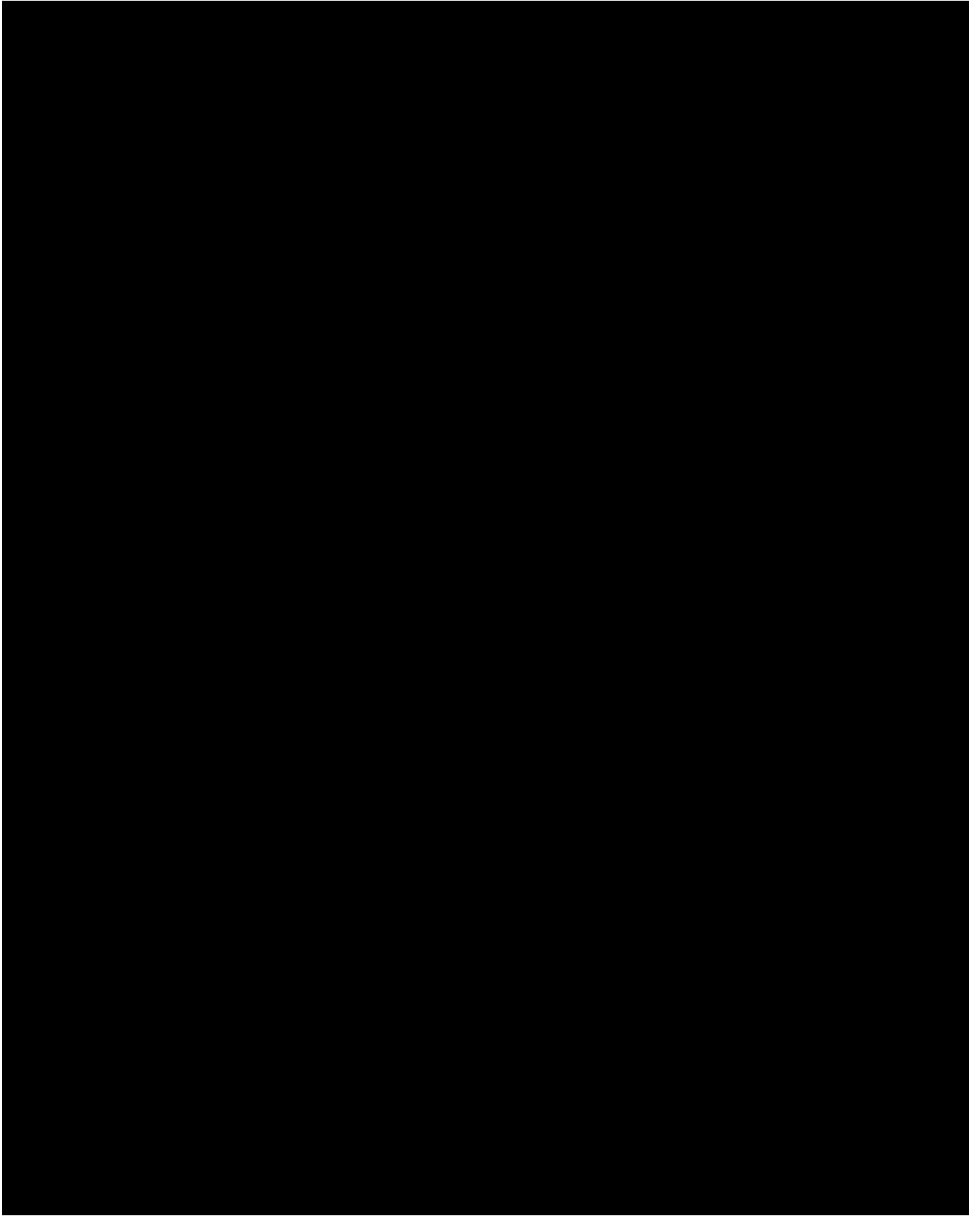
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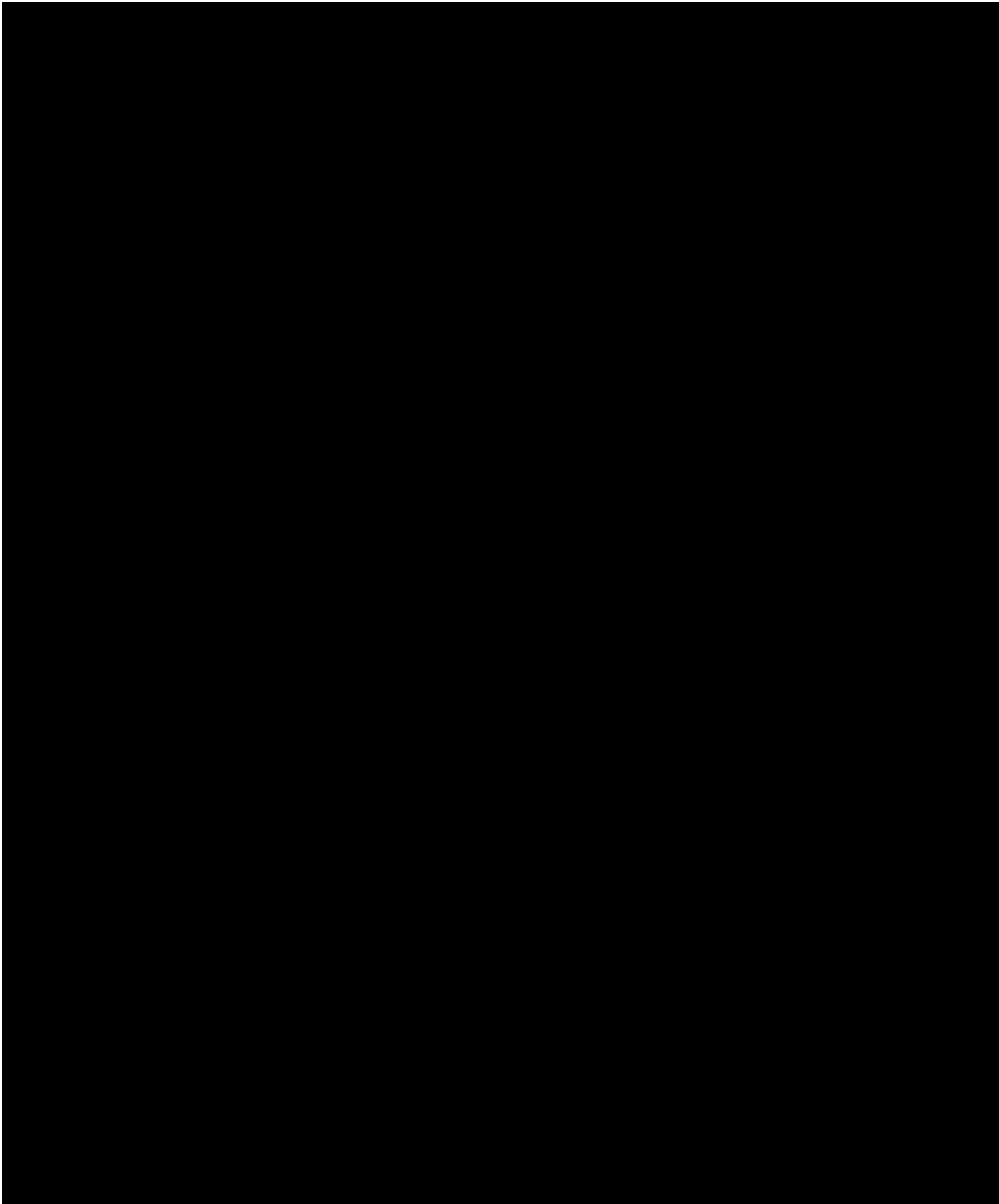
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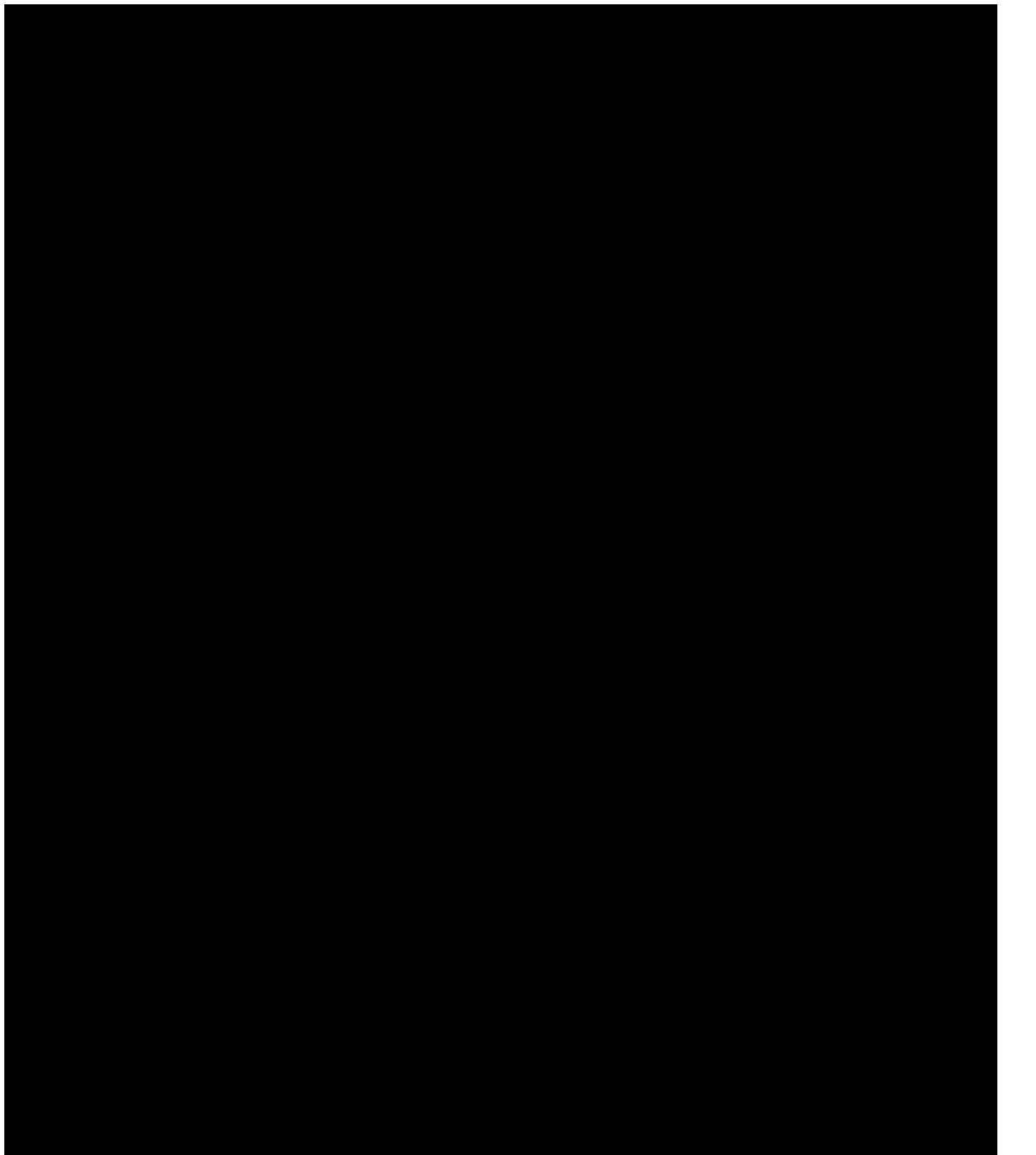
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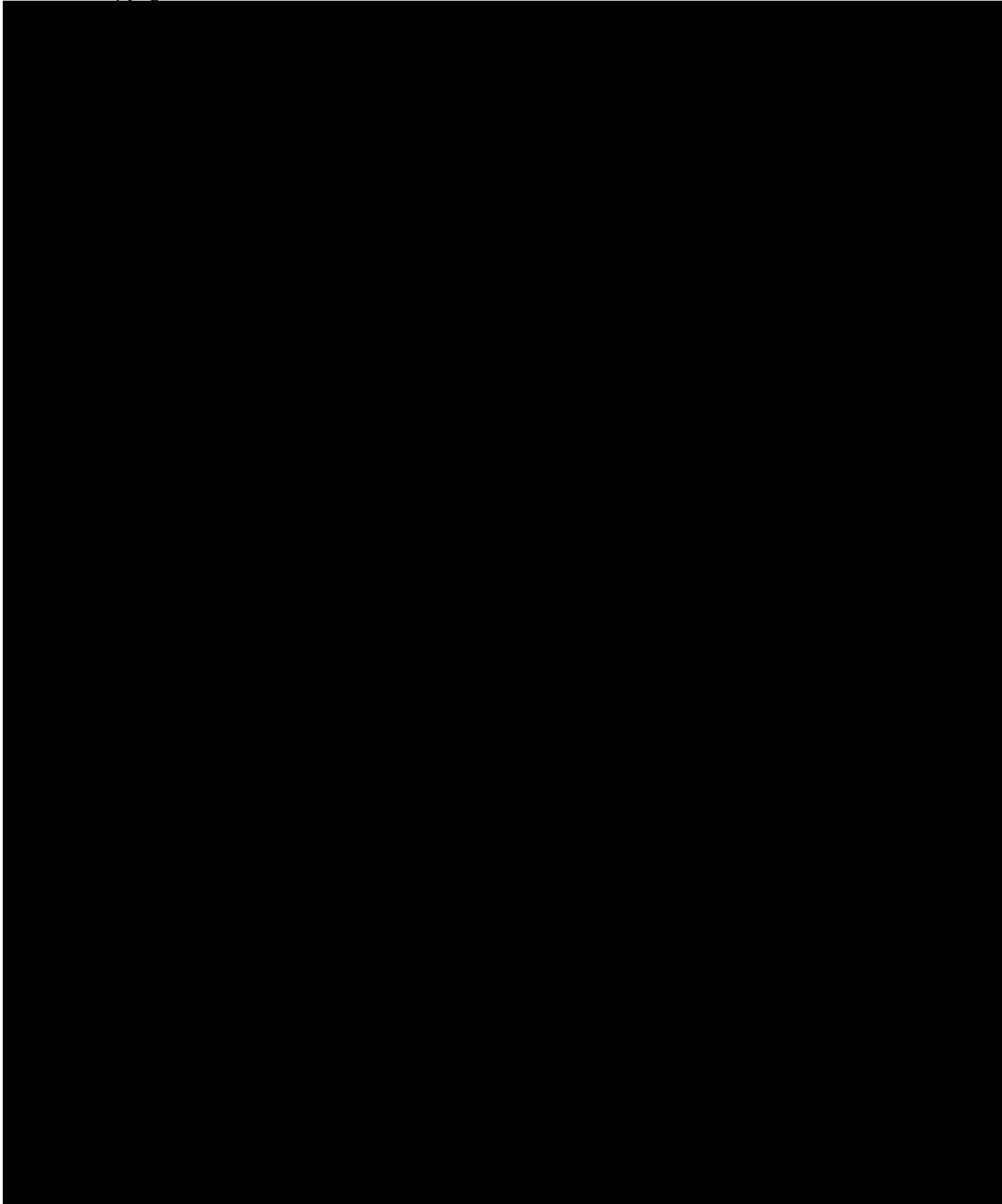
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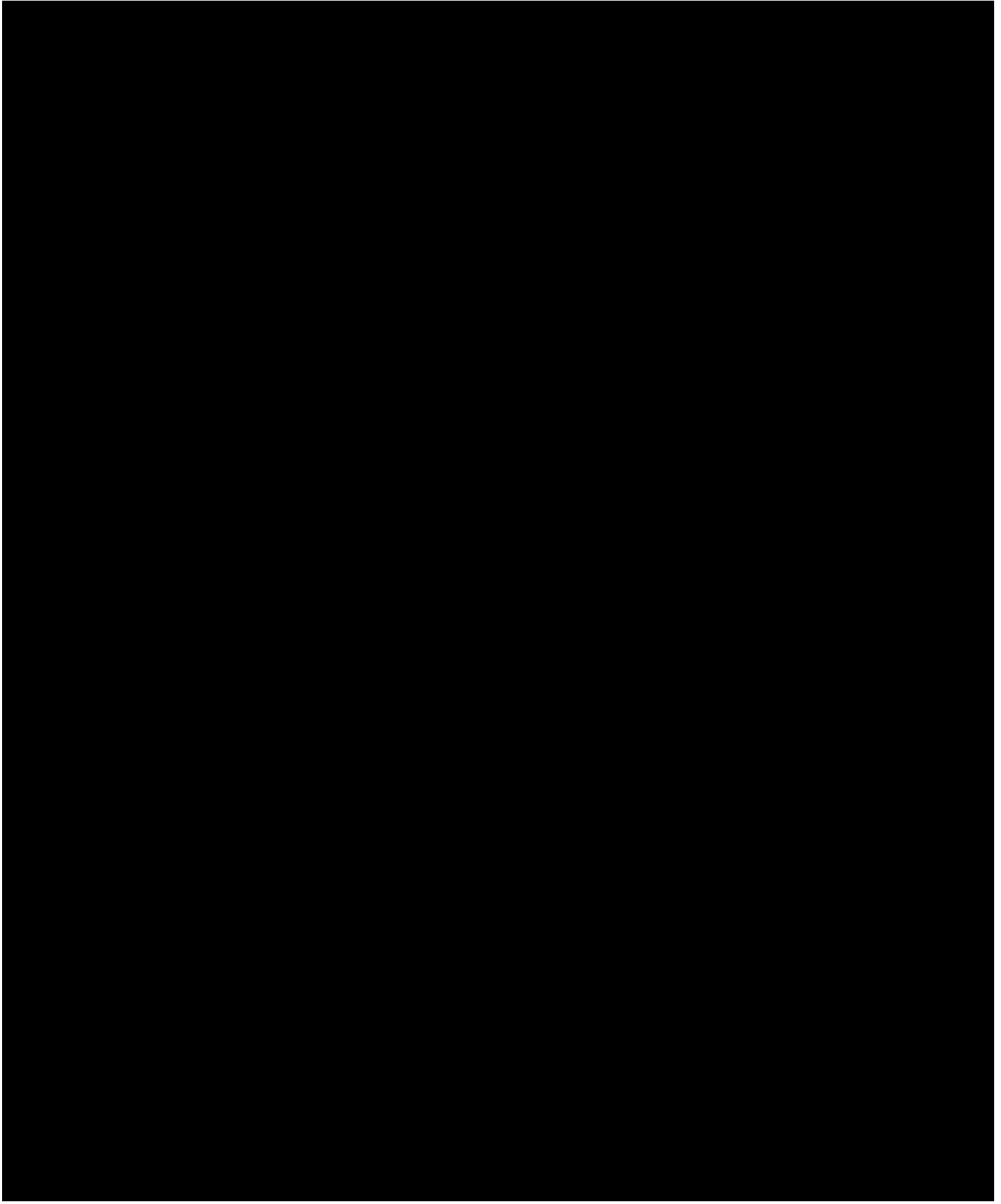
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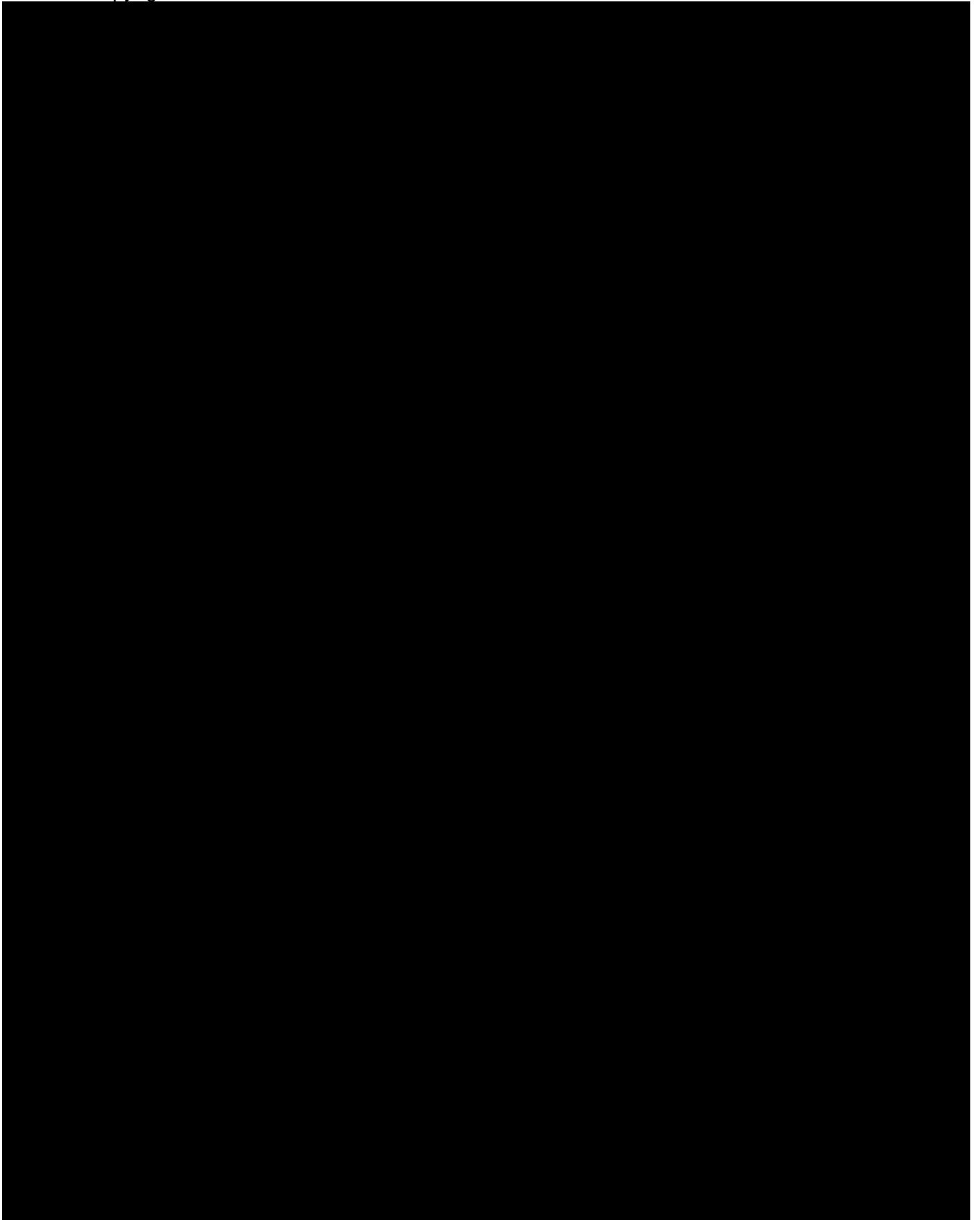
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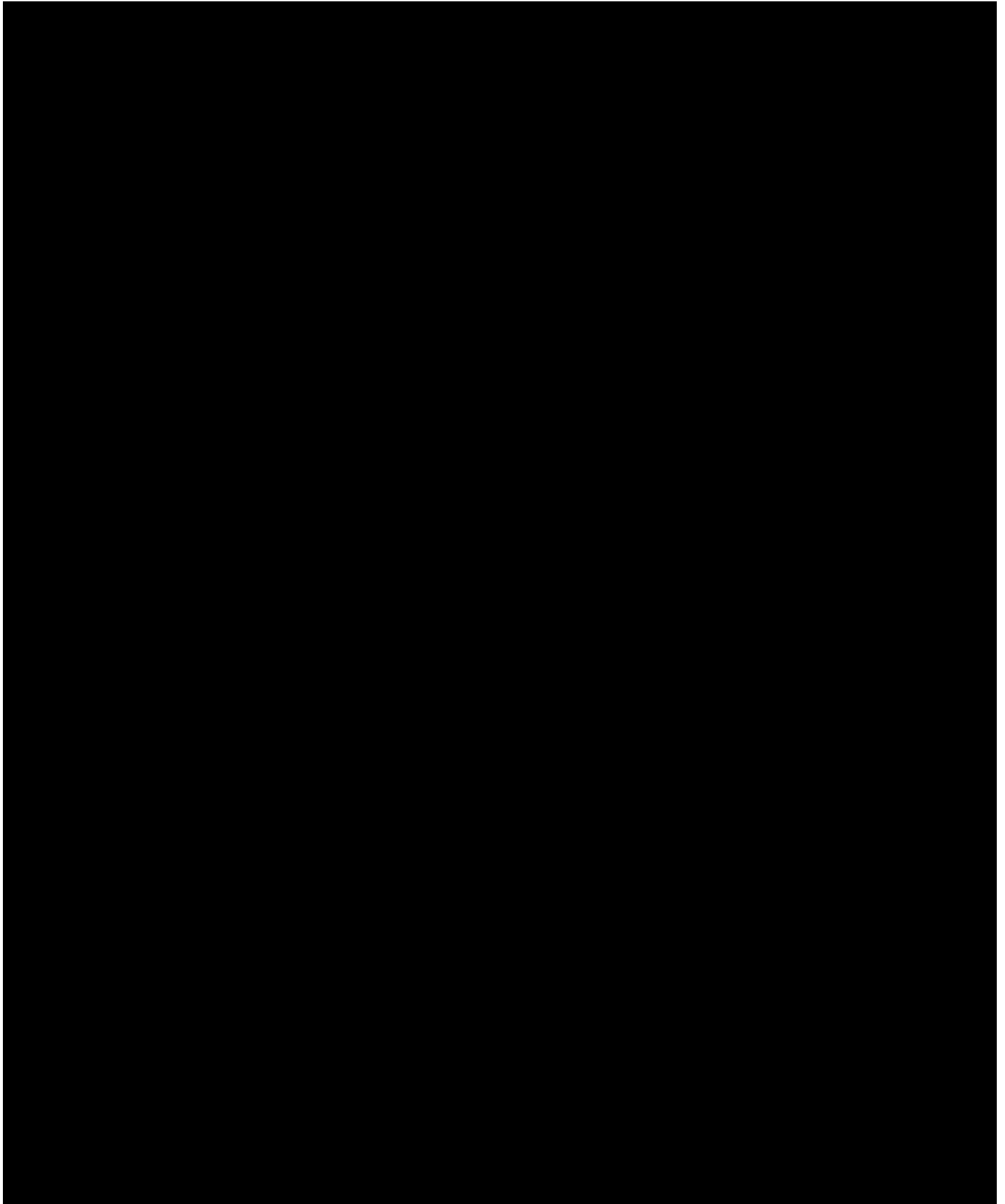
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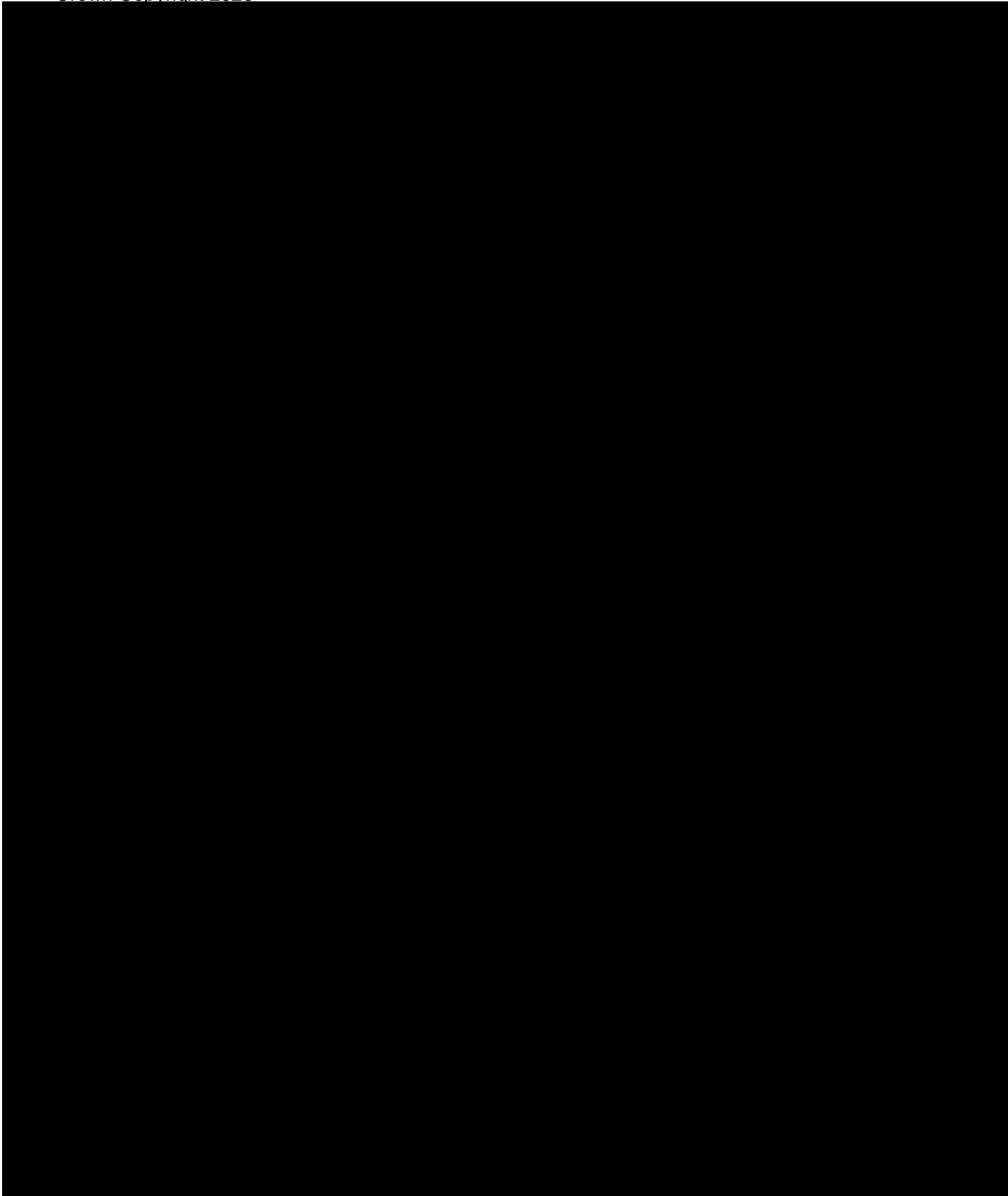
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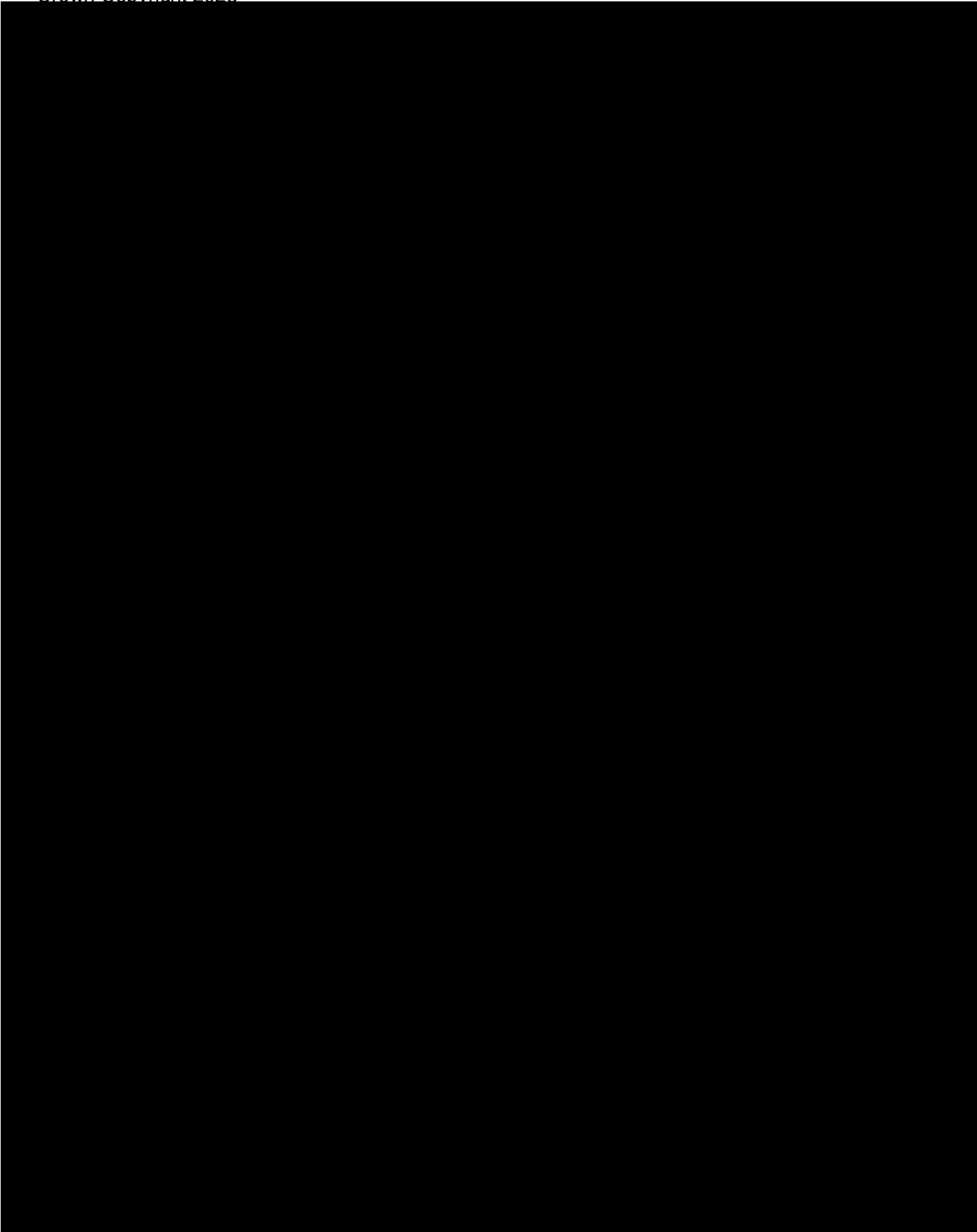
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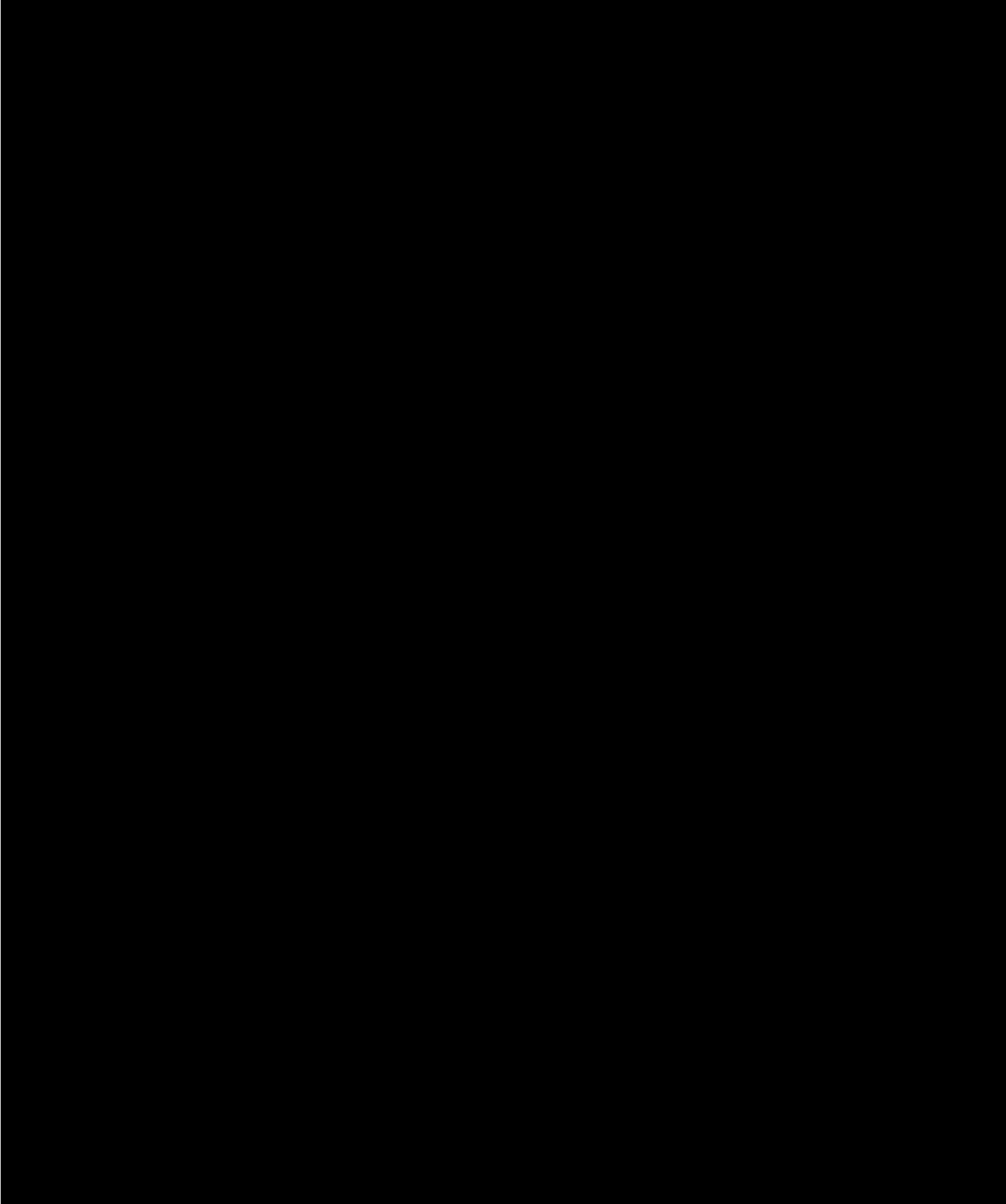
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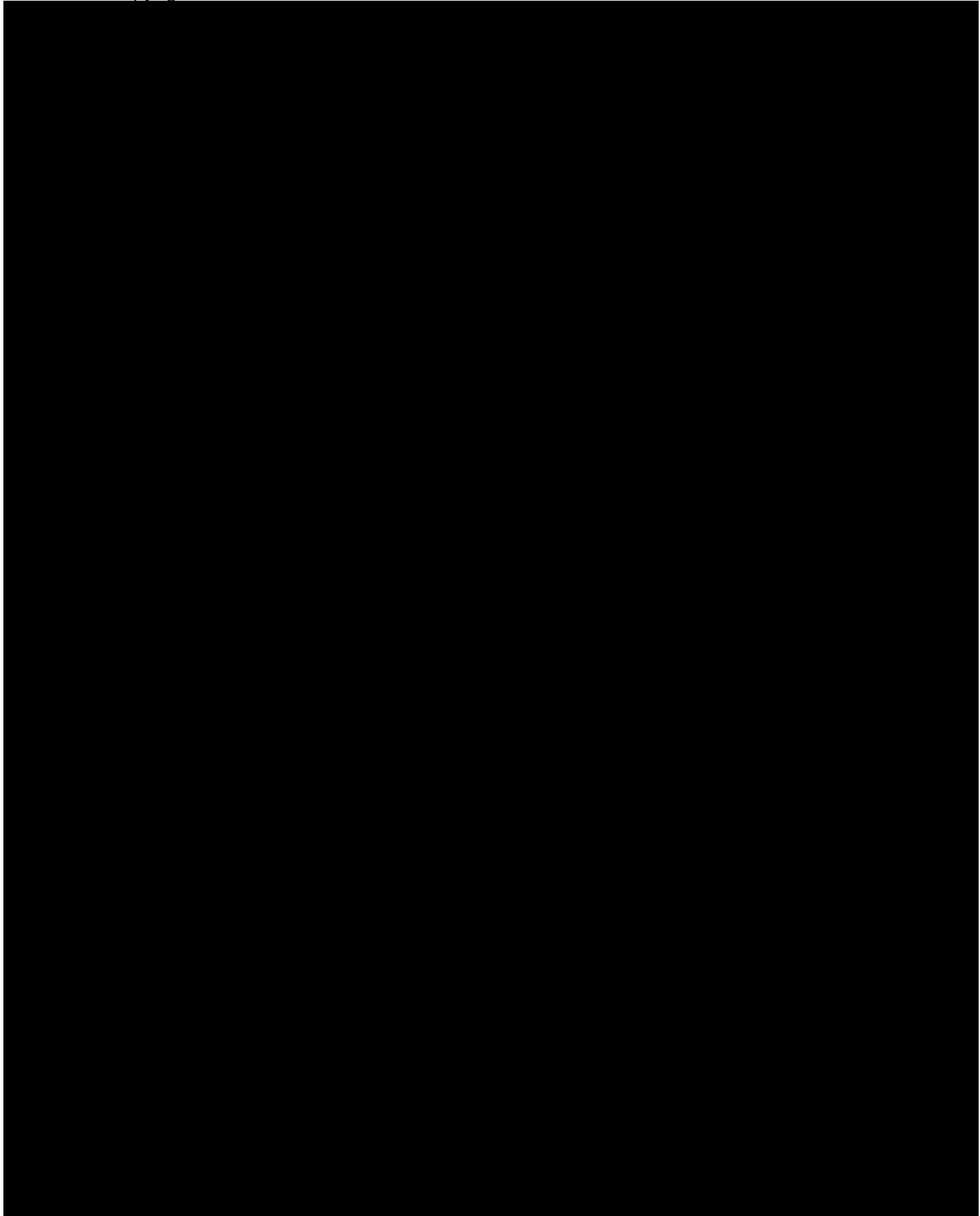
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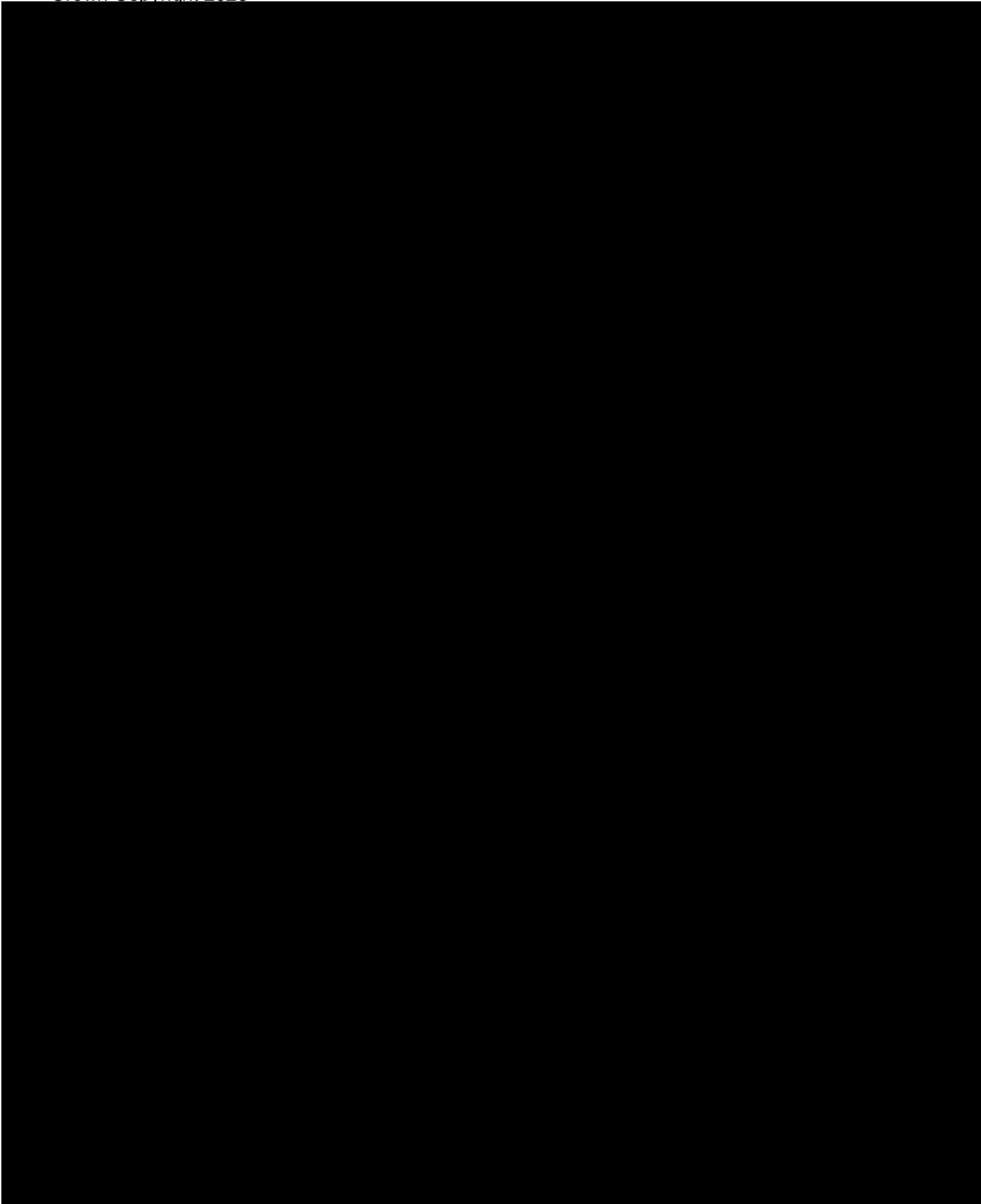
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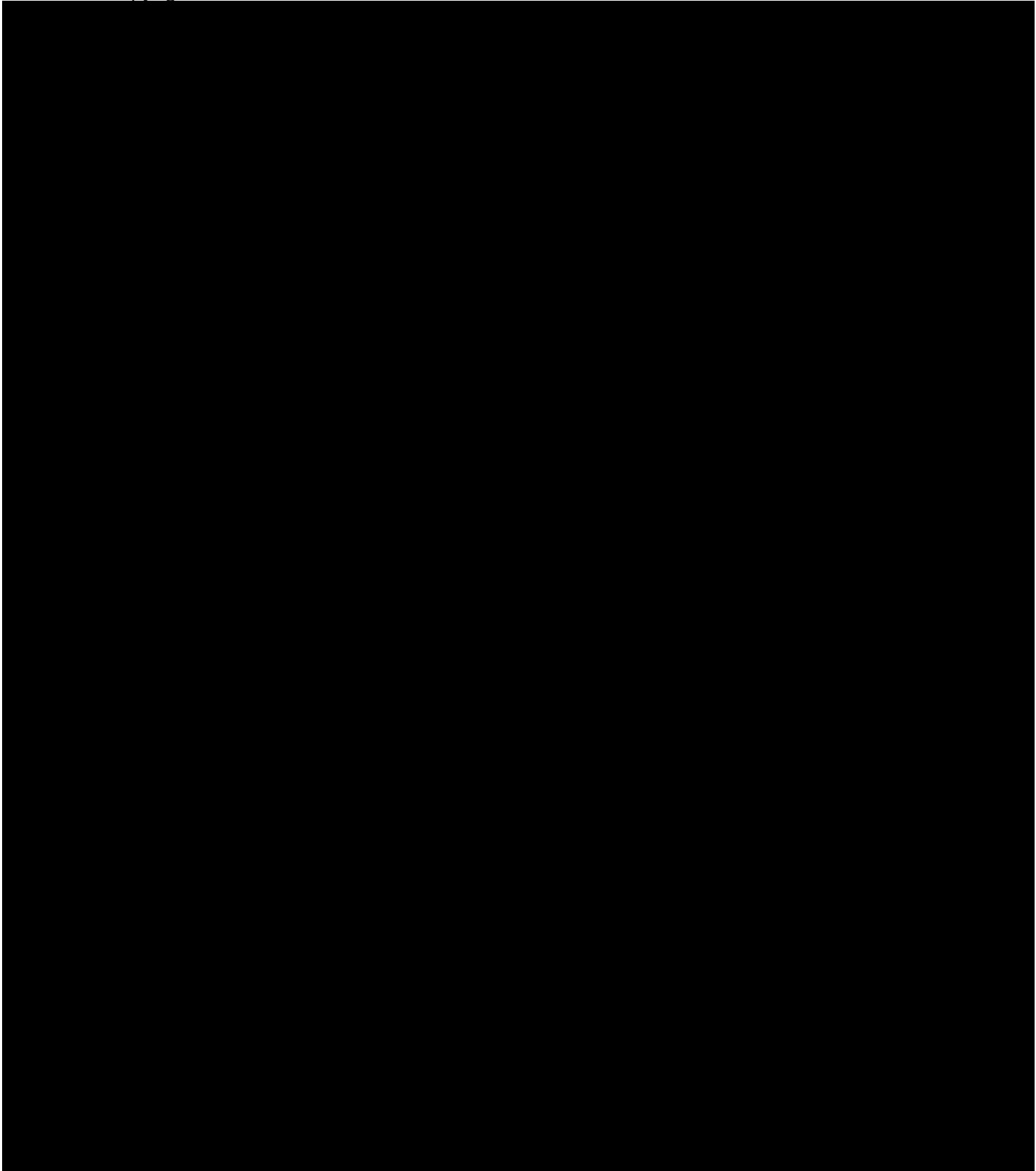
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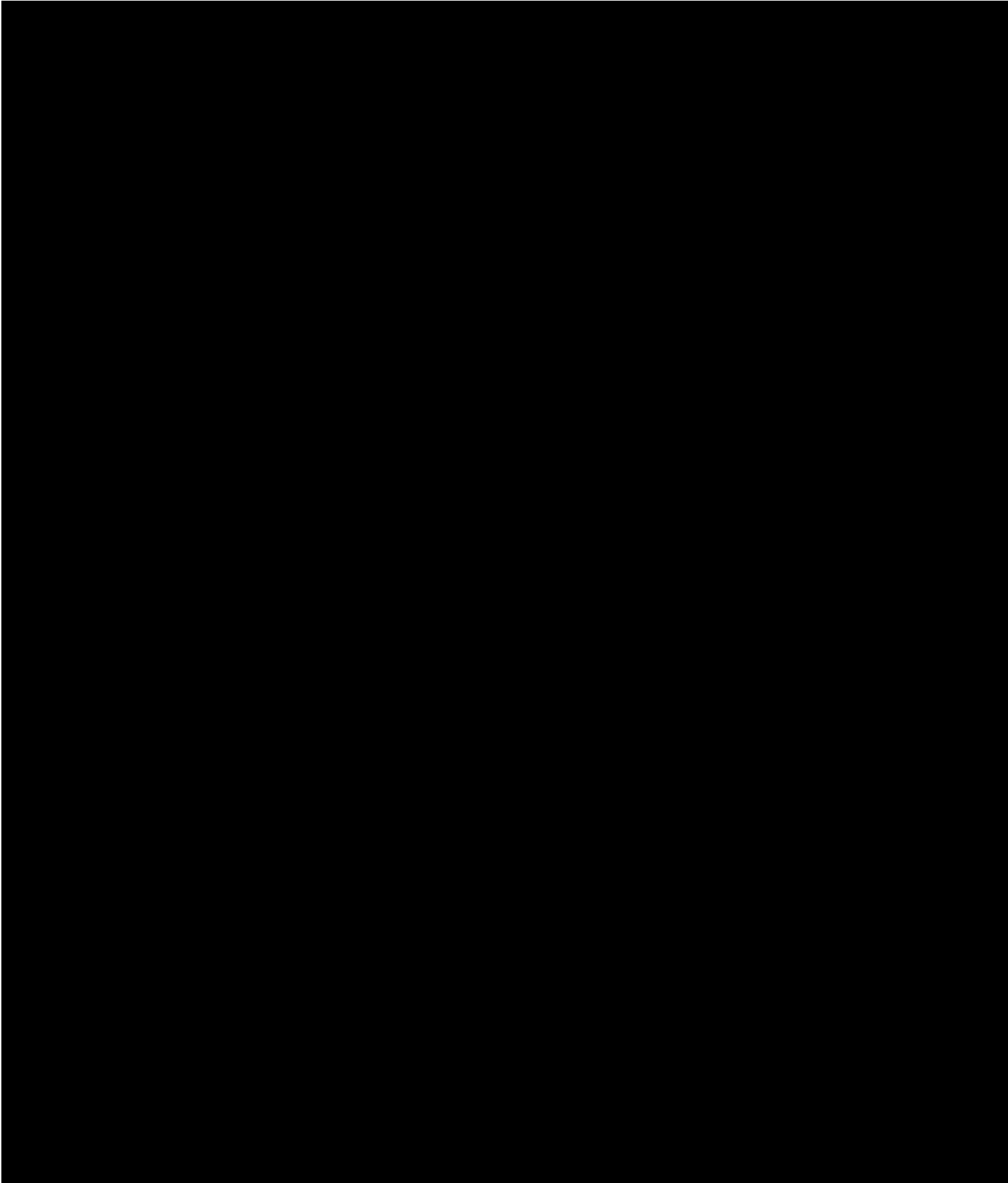
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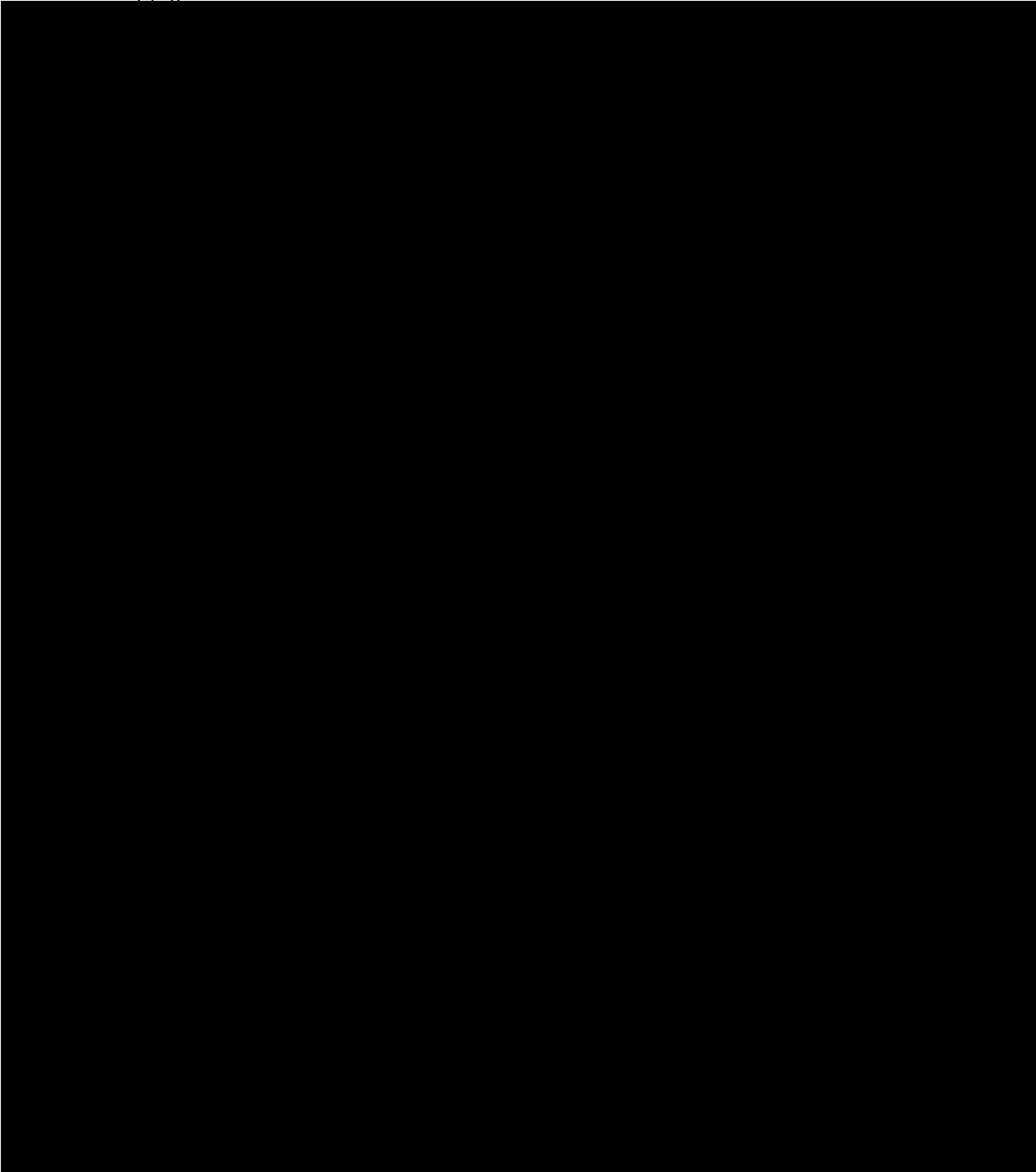
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Schedule 8 (Supplier Solution)

[Subject to Contract]

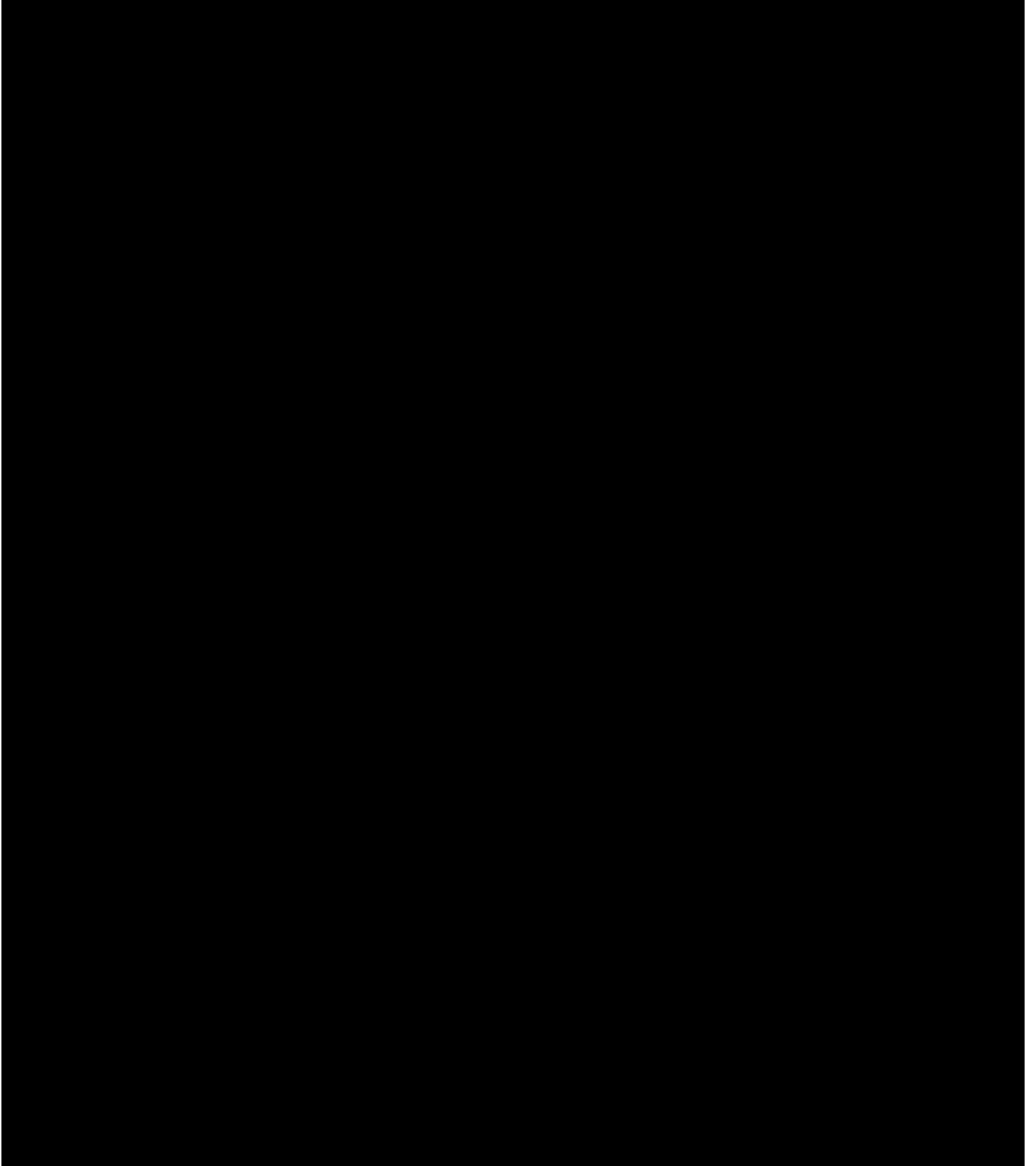
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Schedule 8 (Supplier Solution)

[Subject to Contract]

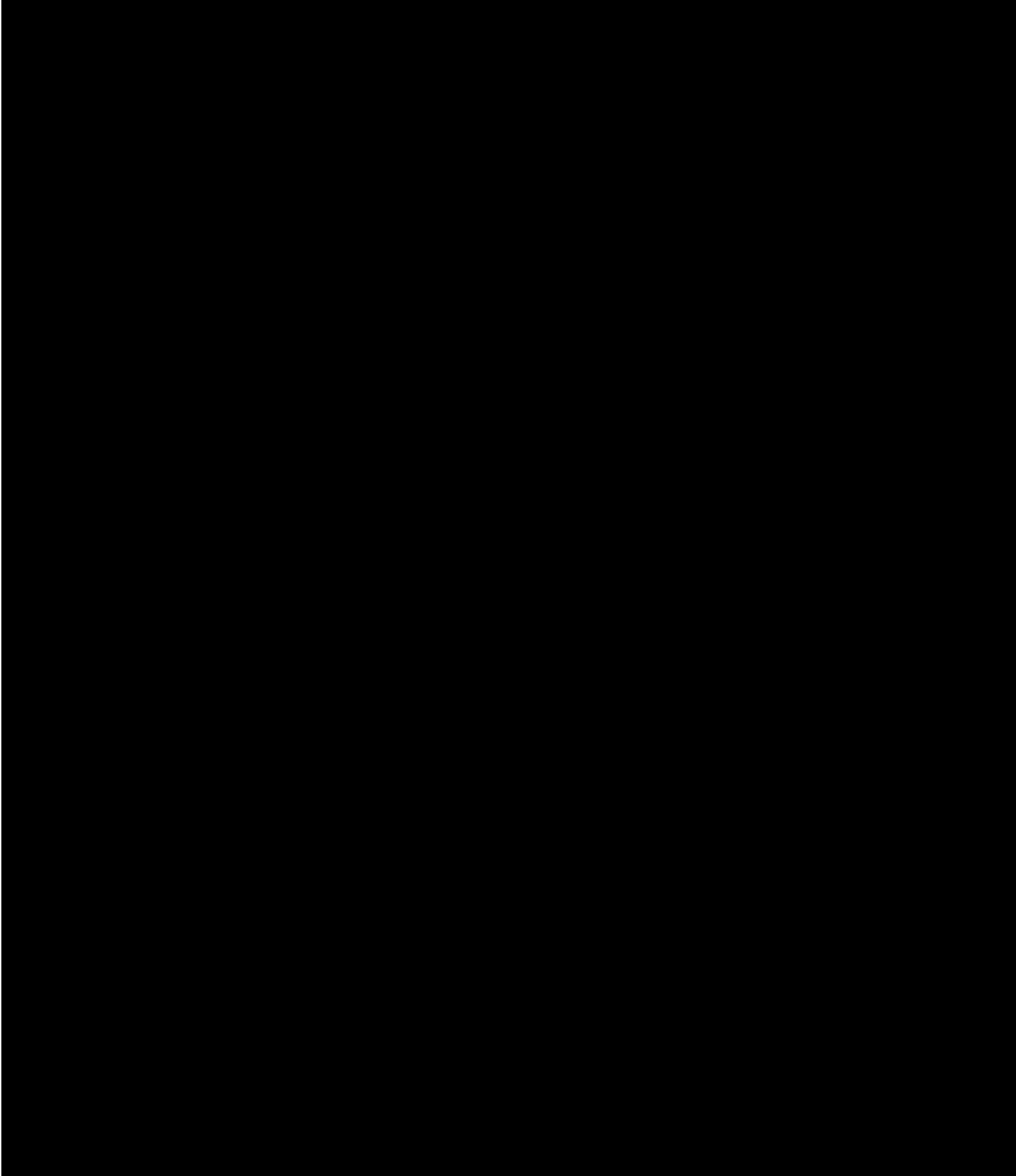
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Schedule 8 (Supplier Solution)

[Subject to Contract]

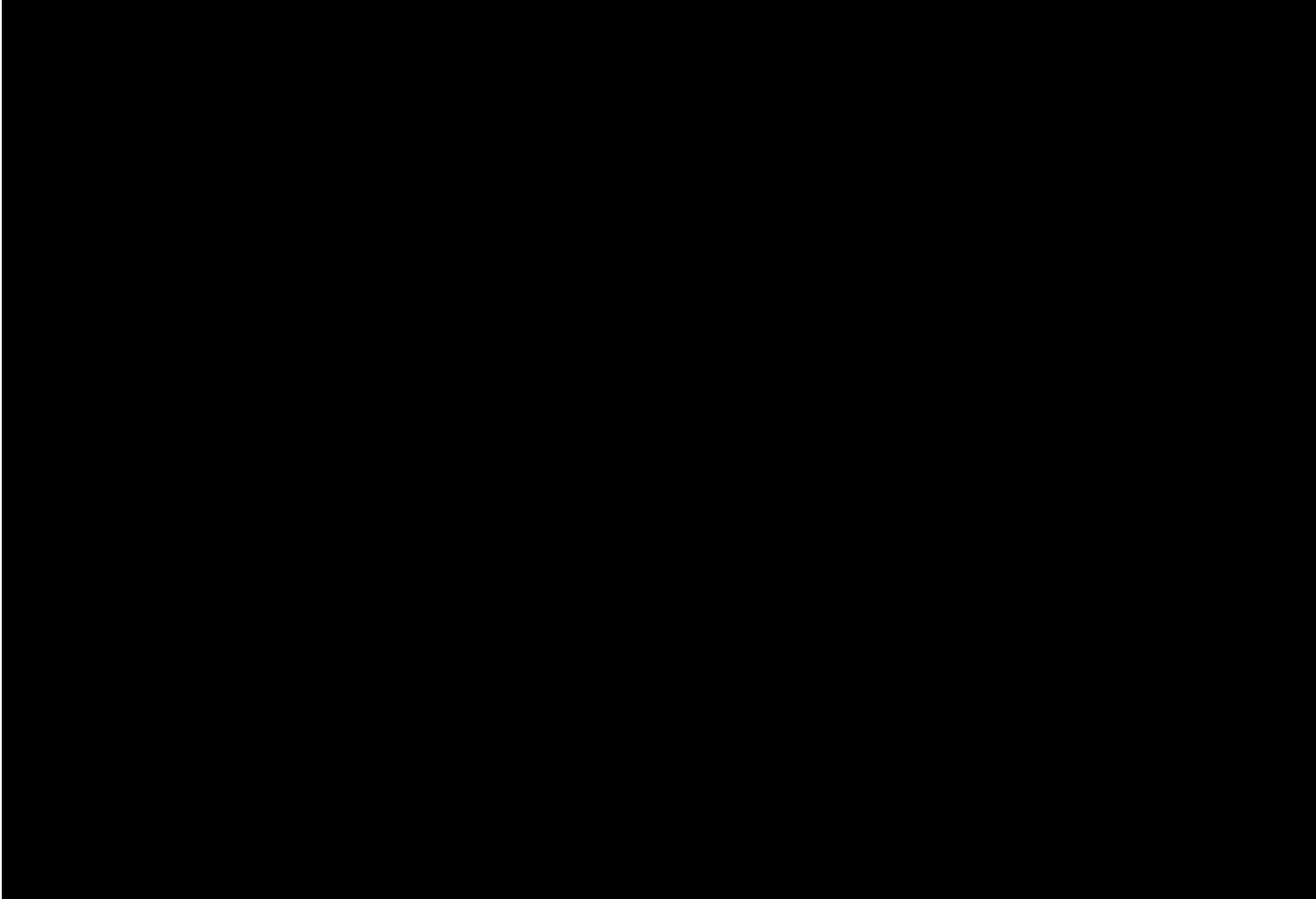
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Schedule 8 (Supplier Solution)

[Subject to Contract]

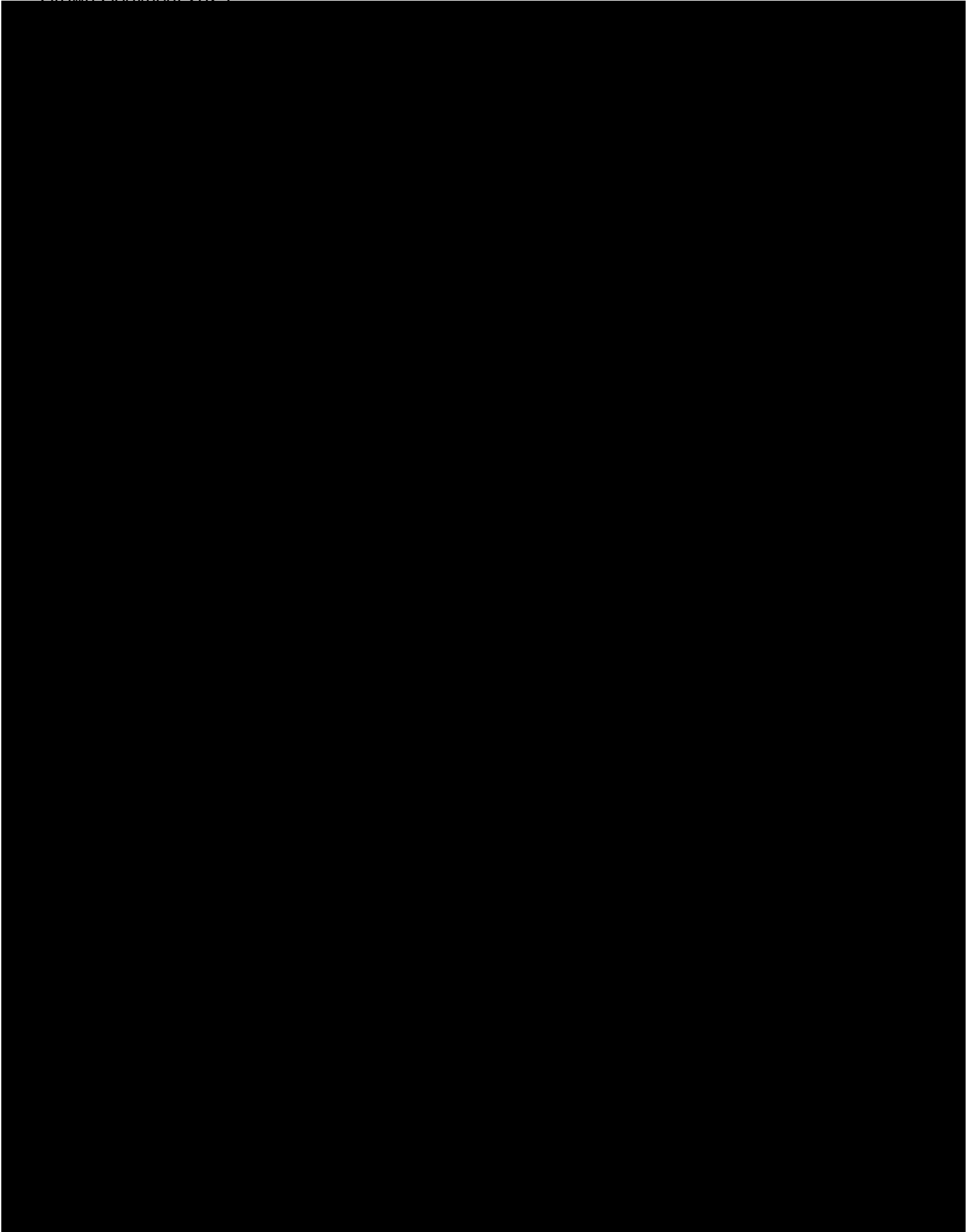
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Schedule 8 (Supplier Solution)

[Subject to Contract]

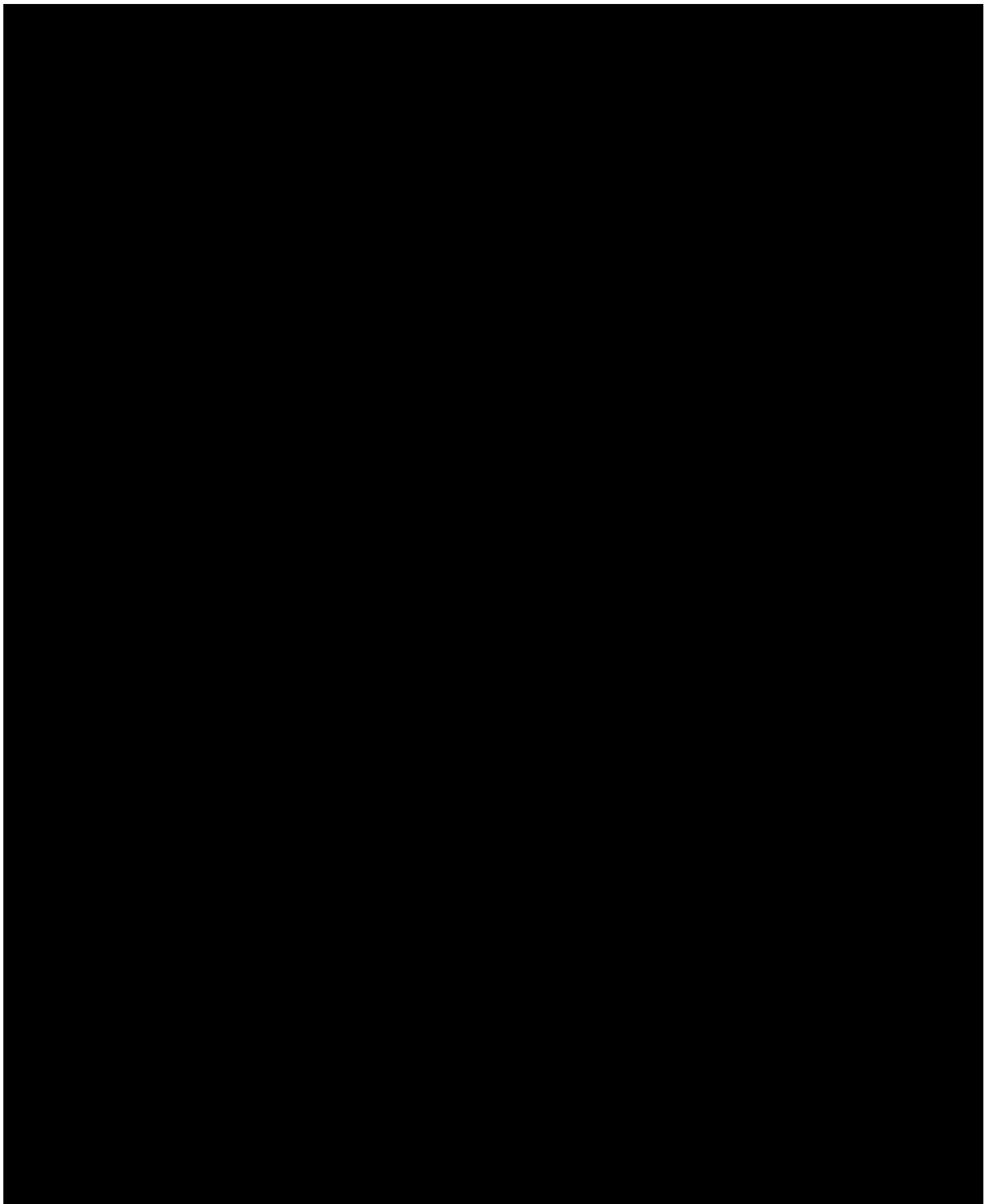
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Schedule 8 (Supplier Solution)

[Subject to Contract]

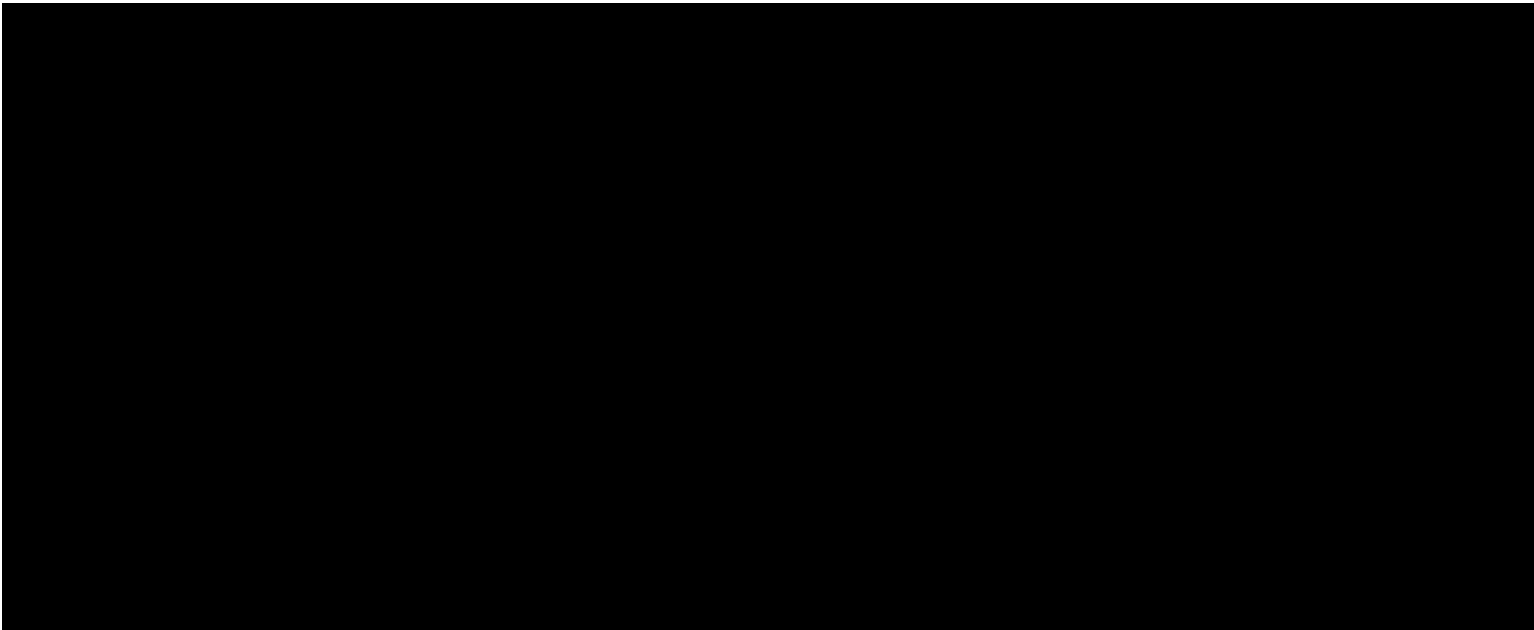
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Schedule 8 (Supplier Solution)

[Subject to Contract]

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Charges and Invoicing

Schedule 15: (Charges & Invoicing)

[Subject to Contract]

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Schedule 15: Charges and Invoicing

Schedule 15: (Charges & Invoicing)

[Subject to Contract]

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Invoicing and Payment Terms

1. Supplier Invoices

- 1.1 The Authority shall accept for processing any electronic invoice that complies with the European Standard, provided that it is valid and undisputed.
- 1.2 If the Supplier proposes to submit for payment an invoice that does not comply with the European standard the Supplier shall:
 - 1.2.1 comply with the requirements of the Authority's e-invoicing system;
 - 1.2.2 prepare and provide to the Authority for approval of the format a template invoice within 10 Working Days of the Effective Date which shall include, as a minimum the details set out in Paragraph 1.3 together with such other information as the Authority may reasonably require to assess whether the Charges that will be detailed therein are properly payable; and
 - 1.2.3 make such amendments as may be reasonably required by the Authority if the template invoice outlined in 1.2.2 is not approved by the Authority.
- 1.3 The Supplier shall ensure that each invoice is submitted in the correct format for the Authority's e-invoicing system, or that it contains the following information:
 - 1.3.1 the date of the invoice;
 - 1.3.2 a unique invoice number;
 - 1.3.3 the Service Period or other period(s) to which the relevant Charge(s) relate;
 - 1.3.4 the correct reference for this Contract;
 - 1.3.5 the reference number of the purchase order to which it relates (if any);
 - 1.3.6 the dates between which the Services subject of each of the Charges detailed on the invoice were performed;
 - 1.3.7 a description of the Services;
 - 1.3.8 the pricing mechanism used to calculate the Charges (such as Guaranteed Maximum Price with Target Cost, Fixed Price, Time and Materials);
 - 1.3.9 any payments due in respect of Achievement of a Milestone, including the Milestone Achievement Certificate number for each relevant Milestone;
 - 1.3.10 the total Charges gross and net of any applicable deductions and, separately, the amount of any Reimbursable Expenses properly chargeable to the Authority under the terms of this Contract, and, separately, any VAT or other sales tax payable in respect of each of the same;
 - 1.3.11 details of any Service Credits or Delay Payments or similar deductions that shall apply to the Charges detailed on the invoice;
 - 1.3.12 reference to any reports required by the Authority in respect of the Services to which the Charges detailed on the invoice relate (or in the case of reports issued by the Supplier for validation by the Authority, then to any such reports

Schedule 15: (Charges & Invoicing)

[Subject to Contract]

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as are validated by the Authority in respect of the Services);

- 1.3.13 a contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries;
 - 1.3.14 the banking details for payment to the Supplier via electronic transfer of funds (i.e. name and address of bank, sort code, account name and number); and
 - 1.3.15 where the Services have been structured into separate Service lines, the information at 1.3.1 to 1.3.14 of this Paragraph 1.3 shall be broken down in each invoice per Service line.
- 1.4 The Supplier shall invoice the Authority in respect of Services in accordance with the requirements of **Error! Reference source not found.** The Supplier shall first submit to the Authority a draft invoice setting out the Charges payable. The Parties shall endeavour to agree the draft invoice within 5 Working Days of its receipt by the Authority, following which the Supplier shall be entitled to submit its invoice.
 - 1.5 Each invoice shall at all times be accompanied by Supporting Documentation. Any assessment by the Authority as to what constitutes Supporting Documentation shall not be conclusive and the Supplier undertakes to provide to the Authority any other documentation reasonably required by the Authority from time to time to substantiate an invoice.
 - 1.6 The Supplier shall submit all invoices and Supporting Documentation through email at:
 - 1.7 [REDACTED]
 - 1.8 with a copy (again including any Supporting Documentation) to such other person and at such place as the Authority may notify to the Supplier from time to time.
 - 1.9 All Supplier invoices shall be expressed in sterling or such other currency as shall be permitted by the Authority in writing.
 - 1.10 The Authority shall regard an invoice as valid only if it complies with the provisions of this **Error! Reference source not found.** Where any invoice does not conform to the Authority's requirements set out in this **Error! Reference source not found.**, the Authority shall promptly return the disputed invoice to the Supplier and the Supplier shall promptly issue a replacement invoice which shall comply with such requirements.
 - 1.11 If the Authority fails to consider and verify an invoice in accordance with Paragraphs 1.4 and 1.10, the invoice shall be regarded as valid and undisputed for the purpose of Paragraph 2.1 [Payment in 30 days] after a reasonable time has passed.

2. Payment Terms

- 2.1 Subject to the relevant provisions of this Schedule, the Authority shall make payment to the Supplier within thirty (30) days of verifying that the invoice is valid and undisputed.
- 2.2 Unless the Parties agree otherwise in writing, all Supplier invoices shall be paid in sterling by electronic transfer of funds to the bank account that the Supplier has specified on its invoice.

Schedule 15: (Charges & Invoicing)

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3. Further information

3.1 Additional information on invoicing and pricing is contained within the Pricing and Performance Schedule Annex A at page 221 of this contract.

Schedule 22

Change Control Procedure

Schedule 22: Change Control Procedure

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Authority Change Manager”	the person appointed to that position by the Authority from time to time and notified in writing to the Supplier or, if no person is notified, the Authority Representative;
“Change Request”	a written request for a Contract Change which shall be substantially in the form of 1;
“Change Communication”	any Change Request, Impact Assessment, Change Authorisation Note or other communication sent or required to be sent pursuant to this Schedule;
“Drafting Party”	the Party that will prepare two copies of a Change Authorisation Note which it shall sign and deliver to the Receiving Party for its signature;
“Fast-track Change”	any Contract Change which the Parties agree to expedite in accordance with Paragraph 8;
“Impact Assessment”	an assessment of a Change Request in accordance with Paragraph 5;
“Impact Assessment Estimate”	has the meaning given in Paragraph 4.3;
“Receiving Party”	the Party which receives a proposed Change Authorisation Note for signature pursuant to Paragraph 6.2; and
“Supplier Change Manager”	the person appointed to that position by the Supplier from time to time and notified in writing to the Authority or, if no person is notified, the Supplier Representative.

2. General Principles of Change Control Procedure

2.1 This Schedule sets out the procedure for dealing with Changes.

2.2 Operational Changes shall be processed in accordance with Paragraph 9. If either Party is in doubt about whether a change falls within the definition of an Operational Change, then it must be processed as a Contract Change.

2.3 The Parties shall deal with Contract Change as follows:

- 2.3.1 either Party may request a Contract Change which they shall initiate by issuing a Change Request in accordance with Paragraph 4;
- 2.3.2 unless this Contract otherwise requires, the Supplier shall assess and

Schedule 22: (Change Control Procedure)

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document the potential impact of a proposed Contract Change in accordance with Paragraph 5 before the Contract Change can be either approved or implemented;

- 2.3.3 the Authority shall have the right to request amendments to a Change Request, approve it or reject it in the manner set out in Paragraph 6;
 - 2.3.4 the Supplier shall have the right to reject a Change Request solely in the manner set out in Paragraph 6.3;
 - 2.3.5 save as otherwise provided in this Contract, no proposed Contract Change shall be implemented by the Supplier until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2; and
 - 2.3.6 if a proposed Contract Change is a Fast-track Change, it shall be processed in accordance with Paragraph 8.
- 2.4 To the extent that any Contract Change requires testing and/or a programme for implementation, then the Parties shall follow the procedures set out in **Error! Reference source not found. (Error! Reference source not found.)**, and, where appropriate, the Change Authorisation Note relating to such a Contract Change shall specify Milestones and/or a Key Milestone and Milestone Date(s) in respect of such Contract Change for the purposes of such procedures.
- 2.5 Until a Change Authorisation Note has been signed and issued in accordance with Paragraph 6.2, then:
- 2.5.1 unless the Authority expressly agrees (or requires) otherwise in writing, the Supplier shall continue to supply the Services in accordance with the existing terms of this Contract as if the proposed Contract Change did not apply; and
 - 2.5.2 any discussions, negotiations or other communications which may take place between the Authority and the Supplier in connection with any proposed Contract Change, including the submission of any Change Communications, shall be without prejudice to each Party's other rights under this Contract.
- 2.6 Unless the Authority directs otherwise, the Supplier shall:
- 2.6.1 within 10 Working Days of the final signature and issue of a Change Authorisation Note, deliver to the Authority a copy of this Contract updated to reflect all Contract Changes agreed in the relevant Change Authorisation Note and annotated with a reference to the Change Authorisation Note pursuant to which the relevant Contract Changes were agreed; and
 - 2.6.2 thereafter provide to the Authority such further copies of the updated Contract as the Authority may from time to time request.
- ### 3. Costs
- 3.1 Subject to Paragraph 3.3:
- 3.1.1 the costs of preparing each Change Request shall be borne by the Party making the Change Request; and
 - 3.1.2 the costs incurred by the Supplier in undertaking an Impact Assessment shall

Schedule 22: (Change Control Procedure)

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be borne by the Party making the Change Request provided that the Authority shall not be required to pay any such costs if:

- (a) such costs are below £TBC;
- (b) the Supplier is able to undertake the Impact Assessment by using resources already deployed in the provision of the Services; or
- (c) such costs exceed those in the accepted Impact Assessment Estimate.

3.2 The cost of any Contract Change shall be calculated and charged in accordance with the principles and day rates or day costs (as applicable) set out in Schedule 15 (*Charges and Invoicing*). The Supplier shall be entitled to increase the Charges only if it can demonstrate in the Impact Assessment that the proposed Contract Change requires additional resources and, in any event, any change to the Charges resulting from a Contract Change (whether the change will cause an increase or a decrease in the Charges) will be strictly proportionate to the increase or decrease in the level of resources required for the provision of the Services as amended by the Contract Change.

3.3 Both Parties' costs incurred in respect of any use of this Change Control Procedure as a result of any error or Default by the Supplier shall be paid for by the Supplier.

4. Change Request

4.1 Either Party may issue a Change Request to the other Party at any time during the Term. A Change Request shall be substantially in the form of Annex 1 and state whether the Party issuing the Change Request considers the proposed Contract Change to be a Fast-track Change.

4.2 If the Supplier issues the Change Request, then it shall also provide an Impact Assessment to the Authority as soon as is reasonably practicable but in any event within 10 Working Days of the date of issuing the Change Request.

4.3 If the Authority issues the Change Request, then the Supplier shall provide as soon as reasonably practical and in any event within ten (10) Working Days of the date of receiving the Change Request an estimate ("**Impact Assessment Estimate**") of the cost of preparing an Impact Assessment and the timetable for preparing it. The timetable shall provide for the completed Impact Assessment to be received by the Authority within ten (10) Working Days of acceptance of the Impact Assessment Estimate or within any longer time period agreed by the Authority.

4.4 If the Authority accepts an Impact Assessment Estimate then following receipt of notice of such acceptance the Supplier shall provide the completed Impact Assessment to the Authority as soon as is reasonably practicable and in any event within the period agreed in the Impact Assessment Estimate. If the Supplier requires any clarification in relation to the Change Request before it can deliver the Impact Assessment, then it shall promptly make a request for clarification to the Authority and provided that sufficient information is received by the Authority to fully understand:

4.4.1 The nature of the request for clarification; and

4.4.2 The reasonable justification for the request;

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the time period to complete the Impact Assessment shall be extended by the time taken by the Authority to provide that clarification. The Authority shall respond to the request for clarification as soon as is reasonably practicable.

5. Impact Assessment

- 5.1 Each Impact Assessment shall be completed in good faith and shall include:
- 5.1.1 details of the proposed Contract Change including the reason for the Contract Change; and
 - 5.1.2 details of the impact of the proposed Contract Change on the Services, the Optional Services (if any) and the Supplier's ability to meet its other obligations under this Contract;
 - 5.1.3 any variation to the terms of this Contract that will be required as a result of that impact, including changes to:
 - (a) the Services Description, the Performance Indicators and/or the Target Performance Levels;
 - (b) the format of Authority Data, as set out in the Services Description;
 - (c) the Milestones, Implementation Plan and any other timetable previously agreed by the Parties;
 - (d) other services provided by third party contractors to the Authority, including any changes required by the proposed Contract Change to the Authority's IT infrastructure;
 - 5.1.4 details of the cost of implementing the proposed Contract Change;
 - 5.1.5 details of the ongoing costs required by the proposed Contract Change when implemented, including any increase or decrease in the Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;
 - 5.1.6 a timetable for the implementation, together with any proposals for the testing of the Contract Change;
 - 5.1.7 details of how the proposed Contract Change will ensure compliance with any applicable Change in Law; and
 - 5.1.8 such other information as the Authority may reasonably request in (or in response to) the Change Request.
- 5.2 If the Contract Change involves the processing or transfer of any Personal Data outside the UK, in the event of the Personal Data being subject to UK GDPR, or the EU, in the event of the Personal Data being subject to EU GDPR, the preparation of the Impact Assessment shall also be subject to Protection of Personal Data.
- 5.3 Subject to the provisions of Paragraph 5.4, the Authority shall review the Impact Assessment and respond to the Supplier in accordance with Paragraph 6 within 15 Working Days of receiving the Impact Assessment, it.
- 5.4 If the Authority receives a proposed Contract Change from the Supplier and the Authority

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reasonably considers that it requires further information regarding the proposed Contract Change so that it may properly evaluate the Change Request and the Impact Assessment, then within 5 Working Days of receiving the Impact Assessment, it shall notify the Supplier of this fact and detail the further information that it requires. The Supplier shall then re-issue the relevant Impact Assessment to the Authority within 10 Working Days of receiving such notification. At the Authority's discretion, the Parties may repeat the process described in this Paragraph 5.4 until the Authority is satisfied that it has sufficient information to properly evaluate the Change Request and Impact Assessment.

- 5.5 The calculation of costs for the purposes of Paragraphs 5.1.4 and 5.1.5 shall:
- 5.5.1 be based on the Financial Model;
 - 5.5.2 facilitate the Financial Transparency Objectives;
 - 5.5.3 include estimated volumes of each type of resource to be employed and the applicable rate card;
 - 5.5.4 include full disclosure of any assumptions underlying such Impact Assessment;
 - 5.5.5 include evidence of the cost of any assets required for the Change; and
 - 5.5.6 include details of any new Sub-contracts necessary to accomplish the Change.

6. Authority's Right of Approval

- 6.1 Within 15 Working Days of receiving the Impact Assessment from the Supplier or within 10 Working Days of receiving the further information that it may request pursuant to Paragraph 5.4, the Authority shall evaluate the Change Request and the Impact Assessment and shall do one of the following:
- 6.1.1 approve the proposed Contract Change, in which case the Parties shall follow the procedure set out in Paragraph 6.2;
 - 6.1.2 in its absolute discretion reject the Contract Change, in which case it shall notify the Supplier of the rejection. The Authority shall not reject any proposed Contract Change to the extent that the Contract Change is necessary for the Supplier or the Services to comply with any Changes in Law. If the Authority does reject a Contract Change, then it shall explain its reasons in writing to the Supplier as soon as is reasonably practicable following such rejection; or
 - 6.1.3 in the event that it reasonably believes that a Change Request or Impact Assessment contains errors or omissions, require the Supplier to modify the relevant document accordingly, in which event the Supplier shall make such modifications within 5 Working Days of such request. Subject to Paragraph 5.4, on receiving the modified Change Request and/or Impact Assessment, the Authority shall approve or reject the proposed Contract Change within 10 Working Days.
- 6.2 If the Authority approves the proposed Contract Change pursuant to Paragraph 6.1 and it has not been rejected by the Supplier in accordance with Paragraph 6.3, then it shall inform the Supplier and, unless otherwise directed by the Authority, the Supplier shall be the Drafting Party. Following receipt by the Receiving Party of the Change Authorisation Note, it shall sign both copies and return one copy to the Drafting Party. Unless otherwise

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specified, on the Receiving Party's signature the Change Authorisation Note shall constitute (or, where the Authority has agreed to or required the implementation of a Change prior to signature of a Change Authorisation Note, shall constitute confirmation of) a binding variation to this Contract.

6.3 If the Receiving Party does not sign the Change Authorisation Note within 10 Working Days of receipt, then the Drafting Party shall have the right to notify the Receiving Party and if the Receiving Party does not sign the Change Authorisation Note within 5 Working Days of such notification, then the Drafting Party may refer the matter to the Expedited Dispute Timetable pursuant to the Dispute Resolution Procedure.

7. Supplier's Right of Approval

7.1 Following an Impact Assessment, if:

7.1.1 the Supplier reasonably believes that any proposed Contract Change which is requested by the Authority would:

- (a) materially and adversely affect the risks to the health and safety of any person; and/or
- (b) require the Services to be performed in a way that infringes any Law; and/or

7.1.2 the Supplier demonstrates to the Authority's reasonable satisfaction that the proposed Contract Change is technically impossible to implement and neither the Supplier Solution nor the Services Description state that the Supplier does have the technical capacity and flexibility required to implement the proposed Contract Change,

then the Supplier shall be entitled to reject the proposed Contract Change and shall notify the Authority of its reasons for doing so within 5 Working Days after the date on which it is obliged to deliver the Impact Assessment pursuant to Paragraph 4.3.

8. Fast-Track Changes

8.1 The Parties acknowledge that to ensure operational efficiency there may be circumstances where it is desirable to expedite the processes set out above.

8.2 If:

8.2.1 the total number of Contract Changes in relation to which this Fast-track Change procedure has been applied does not exceed 4 in any 12 month period; and

8.2.2 both Parties agree the value of the proposed Contract Change over the remaining Term and any period for which Termination Services may be required does not exceed £TBC and the proposed Contract Change is not significant (as determined by the Authority acting reasonably),

then the Parties shall confirm to each other in writing that they shall use the process set out in Paragraphs 4, 5, 6 and 6.3 but with reduced timescales, such that any period of 15 Working Days is reduced to 5 Working Days, any period of 10 Working Days is reduced to 2 Working Days and any period of 5 Working Days is reduced to 1 Working Day.

8.3 The Parties may agree in writing to revise the parameters set out in Paragraph 8.2 from

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time to time or that the Fast-track Change procedure shall be used in relation to a particular Contract Change notwithstanding that the total number of Contract Changes to which such procedure is applied will then exceed 4 in a 12 month period.

9. Operational Change Procedure

9.1 Any Operational Changes identified by the Supplier to improve operational efficiency of the Services may be implemented by the Supplier without following the Change Control Procedure for proposed Contract Changes provided they do not:

9.1.1 have an impact on the business of the Authority;

9.1.2 require a change to this Contract;

9.1.3 have a direct impact on use of the Services; or

9.1.4 involve the Authority in paying any additional Charges or other costs.

9.2 The Authority may request an Operational Change by submitting a written request for Operational Change (“**RFOC**”) to the Supplier Representative.

9.3 The RFOC shall include the following details:

9.3.1 the proposed Operational Change; and

9.3.2 the time-scale for completion of the Operational Change.

9.4 The Supplier shall inform the Authority of any impact on the Services that may arise from the proposed Operational Change.

9.5 The Supplier shall complete the Operational Change by the timescale specified for completion of the Operational Change in the RFOC, and shall promptly notify the Authority when the Operational Change is completed.

10. Communications

10.1 For any Change Communication to be valid under this Schedule, it must be sent to either the Authority Change Manager or the Supplier Change Manager, as applicable. The provisions of Clause 42 (*Notices*) shall apply to a Change Communication as if it were a notice.

Schedule 22: (Change Control Procedure)

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Annex 1: Change Request Form

CR No.:	Title:	Type of change:
Contract:	Required by date:	
Action:	Name:	Date:
Raised by:		
Area(s) impacted (optional field):		
Assigned for impact assessment by:		
Assigned for impact assessment to:		
Supplier reference no.:		
Full description of requested contract change (including proposed changes to the wording of the contract):		
Details of any proposed alternative scenarios:		
Reasons for and benefits and disadvantages of requested contract change:		
Signature of requesting change owner:		
Date of request:		

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Annex 2: Change Authorisation Note

CR No.:	Title:	Date raised:
Contract:	Type of change:	Required by date:
[Key milestone date: [if any]]		
Detailed description of contract change for which impact assessment is being prepared and wording of related changes to the contract:		
Proposed adjustment to the charges resulting from the contract change:		
Details of proposed one-off additional charges and means for determining these (e.g. fixed price basis):		
Signed on behalf of the authority:		Signed on behalf of the supplier:
Signature: _____		Signature: _____
Name: _____		Name: _____
Position: _____		Position: _____
Date: _____		Date: _____

Schedule 23

Dispute Resolution Procedure

Schedule 23: Dispute Resolution Procedure

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“CEDR”	the Centre for Effective Dispute Resolution of International Dispute Resolution Centre 1 Patternoster Lane, St Paul’s, London, EC4M 7BQ;
“Counter Notice”	has the meaning given in Paragraph 7.2;
“Expert”	in relation to a Dispute, a person appointed in accordance with Paragraph 6.2 to act as an expert in relation to that Dispute;
“Expert Determination”	determination by an Expert in accordance with Paragraph 6;
“Mediation Notice”	has the meaning given in Paragraph 4.2;
“Mediator”	the independent third party appointed in accordance with Paragraph 5.2 to mediate a Dispute;
“Multi-Party Dispute”	a Dispute which involves the Parties and one or more Related Third Parties;
“Multi-Party Dispute Representatives”	has the meaning given in Paragraph 9.6;
“Multi-Party Dispute Resolution Board”	has the meaning given in Paragraph 9.6;
“Related Third Party”	a party to: (a) another contract with the Authority or the Supplier which is relevant to this Contract; or (b) a Sub-contract; and
“Supplier Request”	a notice served by the Supplier requesting that the Dispute be treated as a Multi-Party Dispute, setting out its grounds for that request and specifying each Related Third Party that it believes should be involved in the Multi-Dispute Resolution Procedure in respect of that Dispute.

2. Dispute Notices

2.1 If a Dispute arises then:

2.1.1 the Authority Representative and the Supplier Representative shall attempt in good faith to resolve the Dispute; and

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- 2.1.2 if such attempts are not successful within a reasonable period, not being longer than 20 Working Days, either Party may issue to the other a Dispute Notice.
- 2.2 A Dispute Notice:
- 2.2.1 shall set out:
- (a) the material particulars of the Dispute;
 - (b) the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and
 - (c) if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable, the reason why; and
- 2.2.2 may specify in accordance with the requirements of Paragraphs 9.2 and 9.3 that the Party issuing the Dispute Notice has determined (in the case of the Authority) or considers (in the case of the Supplier) that the Dispute is a Multi-Party Dispute, in which case Paragraph 2.3 shall apply.
- 2.3 If a Dispute Notice specifies that the Dispute has been determined or is considered to be a Multi-Party Dispute pursuant to Paragraph 2.2.2, then:
- 2.3.1 if it is served by the Authority it shall be treated as a Multi-Party Procedure Initiation Notice; and
- 2.3.2 if it is served by the Supplier it shall be treated as a Supplier Request, and in each case the provisions of Paragraph 9 shall apply.
- 2.4 Subject to Paragraphs 2.5 and 3.2 and so long as the Authority has not served a Multi-Party Procedure Initiation Notice in respect of the relevant Dispute, following the issue of a Dispute Notice the Parties shall seek to resolve the Dispute:
- 2.4.1 first by commercial negotiation (as prescribed in Paragraph 4);
- 2.4.2 then, if either Party serves a Mediation Notice, by mediation (as prescribed in Paragraph 5); and
- 2.4.3 lastly by recourse to arbitration (as prescribed in Paragraph 7) or litigation (in accordance with Clause 44 (*Governing Law and Jurisdiction*)).
- 2.5 Specific issues shall be referred to Expert Determination (as prescribed in Paragraph 6) where specified under the provisions of this Contract and may also be referred to Expert Determination where otherwise appropriate as specified in Paragraph 6.1.
- 2.6 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Contract regardless of the nature of the Dispute and notwithstanding any issue of a Dispute Notice or a Multi-Party Procedure Initiation Notice or proceedings under Paragraph 8 (*Urgent Relief*).
- 3. Expedited Dispute Timetable**
- 3.1 In exceptional circumstances where the use of the times in this Schedule would be

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unreasonable, including (by way of example) where one Party would be materially disadvantaged by a delay in resolving the Dispute, the Parties may agree to use the Expedited Dispute Timetable. If the Parties are unable to reach agreement on whether to use the Expedited Dispute Timetable within 5 Working Days of the issue of a Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Authority.

- 3.2 If the Expedited Dispute Timetable is to be used pursuant to the provisions of Paragraph 3.1 or is otherwise specified under the provisions of this Contract, then the following periods of time shall apply in lieu of the time periods specified in the applicable Paragraphs:
- 3.2.1 in Paragraph 4.2.3, 10 Working Days;
 - 3.2.2 in Paragraph 5.2, 10 Working Days;
 - 3.2.3 in Paragraph 6.2, 5 Working Days; and
 - 3.2.4 in Paragraph 7.2, 10 Working Days.
- 3.3 If at any point it becomes clear that an applicable deadline cannot be met or has passed, the Parties may (but shall be under no obligation to) agree in writing to extend the deadline. If the Parties fail to agree within 2 Working Days after the deadline has passed, the Authority may set a revised deadline provided that it is no less than 5 Working Days before the end of the period of time specified in the applicable Paragraphs (or 2 Working Days in the case of Paragraph 6.2). Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension. If the Authority fails to set such a revised deadline then the use of the Expedited Dispute Timetable shall cease and the normal time periods shall apply from that point onwards.

4. Commercial Negotiation

- 4.1 Following the service of a Dispute Notice, then, so long as the Authority has not served a Multi-Party Procedure Initiation Notice in respect of the relevant Dispute, the Authority and the Supplier shall make reasonable endeavours to resolve the Dispute as soon as possible by commercial negotiation between the Authority's Commercial Lead and the Supplier's Commercial Lead/ Contract Manager.
- 4.2 If:
- 4.2.1 either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiation, will not result in an appropriate solution;
 - 4.2.2 the Parties have already held discussions of a nature and intent (or otherwise were conducted in the spirit) that would equate to the conduct of commercial negotiation in accordance with this Paragraph 4; or
 - 4.2.3 the Parties have not settled the Dispute in accordance with Paragraph 4.1 within 30 Working Days of service of the Dispute Notice,

either Party may serve a written notice to proceed to mediation in accordance with Paragraph 5 (a "**Mediation Notice**").

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5. Mediation

- 5.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with the version of CEDR's Model Mediation Procedure which is current at the time the Mediation Notice is served (or such other version as the Parties may agree).
- 5.2 If the Parties are unable to agree on the joint appointment of an independent person to mediate the Dispute within 20 Working Days from (and including) the service of a Mediation Notice then either Party may apply to CEDR to nominate such a person.
- 5.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if both Parties so request and the Mediator agrees, the Mediator shall produce for the Parties a non-binding recommendation on terms of settlement. This shall not attempt to anticipate what a court might order but shall set out what the Mediator suggests are appropriate settlement terms in all of the circumstances.
- 5.4 Any settlement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties (in accordance with the Change Control Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

6. Expert Determination

- 6.1 If a Dispute relates to any aspect of the technology underlying the provision of the Services or otherwise relates to a technical matter of an IT, accounting or financing nature and the Dispute has not been resolved by commercial negotiation in accordance with Paragraph 4 or, if applicable, mediation in accordance with Paragraph 5, then either Party may by written notice to the other request (agreement to which request shall not be unreasonably withheld or delayed) that the Dispute be referred to an expert for determination.
- 6.2 The expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within 10 Working Days of the relevant request made pursuant to Paragraph 6.1, or if the person appointed is unable or unwilling to act, the expert shall be appointed:
 - 6.2.1 if the Dispute relates to any aspect of the technology underlying the provision of the Services or a matter of an IT technical nature, on the instructions of the President of the British Computer Society (or any other association that has replaced the British Computer Society);
 - 6.2.2 if the Dispute relates to a matter of a financial technical nature, on the instructions of the President of the Institute of Chartered Accountants of England and Wales; or
 - 6.2.3 if the Dispute relates to a matter of a technical nature not falling within Paragraphs 6.2.1 or 6.2.2, on the instructions of the president (or equivalent) of:
 - (a) an appropriate body agreed between the Parties; or
 - (b) if the Parties do not reach agreement on the relevant body within 15 Working Days of the relevant request made pursuant to Paragraph 6.1, such body as may be specified by the President of the Law Society on application by either Party.

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- 6.3 The Expert shall act on the following basis:
- 6.3.1 they shall act as an expert and not as an arbitrator and shall act fairly and impartially;
 - 6.3.2 the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;
 - 6.3.3 the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within 30 Working Days of his appointment or as soon as reasonably practicable thereafter and the Parties shall assist and provide the documentation that the Expert requires for the purpose of the determination;
 - 6.3.4 any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within 20 Working Days of the Expert's determination being notified to the Parties;
 - 6.3.5 the process shall be conducted in private and shall be confidential; and
 - 6.3.6 the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

7. Arbitration

- 7.1 Subject to compliance with its obligations under Paragraph 4.1 and to the provisions of Paragraph 6, the Authority may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of Paragraph 7.5.
- 7.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Authority of its intentions and the Authority shall have 15 Working Days following receipt of such notice to serve a reply (a "**Counter Notice**") on the Supplier requiring the Dispute to be referred to and resolved by arbitration in accordance with Paragraph 7.5 or be subject to the exclusive jurisdiction of the courts of England and Wales. The Supplier shall not commence any court proceedings or arbitration until the expiry of such 15 Working Day period.
- 7.3 If the Authority serves a Counter Notice, then:
- 7.3.1 if the Counter Notice requires the Dispute to be referred to arbitration, the provisions of Paragraph 7.5 shall apply; or
 - 7.3.2 if the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts of England and Wales, the Dispute shall be so referred to those courts and the Supplier shall not commence arbitration proceedings.
- 7.4 If the Authority does not serve a Counter Notice within the 15 Working Day period referred to in Paragraph 7.2, the Supplier may either commence arbitration proceedings in accordance with Paragraph 7.5 or commence court proceedings in the Courts of England and Wales which shall (in those circumstances) have exclusive jurisdiction.
- 7.5 The Parties hereby confirm that if any arbitration proceedings are commenced pursuant to Paragraphs 7.1 to 7.4:
- 7.5.1 the Dispute shall be referred to and finally resolved by arbitration under the

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Rules of the London Court of International Arbitration (“**LCIA**”) (subject to Paragraphs 7.5.5, 7.5.6 and 7.5.7);

- 7.5.2 the arbitration shall be administered by the LCIA;
- 7.5.3 the LCIA procedural rules in force at the date that the Dispute was referred to arbitration shall be applied and are deemed to be incorporated by reference into this Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;
- 7.5.4 if the Parties fail to agree the appointment of the arbitrator within 10 Working Days from the date on which arbitration proceedings are commenced or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
- 7.5.5 the chair of the arbitral tribunal shall be British;
- 7.5.6 the arbitration proceedings shall take place in London and in the English language; and
- 7.5.7 the seat of the arbitration shall be London.

8. Urgent Relief

- 8.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:
 - 8.1.1 for interim or interlocutory remedies in relation to this Contract or infringement by the other Party of that Party’s Intellectual Property Rights; and/or
 - 8.1.2 where compliance with Paragraph 2.1 and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

9. Multi-Party Disputes

- 9.1 All Multi-Party Disputes shall be resolved in accordance with the procedure set out in this Paragraph 9 (the “**Multi-Party Dispute Resolution Procedure**”).
- 9.2 If at any time following the issue of a Dispute Notice, the Authority reasonably considers that the matters giving rise to the Dispute involve one or more Related Third Parties, then the Authority shall be entitled to determine that the Dispute is a Multi-Party Dispute and to serve a notice on the Supplier which sets out the Authority’s determination that the Dispute is a Multi-Party Dispute and specifies the Related Third Parties which are to be involved in the Multi-Party Dispute Resolution Procedure, such notice a “**Multi-Party Procedure Initiation Notice**”.
- 9.3 If following the issue of a Dispute Notice but before the Dispute has been referred to Expert Determination or to arbitration in accordance with Paragraph 7, the Supplier has reasonable grounds to believe that the matters giving rise to the Dispute have been contributed to by one or more Related Third Parties, the Supplier may serve a Supplier Request on the Authority.
- 9.4 The Authority shall (acting reasonably) consider each Supplier Request and shall determine within 5 Working Days whether the Dispute is:

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- 9.4.1 a Multi-Party Dispute, in which case the Authority shall serve a Multi-Party Procedure Initiation Notice on the Supplier; or
 - 9.4.2 not a Multi-Party Dispute, in which case the Authority shall serve written notice of such determination upon the Supplier and the Dispute shall be treated in accordance with Paragraphs 3 to 8.
- 9.5 If the Authority has determined, following a Supplier Request, that a Dispute is not a Multi-Party Dispute, the Supplier may not serve another Supplier Request with reference to the same Dispute.
- 9.6 Following service of a Multi-Party Procedure Initiation Notice a Multi-Party Dispute shall be dealt with by a board (in relation to such Multi-Party Dispute, the “**Multi-Party Dispute Resolution Board**”) comprising representatives from the following parties to the Multi-Party Dispute, each of whom shall be of a suitable level of seniority to finalise any agreement with the other parties to settle the Multi-Party Dispute:
- 9.6.1 the Authority;
 - 9.6.2 the Supplier;
 - 9.6.3 each Related Third Party involved in the Multi-Party Dispute; and
 - 9.6.4 any other representatives of any of the Parties and/or any Related Third Parties whom the Authority considers necessary,
- (together “**Multi-Party Dispute Representatives**”).
- 9.7 The Parties agree that the Multi-Party Dispute Resolution Board shall seek to resolve the relevant Multi-Party Dispute in accordance with the following principles and procedures:
- 9.7.1 the Parties shall procure that their Multi-Party Dispute Representatives attend, and shall use their best endeavours to procure that the Multi-Party Dispute Representatives of each Related Third Party attend, all meetings of the Multi-Party Dispute Resolution Board in respect of the Multi-Party Dispute;
 - 9.7.2 the Multi-Party Dispute Resolution Board shall first meet within 10 Working Days of service of the relevant Multi-Party Procedure Initiation Notice at such time and place as the Parties may agree or, if the Parties do not reach agreement on the time and place within 5 Working Days of service of the relevant Multi-Party Procedure Initiation Notice, at the time and place specified by the Authority, provided such place is at a neutral location within England and that the meeting is to take place between 9.00am and 5.00pm on a Working Day; and
 - 9.7.3 in seeking to resolve or settle any Multi-Party Dispute, the members of the Multi-Party Dispute Resolution Board shall have regard to the principle that a Multi-Party Dispute should be determined based on the contractual rights and obligations between the Parties and the Related Third Parties and that any apportionment of costs should reflect the separate components of the Multi-Party Dispute.
- 9.8 If a Multi-Party Dispute is not resolved between the Parties and all Related Third Parties within 25 Working Days of the issue of the Multi-Party Procedure Initiation Notice (or such longer period as the Parties may agree in writing), then:

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- 9.8.1 either Party may serve a Mediation Notice in respect of the Multi-Party Dispute in which case Paragraph 5 shall apply;
 - 9.8.2 either Party may request that the Multi-Party Dispute is referred to an expert in which case Paragraph 6 shall apply; and/or
 - 9.8.3 subject to Paragraph 9.9, Paragraph 7 shall apply to the Multi-Party Dispute, and in each case references to the “Supplier” or the “Parties” in such provisions shall include a reference to all Related Third Parties.
- 9.9 If a Multi-Party Dispute is referred to arbitration in accordance with Paragraph 7 or a Dispute becomes a Multi-Party Dispute during the course of arbitration proceedings and either Party is unable to compel a Related Third Party to submit to such arbitration proceedings, the Authority or the Supplier may discontinue such arbitration proceedings and instead initiate court proceedings. The costs of any such discontinued arbitration proceedings shall be borne by the Party which is in a direct contractual relationship with the Related Third Party or, where the Related Third Party is a Sub Contractor, by the Supplier.

Schedule 25

Exit Management

Schedule 25: Exit Management

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Emergency Exit”	any termination of this Contract which is a: <ul style="list-style-type: none">(a) termination of the whole or part of this Contract in accordance with Clause 31 (<i>Termination Rights</i>), except where the period of notice given under that Clause is greater than or equal to 6 months;(b) termination of the provision of the Services for any reason prior to the expiry of any period of notice of termination served pursuant to Clause 31 (<i>Termination Rights</i>); or(c) wrongful termination or repudiation of this Contract by either Party;
“Ethical Wall Agreement”	an ethical wall agreement in a form similar to the draft ethical wall agreement set out at Annex 2;
“Exclusive Assets”	those Assets used by the Supplier or a Key Sub-contractor which are used exclusively in the provision of the Services;
“Exit Information”	has the meaning given in Paragraph 3.1;
“Exit Manager”	the person appointed by each Party pursuant to Paragraph 2.3 for managing the Parties’ respective obligations under this Schedule;
“Net Book Value”	the net book value of the relevant Asset(s) calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Authority of the same date as this Contract;
“Non-Exclusive Assets”	those Assets (if any) which are used by the Supplier or a Key Sub-contractor in connection with the Services but which are also used by the Supplier or Key Sub-contractor for other purposes of material value;
“Ordinary Exit”	any termination of the whole or any part of this Contract which occurs: <ul style="list-style-type: none">(a) pursuant to Clause 31 (<i>Termination Rights</i>) where the period of notice given by the Party serving notice to terminate pursuant to such Clause is greater than or equal to 6 months; or

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- (b) as a result of the expiry of the Initial Term or any Extension Period;

“Transferable Assets” those of the Exclusive Assets which are capable of legal transfer to the Authority;

“Transferable Contracts” the Sub-contracts, licences for Supplier’s Software, licences for Third Party Software or other agreements which are necessary to enable the Authority or any Replacement Supplier to perform the Services or the Replacement Services, including in relation to licences all relevant Documentation; and

“Transferring Contracts” has the meaning given in Paragraph 7.2.3.

2. Obligations During the Term to Facilitate Exit

2.1 During the Term, the Supplier shall:

2.1.1 create and maintain a register of all:

- (a) Assets, detailing their:
 - (b) make, model and asset number;
 - (c) ownership and status as either Exclusive Assets or Non-Exclusive Assets;
 - (d) Net Book Value;
 - (e) condition and physical location; and
 - (f) use (including technical specifications); and
- (g) Sub-contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;

2.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, which shall contain sufficient detail to permit the Authority and/or Replacement Supplier to understand how the Supplier provides the Services and to enable the smooth transition of the Services with the minimum of disruption;

2.1.3 agree the format of the Registers with the Authority as part of the process of agreeing the Exit Plan; and

2.1.4 at all times keep the Registers up to date, in particular in the event that Assets, Sub-contracts or other relevant agreements are added to or removed from the Services.

2.2 The Supplier shall procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Services under

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this Contract.

- 2.3 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Schedule and provide written notification of such appointment to the other Party within 3 months of the Effective Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-contractors comply with this Schedule. The Supplier shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Schedule. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Contract and all matters connected with this Schedule and each Party's compliance with it.

3. Obligations to Assist on Re-tendering of Services

- 3.1 On reasonable notice at any point during the Term, the Supplier shall provide to the Authority and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:
- 3.1.1 details of the Service(s);
 - 3.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;
 - 3.1.3 an inventory of Authority Data in the Supplier's possession or control;
 - 3.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;
 - 3.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Services;
 - 3.1.6 to the extent permitted by applicable Law, all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Contract; and
 - 3.1.7 such other material and information as the Authority shall reasonably require, (together, the "**Exit Information**").
- 3.2 The Supplier acknowledges that the Authority may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Authority is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Authority may not under this Paragraph 3.2 disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-contractors' prices or costs).
- 3.3 The Supplier shall:
- 3.3.1 notify the Authority within 5 Working Days of any material change to the Exit Information which may adversely impact upon the potential transfer and/or continuance of any Services and shall consult with the Authority regarding

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such proposed material changes; and

3.3.2 provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within 10 Working Days of a request in writing from the Authority.

3.4 The Supplier may charge the Authority for its reasonable additional costs to the extent the Authority requests more than 4 updates in any 6 month period.

3.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:

3.5.1 prepare an informed offer for those Services; and

3.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

4. Obligation to enter into an Ethical Wall Agreement on Re-tendering of Services

4.1 The Authority may require the Supplier to enter into the Ethical Wall Agreement at any point during a re-tendering or contemplated re-tendering of the Services or any part of the Services.

4.2 If required to enter into the Ethical Wall Agreement, the Supplier will return a signed copy of the Ethical Wall Agreement within 10 Working Days of receipt. The Supplier's costs of entering into the Ethical Wall Agreement will be borne solely by the Supplier.

5. Exit Plan

5.1 The Supplier shall, within 3 months after the Effective Date, deliver to the Authority an Exit Plan which:

5.1.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the relevant Services from the Supplier to the Authority and/or its Replacement Supplier on the Partial Termination, expiry or termination of this Contract;

5.1.2 complies with the requirements set out in Paragraph 5.2; and

5.1.3 is otherwise reasonably satisfactory to the Authority.

5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within 20 Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.

5.3 The Exit Plan shall set out, as a minimum:

5.3.1 how the Exit Information is obtained;

5.3.2 separate mechanisms for dealing with Ordinary Exit and Emergency Exit, the provisions relating to Emergency Exit being prepared on the assumption that the Supplier may be unable to provide the full level of assistance which is required by the provisions relating to Ordinary Exit, and in the case of Emergency Exit, provision for the supply by the Supplier of all such reasonable

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- assistance as the Authority shall require to enable the Authority or its sub-contractors to provide the Services;
- 5.3.3 a mechanism for dealing with Partial Termination on the assumption that the Supplier will continue to provide the remaining Services under this Contract;
- 5.3.4 the management structure to be employed during both transfer and cessation of the Services in an Ordinary Exit and an Emergency Exit;
- 5.3.5 the management structure to be employed during the Termination Assistance Period;
- 5.3.6 a detailed description of both the transfer and cessation processes, including a timetable, applicable in the case of an Ordinary Exit and an Emergency Exit;
- 5.3.7 how the Services will transfer to the Replacement Supplier and/or the Authority, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components from any technology components operated by the Supplier or its Sub-contractors (where applicable);
- 5.3.8 the scope of the Termination Services that may be required for the benefit of the Authority (including such of the services set out in Annex 1 as are applicable);
- 5.3.9 a timetable and critical issues for providing the Termination Services;
- 5.3.10 any charges that would be payable for the provision of the Termination Services (calculated in accordance with the methodology that would apply if such Services were being treated as a Contract Change), together with a capped estimate of such charges;
- 5.3.11 how the Termination Services would be provided (if required) during the Termination Assistance Period;
- 5.3.12 procedures to deal with requests made by the Authority and/or a Replacement Supplier for Staffing Information pursuant to Schedule 28 (*Staff Transfer*); and
- 5.3.13 how each of the issues set out in this Schedule will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or the Authority with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period.
- 5.4 The Parties acknowledge that the migration of the Services from the Supplier to the Authority and/or its Replacement Supplier may be phased, such that certain of the Services are handed over before others.
- 5.5 The Supplier shall review and (if appropriate) update the Exit Plan on a basis consistent with the principles set out in this Schedule in the first month of each Contract Year (commencing with the second Contract Year) and if requested by the Authority following the occurrence of a Financial Distress Event, within 14 days of such request, to reflect any changes in the Services that have occurred since the Exit Plan was last agreed. Following such update, the Supplier shall submit the revised Exit Plan to the Authority for review. Within 20 Working Days following submission of the revised Exit Plan, the Parties shall meet and use reasonable endeavours to agree the contents of the revised Exit

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Plan. If the Parties are unable to agree the contents of the revised Exit Plan within that 20 Working Day period, such dispute shall be resolved in accordance with the Dispute Resolution Procedure.

Finalisation of the Exit Plan

- 5.6 Within 20 Working Days after service of a Termination Notice by either Party or 6 months prior to the expiry of this Contract, the Supplier will submit for the Authority's approval the Exit Plan in a final form that could be implemented immediately. The final form of the Exit Plan shall be prepared on a basis consistent with the principles set out in this Schedule and shall reflect any changes in the Services that have occurred since the Exit Plan was last agreed.
- 5.7 The Parties will meet and use their respective reasonable endeavours to agree the contents of the final form of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within 20 Working Days following its delivery to the Authority then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure. Until the agreement of the final form of the Exit Plan, the Supplier shall provide the Termination Services in accordance with the principles set out in this Schedule and the last approved version of the Exit Plan (insofar as relevant).

6. Termination Services

Notification of Requirements for Termination Services

- 6.1 The Authority shall be entitled to require the provision of Termination Services at any time during the Term by giving written notice to the Supplier (a "**Termination Assistance Notice**") at least 4 months prior to the date of termination or expiry of this Contract or as soon as reasonably practicable (but in any event, not later than 1 month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
- 6.1.1 the date from which Termination Services are required;
 - 6.1.2 the nature of the Termination Services required; and
 - 6.1.3 the period during which it is anticipated that Termination Services will be required, which shall continue no longer than 24 months after the expiry of the Initial Term or any Extension Period or earlier termination of this Contract;
- 6.2 The Authority shall have:
- 6.2.1 an option to extend the period of assistance beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend the Termination Assistance period beyond the date which is 30 months after expiry of the Initial Term or any Extension Period or earlier termination of this Contract ;and provided that it shall notify the Supplier to such effect no later than 20 Working Days prior to the date on which the provision of Termination Services is otherwise due to expire; and
 - 6.2.2 the right to terminate its requirement for Termination Services by serving not less than 20 Working Days' written notice upon the Supplier to such effect.

Termination Assistance Period

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- 6.3 Throughout the Termination Assistance Period, or such shorter period as the Authority may require, the Supplier shall:
- 6.3.1 continue to provide the Services (as applicable) and, if required by the Authority pursuant to Paragraph 6.1, provide the Termination Services;
 - 6.3.2 in addition to providing the Services and the Termination Services, provide to the Authority any reasonable assistance requested by the Authority to allow the Services to continue without interruption following the Partial Termination, termination or expiry of this Contract and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Authority and/or its Replacement Supplier;
 - 6.3.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in Paragraph 6.3.2 without additional costs to the Authority;
 - 6.3.4 provide the Services and the Termination Services at no detriment to the Target Performance Levels, save to the extent that the Parties agree otherwise in accordance with Paragraph 6.5; and
 - 6.3.5 at the Authority's request and on reasonable notice, deliver up-to-date Registers to the Authority.
- 6.4 Without prejudice to the Supplier's obligations under Paragraph 6.3.3, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 6.3.2 without additional costs to the Authority, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Services or the Exit Plan shall be subject to the Change Control Procedure.
- 6.5 If the Supplier demonstrates to the Authority's reasonable satisfaction that transition of the Services and provision of the Termination Services during the Termination Assistance Period will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Target Performance Level(s), the Parties shall vary the relevant Target Performance Level(s) and/or the applicable Service Credits to take account of such adverse effect.

Termination Obligations

- 6.6 The Supplier shall comply with all of its obligations contained in the Exit Plan in respect of any Partial Termination or termination.
- 6.7 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule) in respect of the Services that have been terminated, the Supplier shall:
- 6.7.1 cease to use the Authority Data;
 - 6.7.2 provide the Authority and/or the Replacement Supplier with a complete and uncorrupted version of the Authority Data in electronic form (or such other format as reasonably required by the Authority);

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- 6.7.3 erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Authority Data and promptly certify to the Authority that it has completed such deletion;
- 6.7.4 return to the Authority such of the following as is in the Supplier's possession or control:
 - (a) any parts of the IT Environment and any other equipment which belongs to the Authority; and
 - (b) any items that have been on-charged to the Authority, such as consumables;
- 6.7.5 vacate any Authority Premises unless access is required to continue to deliver the Services;
- 6.7.6 provide access during normal working hours to the Authority and/or the Replacement Supplier for up to 12 months after the Partial Termination, expiry or termination of this Contract to:
 - (a) such information relating to the Services as remains in the possession or control of the Supplier; and
 - (b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Authority and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this Paragraph 6.7.6(b).
- 6.8 Upon Partial Termination, termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party in respect of the terminated Services and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Services or for statutory compliance purposes.

7. Assets, Sub-contracts and Software

- 7.1 Following notice of termination or Partial Termination of this Contract and during the Termination Assistance Period, the Supplier shall not, in respect of the terminated Services, without the Authority's prior written consent:
 - 7.1.1 terminate, enter into or vary any Sub-contract except to the extent that such change does not or will not affect the provision of Services or the Charges;
 - 7.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Assets or acquire any new Assets; or
 - 7.1.3 terminate, enter into or vary any licence for software in connection with the Services.

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- 7.2 Within 20 Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to Paragraph 6.3.5, the Authority shall provide written notice to the Supplier setting out:
- 7.2.1 which, if any, of the Transferable Assets the Authority requires to be transferred to the Authority and/or the Replacement Supplier in respect of the terminated Services (“**Transferring Assets**”);
- 7.2.2 which, if any, of:
- (a) the Exclusive Assets that are not Transferable Assets; and
- (b) the Non-Exclusive Assets,
- the Authority and/or the Replacement Supplier requires the continued use of; and
- 7.2.3 which, if any, of Transferable Contracts the Authority requires to be assigned or novated to the Authority and/or the Replacement Supplier (the “**Transferring Contracts**”),
- in order for the Authority and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Authority and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Authority and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Authority and/or its Replacement Supplier requires to provide the Services or Replacement Services. Where requested by the Supplier, the Authority and/or its Replacement Supplier shall discuss in good faith with the Supplier which Transferable Contracts are used by the Supplier in matters unconnected to the Services or Replacement Services.
- 7.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Authority and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where:
- 7.3.1 a Termination Payment is payable by the Authority to the Supplier, in which case, payment for such Assets shall be included within the Termination Payment; or
- 7.3.2 the cost of the Transferring Asset has been partially or fully paid for through the Charges at the time of expiry or termination of this Contract, in which case the Authority shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Charges.
- 7.4 Risk in the Transferring Assets shall pass to the Authority or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Authority or the Replacement Supplier (as appropriate) on payment for the same.
- 7.5 Where the Supplier is notified in accordance with Paragraph 7.2.3 that the Authority and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:
- 7.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such

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other terms that have been agreed by the Authority) for the Authority and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

- 7.5.2 procure a suitable alternative to such assets and the Authority or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.
- 7.6 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Authority and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Authority reasonably requires to effect this novation or assignment.
- 7.7 The Authority shall:
- 7.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and
- 7.7.2 once a Transferring Contract is novated or assigned to the Authority and/or the Replacement Supplier, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.
- 7.8 The Supplier shall hold any Transferring Contracts on trust for the Authority until such time as the transfer of the relevant Transferring Contract to the Authority and/or the Replacement Supplier has been effected.
- 7.9 The Supplier shall indemnify the Authority (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Authority (and/or Replacement Supplier) pursuant to Paragraph 7.6 both:
- 7.9.1 in relation to any matters arising prior to the date of assignment or novation of such Sub-contract; and
- 7.9.2 in relation to any matters arising after the date of assignment or novation of such Sub-contract where the loss, liability or cost arises as a result of the Supplier's failure to comply with Clause 16 (*Intellectual Property Rights*) and/or **Error! Reference source not found. (Error! Reference source not found.)**.
- 8. Supplier Personnel**
- 8.1 The Authority and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Services or part of them for any reason, Schedule 28 (*Staff Transfer*) shall apply.
- 8.2 The Supplier shall not take any step (expressly or implicitly or directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Authority and/or the Replacement Supplier.
- 8.3 During the Termination Assistance Period, the Supplier shall give the Authority and/or the Replacement Supplier reasonable access to the Supplier's personnel to present the case for transferring their employment to the Authority and/or the Replacement Supplier.

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- 8.4 The Supplier shall immediately notify the Authority or, at the direction of the Authority, the Replacement Supplier of any period of notice given by the Supplier or received from any person referred to in the Staffing Information, regardless of when such notice takes effect.
- 8.5 The Supplier shall not for a period of 12 months from the date of transfer re-employ or re-engage or entice any employees, suppliers or Sub-contractors whose employment or engagement is transferred to the Authority and/or the Replacement Supplier, except that this Paragraph shall not apply where the employee, supplier or Sub-contractor applies in response to a public advertisement of a vacancy.

9. Charges

- 9.1 During the Termination Assistance Period (or for such shorter period as the Authority may require the Supplier to provide the Termination Services), the Authority shall pay the Charges to the Supplier in respect of the Termination Services in accordance with the rates set out in the Exit Plan (but shall not be required to pay costs in excess of the estimate set out in the Exit Plan). If the scope or timing of the Termination Services is changed and this results in a change to the costs of such Termination Services, the estimate may be varied in accordance with the Change Control Procedure.
- 9.2 Where the Authority requests an extension to the Termination Services beyond the Termination Assistance Period in accordance with Paragraph 6.2:
- 9.2.1 where more than 6 months' notice is provided, the same rate as set out in the Exit Plan (or the Charges when not stated in the Exit Plan) shall be payable; and
- 9.2.2 where less than 6 months' notice is provided, no more than 1.2 times the rate as set out in the Exit Plan (or the Charges when not stated in the Exit Plan) shall be payable.
- 9.3 For the purpose of calculating the costs of providing the Termination Services for inclusion in the Exit Plan or, if no Exit Plan has been agreed, the costs of providing Termination Services shall be determined in accordance with the Change Control Procedure.
- 9.4 Except as otherwise expressly specified in this Agreement, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Authority shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Schedule including the preparation and implementation of the Exit Plan and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

10. Apportionments

- 10.1 All outgoings and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Authority and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:
- 10.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;
- 10.1.2 the Authority shall be responsible for (or shall procure that the Replacement Supplier shall be responsible for) or entitled to (as the case may be) that part

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of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and

10.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.

10.2 Each Party shall pay (and/or the Authority shall procure that the Replacement Supplier shall pay) any monies due under Paragraph 10.1 as soon as reasonably practicable.

Annex 1: Scope of the Termination Services

1. Scope of the Termination Services

- 1.1 The Termination Services to be provided by the Supplier shall include such of the following services as the Authority may specify:
- 1.1.1 ceasing all non-critical Software changes (except where agreed in writing with the Authority);
 - 1.1.2 notifying the Sub-contractors of procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;
 - 1.1.3 providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and implementing processes and procedures such that they are appropriate for use by the Authority and/or the Replacement Supplier after the end of the Termination Assistance Period;
 - 1.1.4 delivering to the Authority the existing systems support profiles, monitoring or system logs, problem tracking/resolution documentation and status reports all relating to the 12 month period immediately prior to the commencement of the Termination Services;
 - 1.1.5 providing details of work volumes and staffing requirements over the 12 month period immediately prior to the commencement of the Termination Services;
 - 1.1.6 with respect to work in progress as at the end of the Termination Assistance Period, documenting the current status and stabilising for continuity during transition;
 - 1.1.7 providing the Authority with any problem logs which have not previously been provided to the Authority;
 - 1.1.8 providing assistance and expertise as necessary to examine all governance and reports in place for the provision of the Services and re-writing and implementing these during and for a period of 12 months after the Termination Assistance Period;
 - 1.1.9 providing assistance and expertise as necessary to examine all relevant roles and responsibilities in place for the provision of the Services and re-writing and implementing these such that they are appropriate for the continuation of the Services after the Termination Assistance Period;
 - 1.1.10 agreeing with the Authority an effective communication strategy and joint communications plan which sets out the implications for Supplier Personnel, Authority staff, customers and key stakeholders;
 - 1.1.11 reviewing all Software libraries used in connection with the Services and providing details of these to the Authority and/or the Replacement Supplier;
 - 1.1.12 providing assistance and expertise as necessary to support the Authority and/or the Replacement Supplier develop the migration plan for business operations and Authority Data to the Replacement Supplier, which may include

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migration approach, testing of plans, contingency options, and handling of historic or archived Authority Data;

- 1.1.13 provide all necessary support, equipment, tools, and Software such as data migration services and/or Automated Programming Interfaces, in order to enable and support the execution of the migration plan by the Authority and/or Replacement Supplier;
- 1.1.14 making available to the Authority and/or the Replacement Supplier expertise to analyse training requirements and provide all necessary training for the use of tools by such staff as are nominated by the Authority (acting reasonably) at the time of termination or expiry;
- 1.1.15 assisting in establishing naming conventions for any new production site;
- 1.1.16 analysing and providing information about capacity and performance requirements, processor requirements and bandwidth requirements, and known planned requirements for capacity growth across these areas;
- 1.1.17 agreeing with the Authority a handover plan for all of the Supplier's responsibilities as set out in the Security Management Plan;
- 1.1.18 delivering copies of the production databases (with content listings) to the Authority's and/or the Replacement Supplier's operations staff (on appropriate media) as reasonably requested by the Authority;
- 1.1.19 assisting with the loading, testing and implementation of the production databases;
- 1.1.20 assisting in the execution of a parallel operation until the effective date of expiry or termination of this Contract;
- 1.1.21 assisting in the execution of a parallel operation of the maintenance and support of the Supplier System until the end of the Termination Assistance Period or as otherwise specified by the Authority (provided that these Services shall end on a date no later than the end of the Termination Assistance Period);
- 1.1.22 providing an information pack listing and describing the Services for use by the Authority in the procurement of the Replacement Services;
- 1.1.23 answering all reasonable questions from the Authority and/or the Replacement Supplier regarding the Services;
- 1.1.24 agreeing with the Authority and/or the Replacement Supplier a plan for the migration of the Authority Data to the Authority and/or the Replacement Supplier;
- 1.1.25 providing access to the Authority and/or the Replacement Supplier during the Termination Assistance Period and for a period not exceeding 6 months afterwards for the purpose of the smooth transfer of the Services to the Authority and/or the Replacement Supplier:
 - (a) to information and documentation relating to the Transferring Services that is in the possession or control of the Supplier or its Sub-contractors

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(and the Supplier agrees and shall procure that its Sub-contractors do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material; and

- (b) following reasonable notice and during the Supplier's normal business hours, to members of the Supplier Personnel who have been involved in the provision or management of the Services and who are still employed or engaged by the Supplier or its Sub-contractors; and

1.1.26 knowledge transfer services, including:

- (a) transferring all training material and providing appropriate training to those Authority and/or Replacement Supplier staff responsible for internal training in connection with the provision of the Services;
- (b) providing for transfer to the Authority and/or the Replacement Supplier of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents;
- (c) providing the Supplier and/or the Replacement Supplier with access to such members of the Supplier's or its Sub-contractors' personnel as have been involved in the design, development, provision or management of the Services and who are still employed or engaged by the Supplier or its Sub-contractors; and
- (d) allowing the Authority and/or the Replacement Supplier to work alongside and observe the performance of the Services by the Supplier at its Sites used to fulfil the Services (subject to compliance by the Authority and the Replacement Supplier with any applicable security and/or health and safety restrictions,

and any such person who is provided with such knowledge transfer services will sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require)).

1.2 The Supplier shall:

- 1.2.1 provide a documented plan relating to the training matters referred to in Paragraph 1.1.14 for agreement by the Authority at the time of termination or expiry of this Contract;
- 1.2.2 co-operate fully in the execution of the handover plan agreed pursuant to Paragraph 1.1.17, providing skills and expertise of a suitable standard; and
- 1.2.3 fully co-operate in the execution of the Authority Data migration plan agreed pursuant to Paragraph 1.1.24, providing skills and expertise of a reasonably acceptable standard.

1.3 To facilitate the transfer of knowledge from the Supplier to the Authority and/or its Replacement Supplier, the Supplier shall provide a detailed explanation of the procedures and operations used to provide the Services, the change management process and other standards and procedures to the operations personnel of the Authority and/or the Replacement Supplier.

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- 1.4 The information which the Supplier shall provide to the Authority and/or the Replacement Supplier pursuant to Paragraph 1.1.25 1.1.24 shall include:
- 1.4.1 copies of up-to-date procedures and operations manuals;
 - 1.4.2 product information;
 - 1.4.3 agreements with third party suppliers of goods and services which are to be transferred to the Authority and/or the Replacement Supplier;
 - 1.4.4 key support contact details for third party supplier personnel under contracts which are to be assigned or novated to the Authority pursuant to this Schedule;
 - 1.4.5 information regarding any unresolved faults in progress at the commencement of the Termination Assistance Period as well as those expected to be in progress at the end of the Termination Assistance Period;
 - 1.4.6 details of physical and logical security processes and tools which will be available to the Authority; and
 - 1.4.7 any relevant interface information,
- and such information shall be updated by the Supplier at the end of the Termination Assistance Period.
- 1.5 During the Termination Assistance Period the Supplier shall grant any agent or personnel (including employees, consultants and Suppliers) of the Replacement Supplier and/or the Authority access, during business hours and upon reasonable prior written notice, to any Sites for the purpose of effecting a prompt knowledge transfer provided that:
- 1.5.1 any such agent or personnel (including employees, consultants and suppliers) having access to any Sites pursuant to this Paragraph 1.5 shall:
 - (a) sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require); and
 - (b) during each period of access comply with the security, systems and facilities operating procedures of the Supplier relevant to such Site and that the Authority deems reasonable; and
 - 1.5.2 the Authority and/or the Replacement Supplier shall pay the reasonable, proven and proper costs of the Supplier incurred in facilitating such access.

Annex 2: Draft Ethical Wall Agreement

[THE AUTHORITY]

and

[THE COUNTERPARTY]

ETHICAL WALL AGREEMENT

This Agreement is dated [] 20[] (the “Effective Date”).

BETWEEN:

- (a) [insert NAME OF AUTHORITY] (the “**Authority**”) [acting on behalf of the Crown] of [insert Authority’s address]; and
- (b) [NAME OF COUNTERPARTY] a [company]/[limited liability partnership] registered in England and Wales under registered number [insert registered number] whose registered office is at [insert Counterparty’s registered address] (the “**Counterparty**”),

together the “**Parties**” and each a “**Party**”.

BACKGROUND

- (A) The Authority is obliged to ensure transparency, fairness, non-discrimination and equal treatment in relation to its procurement process pursuant to the Procurement Regulations (defined below). The purpose of this document (“**Agreement**”) is to define the protocols to be followed to prevent, identify and remedy any conflict of interest (whether actual, potential or perceived) in the context of the Purpose (defined below).
- (B) The Authority is conducting a procurement exercise for the [supply/purchase/provision] of [insert details of project/goods/services] (the “**Purpose**”).
- (C) The Parties wish to enter into this Agreement to ensure that a set of management processes, barriers and disciplines are put in place to ensure that conflicts of interest do not arise, and that the Counterparty does not obtain an unfair competitive advantage over Other Bidders.

IT IS AGREED:

1. Definitions and Interpretation

- 1.1 The following capitalised words and expressions shall have the following meanings in this Agreement and its recitals:

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“**Affiliate**” means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;

“**Agreement**” means this ethical walls agreement duly executed by the Parties;

“**Bid Team**” means any Representatives of the Counterparty, any of its Affiliates and/or any Subcontractors connected to the preparation of an ITT Response;

“**Crown Body**” means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics, including:

- (a) Government Departments;
- (b) Non-Departmental Public Bodies or Assembly Sponsored Public Bodies (advisory, executive, or tribunal);
- (c) Non-Ministerial Departments; or
- (d) Executive Agencies;

“**Conflicted Personnel**” means any Representatives of:

- (a) the Counterparty;
- (b) any of the Counterparty’s Affiliates; and/or
- (c) any Subcontractors,

who, because of the Counterparty’s, any of its Affiliates’ and/or any Subcontractors’ relationship with the Authority under any Contract, have or have had access to information which creates or may create a conflict of interest or provide the Bid Team with an unfair advantage as regards information Other Bidders would not have;

“**Contract**” means any pre-existing or previous contract between the Authority and:

- (a) the Counterparty;
- (b) any of the Counterparty’s Affiliates;
- (c) any Subcontractor; and
- (d) any other Third Party,

relating to the subject matter of the Purpose at the date of the commencement of the ITT Process;

“**Control**” means the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the management of the company and “**Controls**” and “**Controlled**” shall be interpreted accordingly;

“**Effective Date**” means the date of this Agreement as set out above;

“**Invitation to Tender**” or “**ITT**” means an invitation to submit tenders issued by the Authority as part of an ITT Process (and shall include an Invitation to Negotiate);

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“ITT Process” means, with regard to the Purpose, the relevant procedure provided for in the Procurement Regulations (as amended), which the Authority has elected to use to select a contractor or contractors, together with all relevant information, data, correspondence and/or documents issued and/or made available by or on behalf of the Authority as part of that procurement exercise and all information, correspondence and/or documents issued and/or made available by or on behalf of the bidders in response together with any resulting contracts;

“ITT Response” means the tender(s) submitted, or to be submitted, by the Counterparty, any of its Affiliates and/or any Subcontractors in response to any invitation(s) to submit bids under the ITT process;

“Other Bidder” means any other bidder or potential bidder that is not the Counterparty or any of its Affiliates that has taken or is taking part in the ITT Process;

“Procurement Process” means the period commencing on the earlier of: (a) the publication of the first notice in relation to the Purpose; and (b) the execution of this Agreement, and ending on the occurrence of: (i) the publication by the Authority of all contract award notices that result from the ITT Process; or (ii) the abandonment or termination of the ITT Process as notified by the Authority;

“Procurement Regulations” means the Public Contracts Regulations 2015, the Public Procurement (Amendment etc.)(EU Exit) Regulations 2020, the Defence and Security Public Contracts Regulations 2011, the Utilities Contracts Regulations 2016, and the Concession Contracts Regulations 2016, each as amended from time to time;

“Professional Advisor” means a supplier, subcontractor, advisor or consultant engaged by the Counterparty and/or any of its Affiliates under the auspices of compiling its ITT response;

“Purpose” has the meaning given to it in recital B to this Agreement;

“Representative” refers to a person’s officers, directors, employees, advisers (including the officers, directors, employees, advisers and agents of any Professional Advisors), agents and, where the context admits, providers or potential providers of finance (including their representatives) to the Counterparty, any of its Affiliates and/or any subcontractors engaged in connection with the ITT Process;

“Subcontractor” means an existing or proposed subcontractor of:

- (a) the Counterparty; and/or
- (b) any of the Counterparty’s Affiliates,

who is connected to the preparation of an ITT Response (including key subcontractors named in the ITT Response);

“Third Party” means any person who is not a Party, including Other Bidders, their Affiliates and/or their Representatives; and

“Working Day” means any day of the week other than a weekend, when Banks in England and Wales are open for business.

- 1.2 Reference to the disclosure of information includes any communication or making available information and includes both direct and indirect disclosure.

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- 1.3 Reference to the disclosure of information, or provision of access, by or to the Authority, the Counterparty, any of the Counterparty's Affiliates and/or any Subcontractors includes disclosure, or provision of access, by or to the Representatives of the Authority, the Counterparty, any of its Affiliates and/or any Subcontractors (as the case may be).
- 1.4 Reference to persons includes legal and natural persons.
- 1.5 Reference to any enactment is to that enactment as amended, supplemented, re-enacted or replaced from time to time.
- 1.6 Reference to clauses and recitals is to clauses of and recitals to this Agreement.
- 1.7 Reference to any gender includes any other.
- 1.8 Reference to writing includes email.
- 1.9 The terms "**associate**", "**holding company**", "**subsidiary**", "**subsidiary undertaking**" and "**wholly owned subsidiary**" have the meanings attributed to them in the Companies Act 2006, except that for the purposes of section 1159(1)(a) of that Act, the words 'holds a majority of the voting rights' shall be changed to 'holds 30% or more of the voting rights', and other expressions shall be construed accordingly.
- 1.10 The words "**include**" and "**including**" are to be construed without limitation.
- 1.11 The singular includes the plural and vice versa.
- 1.12 The headings contained in this Agreement shall not affect its construction or interpretation.

2. Ethical Walls

- 2.1 In consideration of the sum of £1 payable by the Authority to the Counterparty, receipt of which is hereby acknowledged, the Parties agree to be bound by the terms of this Agreement.

Conflicts of Interest

- 2.2 The Counterparty:
 - 2.2.1 shall take all appropriate steps to ensure that neither the Counterparty, nor its Affiliates, nor any Subcontractors nor any Representatives are in a position where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives and the duties owed to the Authority under any Contract or pursuant to an open and transparent ITT Process; and
 - 2.2.2 acknowledges and agrees that a conflict of interest may arise in situations where the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives intend to take part in the ITT Process and because of the Counterparty's, any of its Affiliates', any Subcontractors' and/or any Representatives' relationship with the Authority under any Contract, the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives have or have had access to information which could provide the Counterparty, any of its Affiliates, any Subcontractors and/or any Representatives with an advantage and render unfair an otherwise genuine

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and open competitive ITT Process.

- 2.3 Where there is or is likely to be a conflict of interest, or the perception of a conflict of interest, of any kind in relation to the ITT Process, the Counterparty shall take such steps that are necessary to eliminate the conflict of interest to the Authority's satisfaction, including one or more of the following:
- 2.3.1 not assigning any of the Conflicted Personnel to the Bid Team at any time;
 - 2.3.2 providing to the Authority promptly upon request a complete and up to date list of any Conflicted Personnel and the personnel comprising the Bid Team and reissue such list to the Authority promptly upon any change to it;
 - 2.3.3 ensuring that no act or omission by itself, its Affiliates, any Subcontractors and/or any Representatives results in information of any kind, however conveyed, or in any format and however so stored:
 - (a) about the ITT Process (gleaned from the performance of any Contract or otherwise); and/or
 - (b) which would or could in the opinion of the Authority confer an unfair advantage on the Counterparty in relation to its participation in the ITT Process,becoming available to the Bid Team where the Authority has not made generally available that information to Other Bidders;
 - 2.3.4 ensuring that by no act or omission by itself, its Affiliates, any Subcontractors and/or any Representatives and in particular the Bid Team results in information of any kind, however conveyed, in any format and however so stored about the ITT Process, its operation and all matters connected or ancillary to it becoming available to the Conflicted Personnel;
 - 2.3.5 ensure that agreements that flow down the Counterparty's obligations in this Agreement, are entered into as necessary, between the Counterparty and its Affiliates and any Subcontractors [in a form to be approved by the Authority];
 - 2.3.6 physically separating the Conflicted Personnel and the Bid Team, either in separate buildings or in areas with restricted access;
 - 2.3.7 providing regular training to its Affiliates, any Subcontractors and/or Representatives to ensure it is complying with this Agreement;
 - 2.3.8 monitoring Conflicted Personnel movements within restricted areas (both physical and electronic online areas) to ensure it is complying with this Agreement and to ensure adherence to the ethical wall arrangements the Counterparty, its Affiliates, any Subcontractors and/or any Representatives have put in place in order to comply with this Agreement;
 - 2.3.9 ensuring that the Conflicted Personnel and the Bid Team are line managed and report independently of each other; and
 - 2.3.10 complying with any other action as the Authority, acting reasonably, may direct in connection with the ITT Process and/or this Agreement.

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Notification of Conflicts of Interest

2.4 The Counterparty shall:

2.4.1 notify the Authority immediately in writing of all perceived, potential and/or actual conflicts of interest that arise or have arisen;

2.4.2 submit in writing to the Authority full details of the nature of the perceived, potential and/or actual conflict of interest including full details of the risk assessments undertaken, the impact or potential impact of the perceived, potential and/or actual conflict, the measures and arrangements that have been established and/or are due to be established, to eliminate the perceived, potential and/or actual conflict, and the Counterparty's plans to prevent potential conflicts of interests from arising ("**Proposed Avoidance Measures**"); and

2.4.3 seek the Authority's approval to the Proposed Avoidance Measures which the Authority shall have the right to grant, grant conditionally or deny (if the Authority rejects the Proposed Avoidance Measures the Counterparty shall repeat the process set out in this Clause 2.4 until such time as the Authority grants approval or the Counterparty withdraws from the ITT Process).

2.5 The Counterparty will provide to the Authority, on demand, any and all information in relation to its adherence with its obligations set out under Clauses 2.2 and 2.3 as reasonably requested by the Authority.

2.6 The Authority reserves the right to require the Counterparty to demonstrate the measures put in place by the Counterparty under Clauses 2.2 and 2.3.

2.7 The Counterparty acknowledges that any provision of information or demonstration of measures, in accordance with Clauses 2.5 and 2.6, does not constitute acceptance by the Authority of the adequacy of such measures and does not discharge the Counterparty of its obligations or liability under this Agreement.

Exclusion from the ITT Process

2.8 Where, in the reasonable opinion of the Authority, there has been any breach by the Counterparty of Clauses 2.2, 2.3, or 2.4 or failure to obtain the Authority's approval of the Proposed Avoidance Measures the Authority shall be entitled to exclude the Counterparty, or any of its Affiliates and/or any Representatives, from the ITT Process, and the Authority may, in addition to the right to exclude, take such other steps as it deems necessary.

2.9 The actions of the Authority pursuant to Clause 2.8 shall not prejudice or affect any right of action or remedy under this Agreement or at law which shall have accrued or shall thereafter accrue to the Authority.

Bid Costs

2.10 In no event shall the Authority be liable for any bid costs incurred by:

2.10.1 the Counterparty or any of its Affiliates, any Representatives and/or any Subcontractors; or

2.10.2 any Third Party,

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as a result of any breach of this Agreement by the Counterparty, any of its Affiliates, any Subcontractors and/or Representatives, including where the Counterparty, any of its Affiliates, any Subcontractors or Representatives, or any Third Party is or are excluded from the ITT Process.

Specific Remedies

2.11 The Counterparty acknowledges and agrees that:

2.11.1 neither damages nor specific performance are adequate remedies in the event of a breach of the obligations in Clause 2; and

2.11.2 in the event of a breach of any of the obligations in Clause 2 which cannot be effectively remedied the Authority shall have the right to terminate both this Agreement and the Counterparty's participation in the ITT Process in each case with immediate effect on written notice.

3. Sole Responsibility

3.1 It is the sole responsibility of the Counterparty to comply with the terms of this Agreement, including ensuring its Affiliates, any Subcontractors, and/or any Representatives comply with the terms of this Agreement. No approval by the Authority of any procedures, agreements or arrangements provided by the Counterparty, any of its Affiliates, any Subcontractors and/or their Representatives to the Authority shall discharge the Counterparty's obligations.

4. Waiver and Invalidity

4.1 No failure or delay by any Party in exercising any right, power or privilege under this Agreement or by law shall constitute a waiver of that or any other right, power or privilege, nor shall it restrict the further exercise of that or any other right, power or privilege. No single or partial exercise of such right, power or privilege shall prevent or restrict the further exercise of that or any other right, power or privilege.

4.2 If any provision of this Agreement is prohibited or unenforceable in any jurisdiction in relation to any Party, such prohibition or unenforceability will not invalidate the remaining provisions of this Agreement, or affect the validity or enforceability of the provisions of this Agreement in relation to any other Party or any other jurisdiction.

5. Assignment and Novation

5.1 The Counterparty shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Authority.

5.2 The Authority may assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:

5.2.1 any Crown Body; or

5.2.2 to a body other than a Crown Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority; and

5.2.3 the Counterparty shall, at the Authority's request, enter into a novation agreement in such form as the Authority may reasonably specify in order to

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enable the Authority to exercise its rights pursuant to this Clause 5.

5.3 A change in the legal status of the Authority such that it ceases to be a Crown Body shall not affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Authority.

6. Contracts (Rights of Third Parties) Act 1999

6.1 A person who is not a Party to this Agreement has no right under the Contract (Rights of Third Parties) Act 1999 (as amended, updated or replaced from time to time) to enforce any term of this Agreement, but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

7. Transparency

7.1 The Parties acknowledge and agree that the Authority is under a legal duty pursuant to the Procurement Regulations to run transparent and fair procurement processes. Accordingly, the Authority may disclose the contents of this Agreement to Other Bidders (and/or potential Other Bidders) for the purposes of transparency and in order to evidence that a fair procurement process has been followed.

8. Notices

8.1 Any notices sent under this Agreement must be in writing.

8.2 The following table sets out the method by which notices may be served under this Agreement and the respective deemed time and proof of service:

Manner of Delivery	Deemed time of service	Proof of service
Email.	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message.
Personal delivery.	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day.	Properly addressed and delivered as evidenced by signature of a delivery receipt.
Prepaid, Royal Mail Signed For™ 1 st Class or other prepaid, next Working Day service providing proof of delivery.	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm).	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt.

8.3 Notices shall be sent to the addresses set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under this Agreement:

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	Counterparty	Authority
Contact		
Address		
Email		

8.4 This Clause 8 does not apply to the service of any proceedings or other documents in any legal action or other method of dispute resolution.

9. Waiver and Cumulative Remedies

9.1 The rights and remedies under this Agreement may be waived only by notice, and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

9.2 Unless otherwise provided in this Agreement, rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

10. Term

10.1 Each Party’s obligations under this Agreement shall continue in full force and effect for period of 6 years from the Effective Date or for the period of the duration of the Procurement Process

11. Governing Law and Jurisdiction

11.1 This Agreement and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

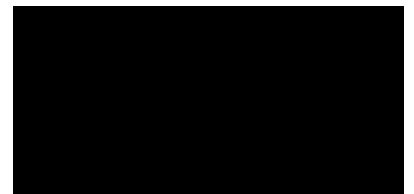
11.2 The Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Agreement or its subject matter or formation.

Signed by the Authority

Name:

Signature:

Position in Authority:

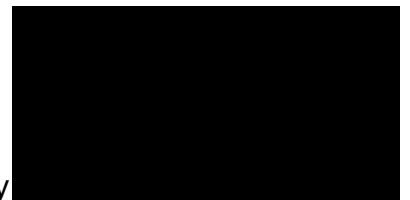


Signed by the Counterparty

Name:

Signature:

Position in Counterparty:



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Schedule 28

Staff Transfer

Schedule 28: Staff Transfer

1. Definitions

1.1 In this Schedule, the following definitions shall apply:

“Admission Agreement”	either or both of the CSPA Admission Agreement (as defined in Annex Error! Reference source not found. : CSPA) or the LGPS Admission Agreement) as defined in Annex Error! Reference source not found. : LGPS), as the context requires;
“Fair Deal Employees”	as defined in Error! Reference source not found. ;
“Former Supplier”	a supplier supplying services to the Authority before any Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
“New Fair Deal”	the revised Fair Deal position set out in the HM Treasury guidance: <i>“Fair Deal for staff pensions: staff transfer from central government”</i> issued in October 2013 including: (a) any amendments to that document immediately prior to the Relevant Transfer Date; (b) any similar pension protection in accordance with the Annexes Error! Reference source not found. - Error! Reference source not found. inclusive to Error! Reference source not found. of this Schedule as notified to the Supplier by the Authority;
“Notified Sub-contractor”	a Sub-contractor identified in the Annex to this Schedule to whom Transferring Authority Employees and/or Transferring Former Supplier Employees will transfer on a Relevant Transfer Date;
“Old Fair Deal”	HM Treasury Guidance <i>“Staff Transfers from Central Government: A Fair Deal for Staff Pensions”</i> issued in June 1999 including the supplementary guidance <i>“Fair Deal for Staff pensions: Procurement of Bulk Transfer Agreements and Related Issues”</i> issued in June 2004;
“Replacement Sub-contractor”	a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);

“Relevant Transfer”	a transfer of employment to which the Employment Regulations applies;
“Relevant Transfer Date”	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place. For the purposes of Error! Reference source not found. and its Annexes, where the Supplier or a Sub-contractor was the Former Supplier and there is no Relevant Transfer of the Fair Deal Employees because they remain continuously employed by the Supplier (or Sub-contractor), references to the Relevant Transfer Date shall become references to the Operational Service Commencement Date;
“Service Transfer”	any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-contractor to a Replacement Supplier or a Replacement Sub-contractor;
“Service Transfer Date”	the date of a Service Transfer or, if more than one, the date of the relevant Service Transfer as the context requires;
“Staffing Information”	in relation to all persons identified on the Supplier’s Provisional Supplier Personnel List or Supplier’s Final Supplier Personnel List, as the case may be, all information required in Error! Reference source not found. in the format specified and with the identities of Data Subjects anonymised where possible. The Authority may acting reasonably make changes to the format or information requested in Error! Reference source not found. from time to time.
“Statutory Schemes”	means the CSPS, NHSPS or LGPS as defined in the Annexes to Error! Reference source not found. of this Schedule;
“Supplier’s Final Supplier Personnel List”	a list provided by the Supplier of all Supplier Personnel who will transfer under the Employment Regulations on the Service Transfer Date;
“Supplier’s Provisional Supplier Personnel List”	a list prepared and updated by the Supplier of all Supplier Personnel who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;
“Transferring Authority Employees”	those employees of the Authority to whom the Employment Regulations will apply on the Relevant Transfer Date;
“Transferring Former Supplier Employees”	in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date; and

“Transferring Supplier Employees” those employees of the Supplier and/or the Supplier’s Sub-contractors to whom the Employment Regulations will apply on the Service Transfer Date.

2. Interpretation

2.1 Where a provision in this Schedule imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Authority, Former Supplier, Replacement Supplier or Replacement Sub-contractor, as the case may be.

3. Applicable Parts of this Schedule

3.1 The following parts of this Schedule shall apply to this Contract:

3.1.1 Part C (*No Staff Transfer On Operational Commencement Date*)

3.1.2 Part E (*Employment Exit Provisions*) of this Schedule will always apply to this Contract,

Part C: No Transfer of Employees Expected at Commencement of Services

1. Procedure in the Event of Transfer

- 1.1 The Authority and the Supplier agree that the commencement of the provision of the Services or of any part of the Services is not expected to be a Relevant Transfer in relation to any employees of the Authority and/or any Former Supplier.
- 1.2 If any employee of the Authority and/or a Former Supplier claims, or it is determined in relation to any employee of the Authority and/or a Former Supplier, that his/her contract of employment has been transferred from the Authority and/or the Former Supplier to the Supplier and/or any Sub-contractor pursuant to the Employment Regulations then:
 - 1.2.1 the Supplier shall, and shall procure that the relevant Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, give notice to the Former Supplier; and
 - 1.2.2 the Authority and/or the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier or the Sub-contractor (as appropriate) or take such other reasonable steps as the Authority or Former Supplier (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 1.3 If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by the Authority and/or the Former Supplier), the Supplier shall, or shall procure that the Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 1.4 If by the end of the 15 Working Day period specified in Paragraph 1.2.2:
 - 1.4.1 no such offer of employment has been made;
 - 1.4.2 such offer has been made but not accepted; or
 - 1.4.3 the situation has not otherwise been resolved,the Supplier and/or the Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

2. Indemnities

- 2.1 Subject to the Supplier and/or the relevant Sub-contractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 2.4, the Authority shall:
 - 2.1.1 indemnify the Supplier and/or the relevant Sub-contractor against all Employee Liabilities arising out of the termination of the employment of any employees of the Authority referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such

Employee Liabilities; and

- 2.1.2 procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Supplier referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the relevant Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.2 If any such person as is described in Paragraph 1.2 is neither re employed by the Authority and/or the Former Supplier as appropriate nor dismissed by the Supplier and/or any Sub-contractor within the 15 Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Supplier and/or the Sub-contractor (as appropriate) and the Supplier shall, (a) comply with such obligations as may be imposed upon it under Law and (b) comply with the provisions of **Error! Reference source not found. (Error! Reference source not found.)** and its Annexes of this Staff Transfer Schedule.
- 2.3 Where any person remains employed by the Supplier and/or any Sub-contractor pursuant to Paragraph 2.2, all Employee Liabilities in relation to such employee shall remain with the Supplier and/or the Sub-contractor and the Supplier shall indemnify the Authority and any Former Supplier, and shall procure that the Sub-contractor shall indemnify the Authority and any Former Supplier, against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Sub-contractor.
- 2.4 The indemnities in Paragraph 2.1:
- 2.4.1 shall not apply to:
- (a) any claim for:
1. discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
 2. equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or
- (b) any claim that the termination of employment was unfair because the Supplier and/or any Sub-contractor neglected to follow a fair dismissal procedure; and
- 2.4.2 shall apply only where the notification referred to in Paragraph 1.2.1 is made by the Supplier and/or any Sub-contractor to the Authority and, if applicable, Former Supplier within 6 months of the Relevant Transfer Date.

3. Procurement Obligations

- 3.1 Where in this Part C the Authority accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it

extends only to the extent that the Authority's contract with the Former Supplier contains a contractual right in that regard which the Authority may enforce, or otherwise so that it requires only that the Authority must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

Part E: Employment Exit Provisions

1. Pre-service Transfer Obligations

- 1.1 The Supplier agrees that within 20 Working Days of the earliest of:
- 1.1.1 receipt of a notification from the Authority of a Service Transfer or intended Service Transfer;
 - 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Contract; and
 - 1.1.3 the date which is 12 months before the end of the Term; or
 - 1.1.4 receipt of a written request of the Authority at any time (provided that the Authority shall only be entitled to make one such request in any 6 month period),
- it shall provide in a suitably anonymised format so as to comply with the DPA 2018, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Authority.
- 1.2 At least 20 Working Days prior to the Service Transfer Date, the Supplier shall provide to the Authority or at the direction of the Authority to any Replacement Supplier and/or any Replacement Sub-contractor:
- 1.2.1 the Supplier's Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and
 - 1.2.2 the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).
- 1.3 The Authority shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-contractor.
- 1.4 The Supplier warrants, for the benefit of the Authority, any Replacement Supplier, and any Replacement Sub-contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.
- 1.5 From the date of the earliest event referred to in Paragraph 1.1.1, 1.1.2 and 1.1.3, the Supplier agrees, that it shall not, and agrees to procure that each Sub-contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of the Authority (not to be unreasonably withheld or delayed):
- 1.5.1 replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person they replace;
 - 1.5.2 make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Supplier Personnel (including

pensions and any payments connected with the termination of employment);

- 1.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Personnel save for fulfilling assignments and projects previously scheduled and agreed;
- 1.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;
- 1.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
- 1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-contractor shall promptly notify, the Authority or, at the direction of the Authority, any Replacement Supplier and any Replacement Sub-contractor of any notice to terminate employment given by the Supplier or relevant Sub-contractor or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect.

- 1.6 During the Term, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, within 20 Working Days to the Authority any information the Authority may reasonably require relating to the manner in which the Services are organised, which shall include:
 - 1.6.1 the numbers of Supplier Personnel engaged in providing the Services;
 - 1.6.2 the percentage of time spent by each Supplier Personnel engaged in providing the Services;
 - 1.6.3 the extent to which each employee qualifies for membership of any of the Statutory Schemes or any Broadly Comparable scheme set up pursuant to the provisions of any of the Annexes to **Error! Reference source not found.** (**Error! Reference source not found.**) of this Schedule 28 (*Staff Transfer*) (as appropriate); and
 - 1.6.4 a description of the nature of the work undertaken by each Supplier Personnel by location.
- 1.7 The Supplier shall provide, and shall procure that each Sub-contractor shall provide, all reasonable cooperation and assistance to the Authority, any Replacement Supplier and/or any Replacement Sub-contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Authority or, at the direction of the Authority, to any Replacement Supplier and/or any Replacement Sub-contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

- 1.7.1 the most recent month's copy pay slip data;
 - 1.7.2 details of cumulative pay for tax and pension purposes;
 - 1.7.3 details of cumulative tax paid;
 - 1.7.4 tax code;
 - 1.7.5 details of any voluntary deductions from pay;
 - 1.7.6 a copy of any personnel file and/or any other records regarding the service of the Transferring Supplier Employee;
 - 1.7.7 a complete copy of the information required to meet the minimum recording keeping requirements under the Working Time Regulations 1998 and the National Minimum Wage Regulations 1998; and
 - 1.7.8 bank/building society account details for payroll purposes.
- 1.8 From the date of the earliest event referred to in Paragraph 1.1.1, 1.1.2 and 1.1.3, the Supplier agrees that following within 20 Working Days of a request from the Authority it shall and shall procure that each Sub-contractor shall use reasonable endeavours to comply with any reasonable request to align and assign Supplier Personnel to any future delivery model proposed by the Authority for Replacement Services within 30 Working Days or such longer timescale as may be agreed.
- 1.9 Any changes necessary to this Contract as a result of alignment referred to in Paragraph 1.8 shall be agreed in accordance with the Change Control Procedure.

2. Employment Regulations Exit Provisions

- 2.1 The Authority and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations will apply. The Authority and the Supplier further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10 of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-contractor (as the case may be) and each such Transferring Supplier Employee.
- 2.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with all its obligations under the Employment Regulations and in particular obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (but excluding) the Service Transfer Date and shall perform and discharge, and procure that each Sub-contractor shall perform and discharge, all its obligations in respect of any person identified in the Supplier's Final Supplier Personnel List all the Transferring Supplier Employees arising in respect of the period up to (and including but excluding) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions

and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Statutory Schemes and any requirement to set up a broadly comparable pension scheme which in any case are attributable in whole or in part to the period ending on (and including but excluding) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

2.2.1 the Supplier and/or the Sub-contractor (as appropriate); and

2.2.2 the Replacement Supplier and/or Replacement Sub-contractor.

2.3 Subject to Paragraph 2.4, the Supplier shall indemnify the Authority and/or the Replacement Supplier and/or any Replacement Sub-contractor against any Employee Liabilities arising from or as a result of:

2.3.1 any act or omission of the Supplier or any Sub-contractor in respect of any Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee whether occurring before, on or after the Service Transfer Date;

2.3.2 the breach or non-observance by the Supplier or any Sub-contractor occurring before but excluding the Service Transfer Date of:

(a) any collective agreement applicable to the Transferring Supplier Employees; and/or

(b) any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising before but excluding the Service Transfer Date;

2.3.4 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

(a) in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date; and

(b) in relation to any employee who is not identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to the Authority and/or Replacement Supplier and/or any Replacement Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date;

2.3.5 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax

- deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (but excluding) the Service Transfer Date);
- 2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-contractor other than a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List for whom it is alleged the Authority and/or the Replacement Supplier and/or any Replacement Sub-contractor may be liable by virtue of this Contract and/or the Employment Regulations; and
- 2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Authority and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.
- 2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
- 2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Sub-contractor to occur in the period on or after the Service Transfer Date); or
- 2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Sub-contractor's failure, to comply with its obligations under the Employment Regulations.
- 2.5 If any person who is not identified in the Supplier's Final Supplier Personnel List claims, or it is determined in relation to any person who is not identified in the Supplier's Final Supplier Personnel List, that his/her contract of employment has been transferred from the Supplier or any Sub-contractor to the Replacement Supplier and/or Replacement Sub-contractor pursuant to the Employment Regulations, then:
- 2.5.1 the Authority shall procure that the Replacement Supplier shall, or any Replacement Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Supplier; and
- 2.5.2 the Supplier may offer (or may procure that a Sub-contractor may offer) employment to such person within 15 Working Days of the notification by the Replacement Supplier and/or any and/or Replacement Sub-contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.
- 2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Supplier or a Sub-contractor, the Authority shall procure that the Replacement Supplier shall, or procure that the Replacement Sub-contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.

2.7 If after the 15 Working Day period specified in Paragraph 2.5.2 has elapsed:

- 2.7.1 no such offer of employment has been made;
- 2.7.2 such offer has been made but not accepted; or
- 2.7.3 the situation has not otherwise been resolved

the Authority shall advise the Replacement Supplier and/or Replacement Sub-contractor, as appropriate that it may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

2.8 Subject to the Replacement Supplier and/or Replacement Sub-contractor acting in accordance with the provisions of Paragraphs 2.5 to 2.7, and in accordance with all applicable proper employment procedures set out in applicable Law, the Supplier shall indemnify the Replacement Supplier and/or Replacement Sub-contractor against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of Paragraph 2.7 provided that the Replacement Supplier takes, or shall procure that the Replacement Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.9 The indemnity in Paragraph 2.8:

2.9.1 shall not apply to:

(a) any claim for:

(i) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

(ii) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Sub-contractor; or

(b) any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Sub-contractor neglected to follow a fair dismissal procedure; and

2.9.2 shall apply only where the notification referred to in Paragraph 2.5.1 is made by the Replacement Supplier and/or Replacement Sub-contractor to the Supplier within 6 months of the Service Transfer Date.

2.10 If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Sub-contractor nor dismissed by the Replacement Supplier and/or Replacement Sub-contractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Supplier Employee.

2.11 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority and any Replacement Supplier and/or Replacement Sub-contractor, in writing such information as is necessary to enable the Authority, the Replacement Supplier and/or Replacement Sub-contractor to carry out their respective duties under

regulation 13 of the Employment Regulations. The Authority shall procure that the Replacement Supplier and/or Replacement Sub-contractor, shall promptly provide to the Supplier and each Sub-contractor in writing such information as is necessary to enable the Supplier and each Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

- 2.12 Subject to Paragraph 2.13, the Authority shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-contractor and its sub-contractors against any Employee Liabilities arising from or as a result of:
- 2.12.1 any act or omission of the Replacement Supplier and/or Replacement Sub-contractor in respect of any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee;
 - 2.12.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-contractor on or after the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List; and/or
 - (b) any custom or practice in respect of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List which the Replacement Supplier and/or Replacement Sub-contractor is contractually bound to honour;
 - 2.12.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;
 - 2.12.4 any proposal by the Replacement Supplier and/or Replacement Sub-contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List on or after their transfer to the Replacement Supplier or Replacement Sub-contractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Supplier's Final Supplier Personnel List who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;
 - 2.12.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-contractor to, or in respect of, any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List on or before the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;

- 2.12.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- (a) in relation to any Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and after the Service Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-contractor, to the Replacement Supplier or Replacement Sub-contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and after the Service Transfer Date;
- 2.12.7 a failure of the Replacement Supplier or Replacement Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees identified in the Supplier's Final Supplier Personnel List in respect of the period from (and including) the Service Transfer Date; and
- 2.12.8 any claim made by or in respect of a Transferring Supplier Employee identified in the Supplier's Final Supplier Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations.
- 2.13 The indemnities in Paragraph 2.12 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-contractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-contractor (as applicable) to comply with its obligations under the Employment Regulations.

Schedule 9: Commercially Sensitive Information

1. In this Schedule the Parties have sought to identify the Supplier’s Confidential Information that is genuinely commercially sensitive and the disclosure of which would be the subject of an exemption under the FOIA and the EIRs.
2. Where possible, the Parties have sought to identify when any relevant Information will cease to fall into the category of Information to which this Schedule applies in the table below (please see the column “Duration of Confidentiality”).
3. Without prejudice to the Authority’s obligation to disclose Information in accordance with FOIA or Clause 19 (*Confidentiality*), the Authority will, in its sole discretion, acting reasonably, seek to apply the relevant exemption set out in the FOIA to the following Information:

Commercially Sensitive Information

No.	Date	Item(s)	Duration of Confidentiality
1.	01/09/24	Tender Response	Duration of contract
2.	01/09/24	Pricing	Duration of contract
3.	01/09/24	Supplier contact names and contact information	Duration of contract
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

Annex A:

A. Pricing and Performance schedule

B. Pricing schedules:

1. Administration Charges
2. Distribution Charges
3. Purchasing Charge

A. Pricing and Performance schedule

PART 1
CHARGES

1. GENERAL

- 1.1 The Service Charges relating to the provision of the Services as defined in the Specification Document are detailed within this Pricing and Performance Schedule.
- 1.2 No other charges will be made unless expressly stated elsewhere in the Contract.
- 1.3 The Service Charges shall only be indexed in accordance with paragraph 10 (Indexation of Service Charges) below.
- 1.4 Invoices in respect of the Service Charges shall be prepared and issued to the Department in accordance with clause 11 (Invoices and Payment) of the Contract.

2. SERVICE CHARGES

- 2.1 The Service Charge payable by the Department is the monthly charges (see section 3,4,5 below). It is expected that for most of the duration of the Contract, these will be the only charges.
- 2.2 In the event that additional resources are required due to a Contract Variation, where it is agreed by the Department, additional transactional costs and/or full time equivalent (FTE) resource costs may be charged (see section 6 below).
- 2.3 The Service Charge is to be invoiced monthly in arrears and will include: -
- 2.3.1 The charges for the provision of HETAS approved or equivalent solid fuels in compliance with the Service Specification Section 2.2;
- 2.3.2 The charges for the delivery of purchased solid fuel in compliance with the Service Specification Section 2.3;
- 2.3.3 The charges for the administration of Services to solid fuel Beneficiaries, in compliance with the Service Specification, Section 2.4. Please note these charges will include provision of Support Services as specified in Section 3 of the Service Specification including:
- *Communications and stakeholder management including liaison with the NCFO;*
 - *Financial management and control;*
 - *Fraud management;*
 - *Account governance and management;*
 - *Management information and reporting;*
 - *Audit and risk management;*
 - *Business continuity and disaster recovery;*
 - *Data handling compliance;*
 - *Provision of IT systems and IT services;*
 - *Contract exit planning and management.*

3. PURCHASING CHARGES

- 3.1 At the Commencement Date, the purchase price per tonne of purchased fuel will be charged in accordance with the prices submitted by the SP in the relevant Product Pricing Schedule (Appendix 1A).
- 3.2 Prices quoted in the Product Pricing Schedule (Appendix 1A) will be shown at point of purchase/production (ex-works) if relevant. The Department anticipates it should receive discounts arising from the volume of fuel purchased. Any discounts due to bulk purchasing or any other commercial arrangement with the Supplier should be explained and included in the price quoted.
- 3.3 Please note that the Department will only reimburse for product purchased and delivered to the Beneficiary. The Department will not be responsible for the payment of any product purchased by the SP for stock management purposes.

4. DELIVERY CHARGES

- 4.1 At the Commencement Date, the delivery price per tonne of delivered fuel will be charged in accordance with the prices submitted by the SP in the relevant Distribution Pricing Schedule (Appendix 1B).
- 4.2 The Distribution price per tonne of delivered product for each solid fuel in the Distribution Pricing Schedule (Appendix 1B) should include: -
- *The cost of bulk transport from primary source (ex-works or port or mine head etc) to local depot or stocking facility;*
 - The cost of storage at the local depot or stocking facility;
 - The cost of stock control. The Department will not bear the risks and costs associated with “over” stocking products;
 - All handling costs, including pre-packing, allowance for degradation, etc;
 - The charge for delivery to Beneficiaries’ addresses across the whole of the UK (excluding Northern Ireland) and Isle of Man;
 - Allowances for failures to make a delivery, any requests made by the NCFO to recover fuel from deliveries made previously, re-weighs of solid fuel made after delivery and deliveries made out of sequence or phase (emergencies).
- 4.3 When quoting the price per tonne the SP should show two different prices: one for core Beneficiaries and one for non-core Beneficiaries (including remote Beneficiaries). The Department considers a core area to be one with a high concentration of Beneficiaries, where the SP can take advantage of economies of scale, e.g. Postcode Sector S or where the SP has a local delivery depot. The SP will define what areas they consider to be core and non-core by Postcode Sector. A Postcode Sector can be either core or non-core and cannot be both. A list of Postcode Districts with Number of Beneficiaries, annual tonnage and product will be provided for illustrative purposes to help inform understanding.

5. ADMINISTRATION CHARGES

- 5.1 At the Commencement Date, the administration price per Beneficiary will be charged in accordance with the prices submitted by the SP in the relevant Administration Pricing Schedule (Appendix 1C).
- 5.2 The element of the Service Charge for the administration of deliveries is a fixed fee and is dependent on the volume of fuel Beneficiaries. As fuel Beneficiaries reduce over time, the Service Charge will be amended in accordance with the prices submitted in the Administration Pricing Schedule at Appendix 1C.
- 5.3 The volume bands for fuel Beneficiaries are as follows:

BAND A	BAND B	BAND C	BAND D
3000 or more	2,999 to 2000	1,999 to 1,000	Less than 1,000

- 5.4 The element of the Service Charge for the administration of solid fuel Beneficiaries must fully comply with the Service Specification, Section 2.4. Please note these charges will include the provision of Support Services as specified in Section 3 of the Service Specification, including:
- *Communications and stakeholder management including liaison with the NCFO;*
 - *Financial management and control;*
 - *Fraud management;*
 - *Account governance and management;*
 - *Management information and reporting;*
 - *Audit and risk management;*
 - *Business continuity and disaster recovery;*
 - *Data handling compliance;*
 - *Provision of IT systems and IT services;*
 - *Contract exit planning and management.*

6. ADDITIONAL COSTS DUE TO CONTRACT VARIATIONS

- 6.1 The Department or the SP may request a Contract Variation or “CV”. A CV prompted by the Department will be documented setting out the requirements involved. A CV requested by the SP must be documented setting out the proposals involved
- 6.2 The SP must provide a change proposal response for any CV raised either by the Department or the SP. The proposal response must include a business case for why the change is required if the CV originates from the SP, how it is going to be managed and implemented, the business benefits to both the Department and the SP, the timescales for implementation, the resources required and the proposed costs (if any) of any such change and whether any savings will be achieved by the change.
- 6.3 If any proposed CV is to result in a change to the type of fuel to be delivered to a Beneficiary, then the SP shall also demonstrate, as part of their change proposal, their methodology, in terms of consulting with the affected Beneficiaries prior to the implementation of any such alternative form of fuel. Any consultation process will require the prior approval of the Department. The SP shall provide the Department with the results of such consultation prior to any decision on implementation being taken by the Department. [OB]
- 6.4 The SP must always, demonstrate evidence of seeking to minimise costs proportionate to the tasks involved, ensuring VfM for the Department whilst at the same time ensuring issues like data security and fraud risks are managed proactively.
- 6.5 Not all CV’s will increase the Service Charge or incur additional costs. Where the Department reasonably considers that the SP can provide the CV within the existing resources (in respect of staff, equipment, premises, etc), there shall be no change to the Service Charge and there shall be no additional charges to the Department.
- 6.6 This includes minor changes to the operations (for example, where there is an amendment to the Fuel Agreements or working procedures) and minor changes to the IT systems (for example, implementing national legislation) or other minor activities.
- 6.7 Where there are opportunities to achieve cost savings through a CV originated by the SP or the Department (note, this must be compatible with the Fuel Agreements and other legal obligations), the costs for implementing the change and the savings derived from the change, will be shared equally between the Department and the SP.
- 6.8 The Department must give written confirmation accepting the SP’s proposals and costs prior to the commencement of the relevant project.
- 6.9 All additional administration charges will be charged via a Transaction Rate Card (Appendix 2) or a Daily FTE Rate Card Schedule (Appendix 3). These are explained below: -

Transaction Rate Card

6.8.1 Where 6.4, 6.5 and 6.6 above do not apply, and additional resources are required to implement a transactional-based CV, the SP shall price the CV in accordance with the Transaction Rate Card Schedule (Appendix 2).

6.8.2 The Transaction Rate Card will apply for the following:

Additional Outbound Correspondence

6.8.2.1 The unit rate is for additional outbound correspondence being sent to each targeted Beneficiary over and above the annual fuel letter which is included in the core administration function.

6.8.2.2 The unit rate may change according to the following volume bands:

- *Outbound correspondence sent to less than 500 Beneficiaries*
- *Outbound correspondence sent to between 500 – 1,999 Beneficiaries*
- *Outbound correspondence sent to 2,000 or more Beneficiaries*

6.8.2.3 The SP should state the unit cost for sending out 2 sheets of A4 in the Pricing Matrix. If the CV requires more or less sheets to be sent, the SP and the Department should agree reasonable costs, based on the benchmark given in the Transaction Rate Card Schedule.

6.8.2.4 The unit rate for sending correspondence to each targeted Beneficiary must be fully wrapped, to include the cost of resources, design, proof, printing, fulfilment, postage, etc.

6.8.2.5 The unit rate shall include printing on both sides of an A4 sheet of paper. In most cases, this will be in black and white ink, although some printing may be required in colour. The latter will only be necessary in exceptional cases and as such we will not expect the SP to charge a different rate from the ones specified for standard correspondence.

6.8.2.6 The unit cost shall be for standard white recycled A4 office paper, which is at least 80gms. The cost may be adjusted if heavier or glossy paper is required.

Additional Outbound Telephone Calls

6.8.2.7 The unit rate is for outbound telephone calls being made to the Beneficiaries.

6.8.2.8 The unit rate may change according to the following volume bands:

- *Outbound calls made to less than 500 Beneficiaries*
- *Outbound calls made to between 500 – 1,999 Beneficiaries*
- *Outbound calls made to 2,000 or more Beneficiaries*

6.8.2.9 The SP should state the unit cost for calls of approximately 5 minutes in duration. If the CV requires more or less time for the call, the SP and the Department should agree reasonable costs, based on the benchmark given in Transaction Rate Card Schedule (Appendix 2).

6.8.2.10 The unit rate for calling each targeted Beneficiary must be fully wrapped, including the cost of resources, development of script, telephone charges, etc.

6.8.2.11 The unit rate is chargeable for successful contacts only.

Additional Inbound Correspondence

6.8.2.12 The unit rate is for clearly identified additional work generated by inbound correspondence from Beneficiaries as a direct result of a CV being implemented. For example, a letter may have been sent by the SP to 2,000 Beneficiaries as part of a CV, which then directly generates 1,000 inbound letters. The SP must be able to monitor and provide evidence that the inbound correspondence has resulted directly from the CV.

6.8.2.13 The unit rate shall change according to the following volume bands:

- *Inbound correspondence sent to less than 500 Beneficiaries*
- *Inbound correspondence sent to between 500 – 1,999 Beneficiaries*
- *Inbound correspondence sent to 2,000 or more Beneficiaries*

6.8.2.14 The SP should state the unit rate for handling and actioning the inbound correspondence which has been directly generated because of a CV. This should be based on a handling time of approximately 15 minutes. If the CV requires more or less time, then the SP and Department should agree reasonable costs, based on the benchmark given in the Transaction Rate Card Schedule (Appendix 2).

6.8.2.15 Unit rates are to be fully wrapped, including the cost of resources, opening of correspondence, scanning, new procedures, workflow, data inputting, etc.

Additional Inbound Calls

6.8.2.16 The unit rate is for additional work generated by inbound calls from Beneficiaries as a direct result of a CV being implemented. For example, the SP may have sent a letter to 2,000 Beneficiaries as part of a CV, which then directly generates 500 inbound calls. The SP must be able to monitor and provide evidence that the inbound calls have resulted directly from the CV.

6.8.2.17 The unit rate shall change according to the following volume bands:

- *Inbound calls made to less than 500 Beneficiaries*
- *Inbound calls made to between 500 – 1,999 Beneficiaries*
- *Inbound calls made to 2,000 or more Beneficiaries*

6.8.2.18 The SP should state the unit rate for handling and actioning additional inbound calls, which have been directly generated because of a CV. This should be based on a handling time of approximately 10 minutes. If the CV requires more or less time, then the SP and the Department should agree reasonable costs, based on the benchmark given in the Transaction Rate Card Schedule (Appendix 2).

6.8.2.19 Unit rates are to be fully wrapped, including the cost of resources, new procedures or instructions, telephony, data inputting, etc.

Daily FTE Rate Card

6.8.3 Where 6.4, 6.5 and 6.6 above do not apply, and it is agreed by the Department that additional resources are required which have not been captured by the Service Charge or the Transaction Rate Card, the SP shall price the CV in accordance with the Daily Full Time Equivalent (FTE) Rate Card submitted in the Daily FTE Rate Card Schedule (Appendix 3).

6.8.4 The Daily FTE Rate Card will apply for the following, where they are additional resources:

Project Manager

IT/Systems staff (Technical Developer, Tester)

Admin staff

HR Specialist

6.8.5 Any other substantial roles will need to be agreed with the Department.

6.8.6 This rate card is more likely to be used when a significant time limited change project is being implemented and additional resources are clearly required. For example, a large cohort of Beneficiaries may be affected by new scheme specific legislation changes requiring a Project Manager and some IT resources to implement significant system changes.

6.8.7 Where the resource is not required for the full day, the daily rate should be pro-rated.

7. TRANSITION COSTS

- 7.1 During the Transition Period, prior to the commencement of the provision of Services, transition costs may be incurred by the SP.
- 7.2 Transition costs shall mean the costs incurred by the Bidder prior to commencing the Services pursuant to this Contract as set out within the Pricing and Evaluation Model.
- 7.3 The SP shall work with the Department to develop and agree a Transition Plan prior to the commencement of the Service in accordance with the requirements set out within the Specification.
- 7.4 The SP must identify transition costs in the Transition Costs Schedule (Appendix 4), providing a breakdown of the proposed work and associated costs.
- 7.5 The SP acknowledges that it will not be entitled to charge or invoice the Department separately for any Transition Costs. The SP may factor in to include such Transition Costs in the on-going service charge if it chooses to do so.
- 7.6 In the event that issues arise relating to the TUPE regulations, it is the responsibility of the outgoing and incoming providers to ensure that they properly manage their respective obligations. TUPE costs cannot be recovered by way of a separate fee for the Department.
- 7.7 Whilst these costs should be identified in the Pricing and Evaluation Model, they will not be evaluated separately to ensure a level playing field. It is an internal matter for bidders to determine how they manage potential transition cost (e.g. amortise costs over the lifetime of the contract and absorb this into the monthly fee, write-off as business development costs etc).

8. INVOICE INFORMATION

- 8.1 Monthly invoices must be prepared and issued to the Department in accordance with clause 11 (Invoices and Payment) of the Contract.
- 8.2 The invoice must clearly identify the following:
- 8.2.1 The relevant purchase order number provided by the Department;
 - 8.2.3 The period the charges relate to;
 - 8.2.4 A breakdown of the charges for the different services included in the Service Specification: -
 - Purchasing Charges;
 - Delivery Charges; and
 - Administration Charges.
 - 8.2.5 Any additional costs against the Transaction Rate Card and Daily FTE Rate Card (if applicable in the month and applied with prior agreement of the Department);
 - 8.2.6 Service credit due or any other reimbursement applicable;
 - 8.2.7 The relevant VAT rate;
 - 8.2.8 Total value of the invoice excluding and including VAT.
- 8.3 The SP shall provide a draft invoice during the Transition Period which must be agreed by the Department prior to the Service's Commencement Date.
- 8.4 The Service Charges will be invoiced monthly in arrears.
- 8.5 VAT will be charged in accordance with clause 14 (Value Added Tax) of the Contract.
- 8.6 Supporting documentation must be provided to assist with invoice validation or auditing. This includes:
- 8.6.1 Purchase Charges must be supported by volumes delivered to Beneficiaries broken down by fuel types;
 - 8.6.2 Delivery Charges must be supported by volumes delivered to Beneficiaries broken down by fuel types, core and non-core rates;
 - 8.6.3 Administration Charges must state the current numbers of fuel Beneficiaries (this number will be validated by the NCFO);
 - 8.6.4 CVs using the Transaction Rate Card must be supported by transaction activities and volumes and number of Beneficiaries, which will have been previously agreed with the Department;

- 8.6.5 CVs using the Daily FTE Rate Card must be supported by detailed resource utilisation including named individual's timesheets, which will have been previously agreed with the Department.

9. AUDIT

- 9.1 The SP must ensure that the Department, its agents and professional advisers are allowed access to premises at all reasonable times, and shall grant the Department access to the SP and sub-contractors staff, and the right of access to records (whether held by the SP or a sub-contractor) and all other information in respect of the provision of the Services. This access shall be for the purpose of performing inspections or audits in order to:
- 9.1.2 Verify the accuracy of the Service Charges and/or any other amounts payable by the Department under the Contract and under invoices;
- 9.1.3 Verify the SP's and SP's sub-contractor's fulfilment of the Specification and compliance with the terms and conditions of this Contract;
- 9.1.4 Verify the SP's performance against any agreed SLAs and supporting information/calculations including measurement and monitoring tools and procedures.
- 9.2 The rights granted to the Department under this paragraph 9 may also be exercised by (or in conjunction with) the Department's internal auditors or external auditors appointed by the Department.
- 9.3 Following any inspection or audit, review meetings will be held between the parties to deal with issues arising. If any investigation or audit reveals that the Department has overpaid any sums, the SP shall forthwith pay those sums to the Department. If the Department has under paid any sums, the SP should raise an invoice for the appropriate amount.

10. INDEXATION OF SERVICE CHARGES

10.1 The initial fees for the Services of the Contract will be changed annually in line with: -

10.2 Product prices will be fixed for the first 12 months from the Service Commencement Date. Thereafter, prices will increase annually in line with the inflators currently used for product prices (see table below) using December to December rates applied from April.

10.3 Distribution prices will be fixed for the first 12 months from the Service Commencement Date. Thereafter, prices will increase annually in line with the inflators currently used for distribution prices (see table below) using December to December rates applied from April.

DESNZ Cost Element	Percentage Market Share	Index	Percentage
Distribution		RPI All Items Excl Mortgage Interest (RPIX): Jan 1987=100 CHMK CPI INDEX 07: TRANSPORT 2015 = 100 D7C2	40% 60%
MSF Bituminous Products	tbc	RPI: fuel & light: Coal & solid fuels (Jan 1987=100) DOBW RPI: fuel & light: Coal & solid fuels (Jan 1987=100) DOBW	100%
Anthracite Products	tbc	BCIS 90/11 gas oil index RPI: fuel & light: Coal & solid fuels (Jan 1987=100) DOBW	40% 60%

- 10.4 The initial Service Charge for Administration Charges will be fixed for the first 24 months from the Service Commencement Date. Thereafter, the Service Charge will increase annually in line with the RPIX rate (using April rate).
- 10.5 The Transaction Rate Card and Daily FTE Rate Card will also be fixed for the first 24 months. Thereafter, services will increase annually in line with the RPIX rate (using April rate).
- 10.6 It should be noted that charges might decrease if the inflators are negative.
- 10.7 If the SP has any suggestions for inflators for Purchasing and Distribution prices that are more favourable than the ones indicated above the Department will consider as part of the evaluation process.

PART 2

PERFORMANCE MANAGEMENT

1. INTRODUCTION

The Specification states that a core objective of the Contract is:

“The SP must manage the business efficiently and contribute to strategic and operational matters to ensure the provision of a quality service which is reliable, fit for purpose, consistent and delivers VfM”.

The SP is required to establish a quality management system to ensure that all aspects of the Contract are delivered to the required standards.

2. CONTRACT PERFORMANCE

2.1 The SP's performance will be measured and reported in the Contract Performance Report. The measures will be based on a "Balanced Scorecard" which has 4 main perspectives:

- Operations
- Financial
- People
- Customer

2.2 The SP will be required to produce both a monthly and quarterly report ("the Contract Performance Reports") no later than 10 working days following the period it relates to. These monthly Contract Performance Reports will feed into the quarterly meetings between the SP and the Department.

2.3 The Department and the SP will agree the content and format during the Transition Period, but the report is likely to include the following information:

Operational

- Number of successful deliveries
- Tonnes of successful deliveries
- Number of out of phase deliveries and tonnage
- Number of recoveries, tonnage recovered and tonnage re-usable
- Number of failed deliveries
- Meeting the timescales as set out in the Specification (summarised in Appendix 5)
- Meeting the electronic data exchange obligations with the NCFO
- Response times for calls and correspondence and call abandonment rates
- Fraud indicators
- Operational issues and risks

Financial

- Funding requirements in tonnage and cost
- Accuracy and timeliness of invoicing
- Tracking indexes used to amend fees
- Tracking contract prices to retail prices for each of the products supplied under the Contract

People

- up to date organogram for key management and operational staff with job titles
- report of information on insurance and MOT status for all vehicles requiring renewal that are used in the delivery of solid fuel to Beneficiaries

Customer

- Beneficiary complaints split into complaints about the service, delivery and quality of product, comparing against previous month and quarter
- Audit results of any audits performed by the SP in the reporting month,
- Relationship with the Department and the other stakeholders including complaints from other parties that are not the Beneficiaries, e.g. unions or MPs

2.4 Exception reporting such as data security breaches, IT disruption, etc. should also be included in the monthly and quarterly reports if applicable.

2.5 The SP should provide a RAG (Red – Amber – Green) status for each of the above components:

- Green – there are no issues or where there are a few issues, these issues are being managed in a controlled and effective manner
- Amber – there are some issues but there is a clear plan to address these issues.
- Red – there are some issues but there is only a limited plan to address the issues or that the plan has been implemented but does not appear to be working well.

3. SERVICE CREDITS

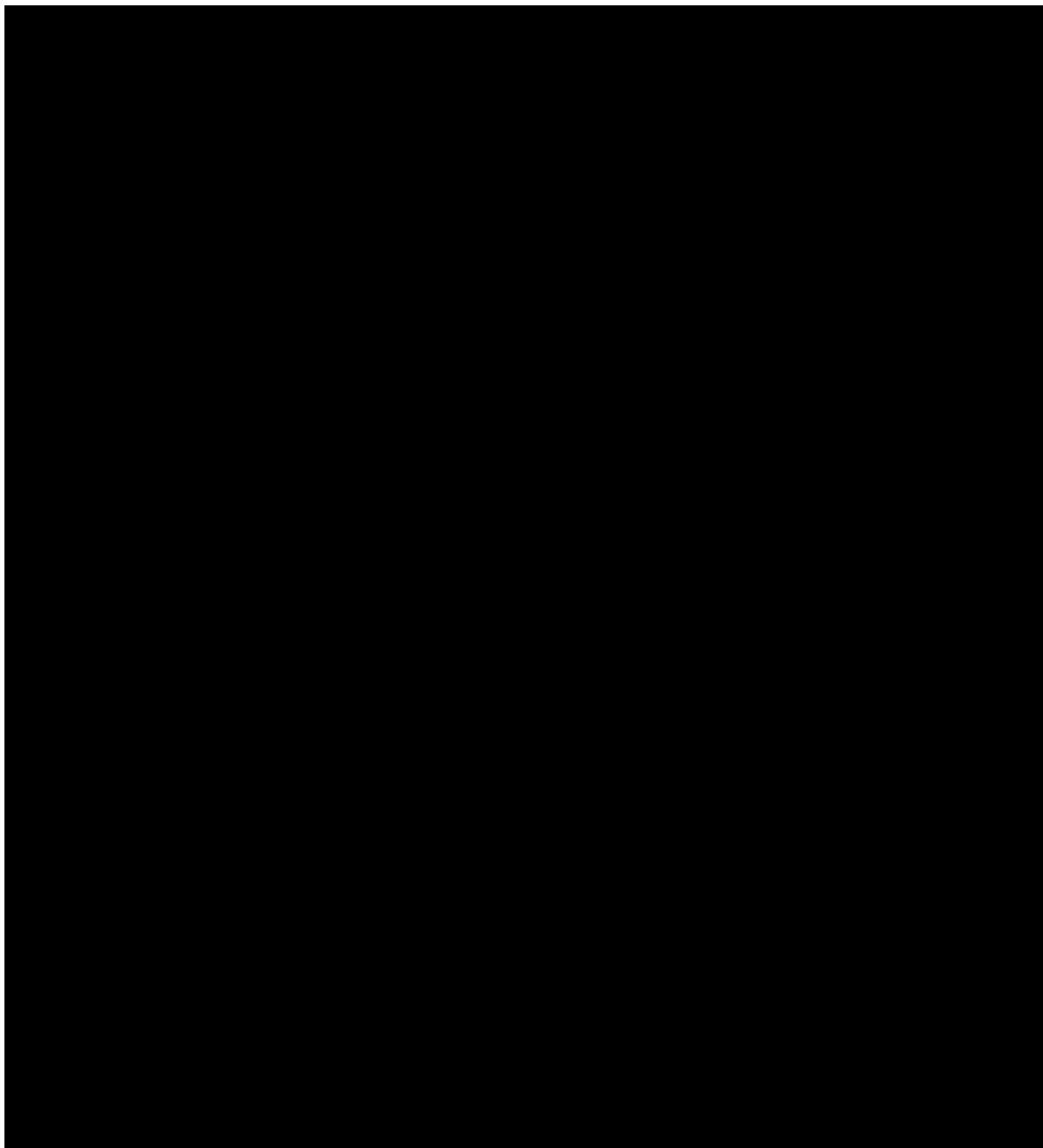
- 3.1 Where the SP fails to deliver fuel to the Beneficiary as set out in the Fuel Delivery Letter i.e. the schedule agreed with the Beneficiary, the SP will be charged £20 per working day for every day that the delivery is not made.
- 3.2 Where the SP fails to deliver an Emergency Delivery within 3 working days of an accepted request, the SP will be charged £20 per working day for every day the delivery is not made.
- 3.3 Where the SP fails to recover fuel within 1 calendar month of the instruction being received from the NCFO, the SP will be charged £20 per working day for every day the recovery is not made.
- 3.4 Service credits will be reported as part of the Contract Performance Reports with an explanation of the reasons for the failings.
- 3.5 Reimbursements to the Department will be credited against the monthly invoice of the subsequent month from the occurrence.
- 3.6 The Department may exercise discretion in the application of service credits if these occur as a result exceptional circumstances, e.g. bad weather, natural disasters or other occurrences to be agreed with the Department.

APPENDIX 1A

Product Prices Schedule

Table 1

Solid Fuel currently (Jan 24) supplied



Price per tonne, ex-works (excluding VAT)

Please expand the table as required
To apply for the first year of the contract only

Table 2

Additional fuels suggested by the SP

Please note these products will have to be agreed with the Department during the transition period. These products will need to be HETAS approved or to an agreed equivalent standard prior to the commencement of the contract. The Department will give no guarantee whatsoever relating to these fuels being used.

Fuel Type Descriptor	Supplier	Product name/ brand	Price per tonne, ex-works (excluding VAT)

Please expand the table as required.

To apply for the first year of the contract only

Appendix 1B

Distribution Prices Schedule

Table 1

Distribution prices per tonne

Product name/brand	Supplier	Core Distribution Price (exc VAT) per tonne	Non-Core Distribution Price (exc VAT) per tonne	Pre-Packing Charge (exc VAT) per tonne

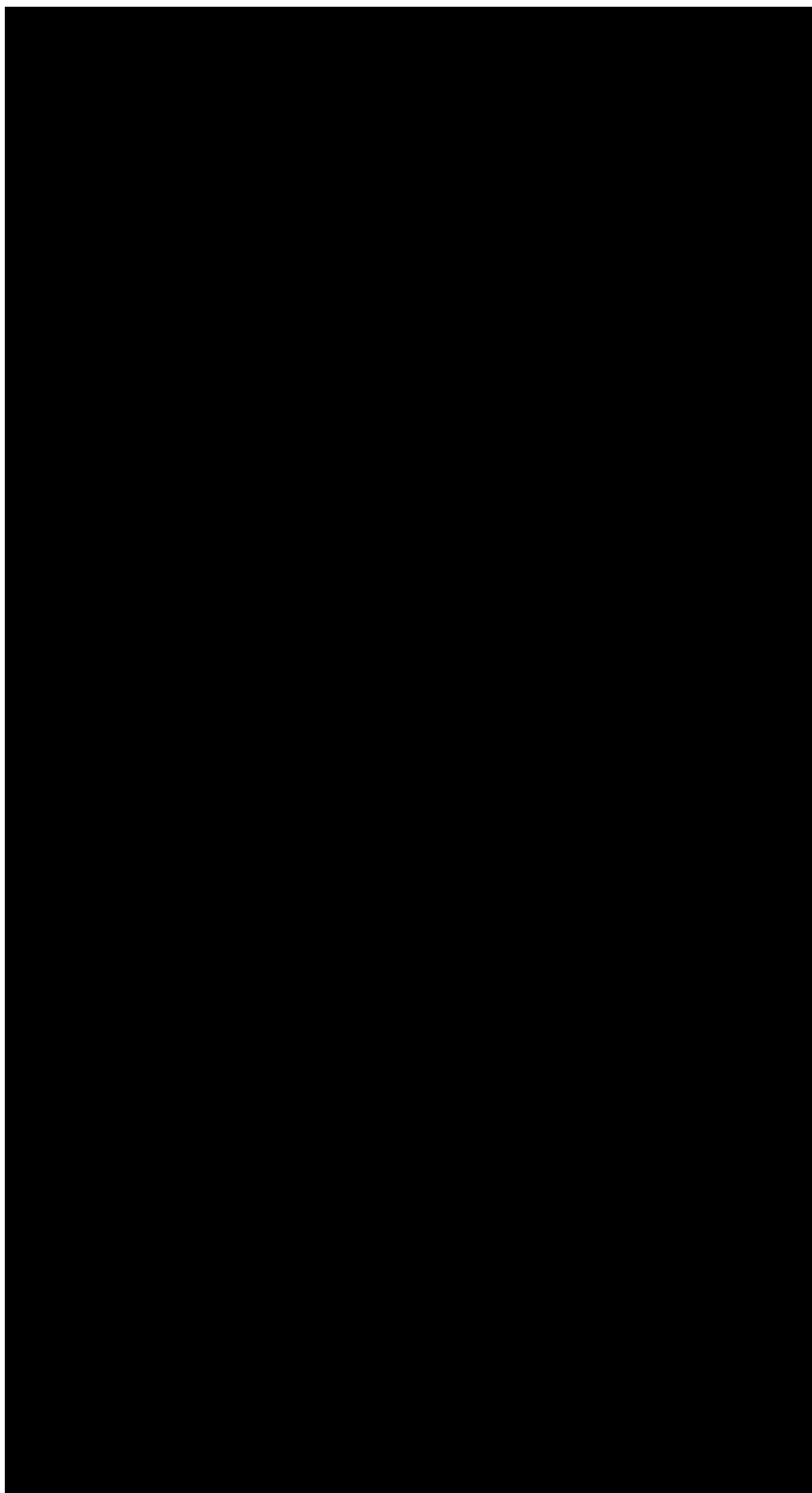
Please expand the table as required
To apply for the first year of the contract only

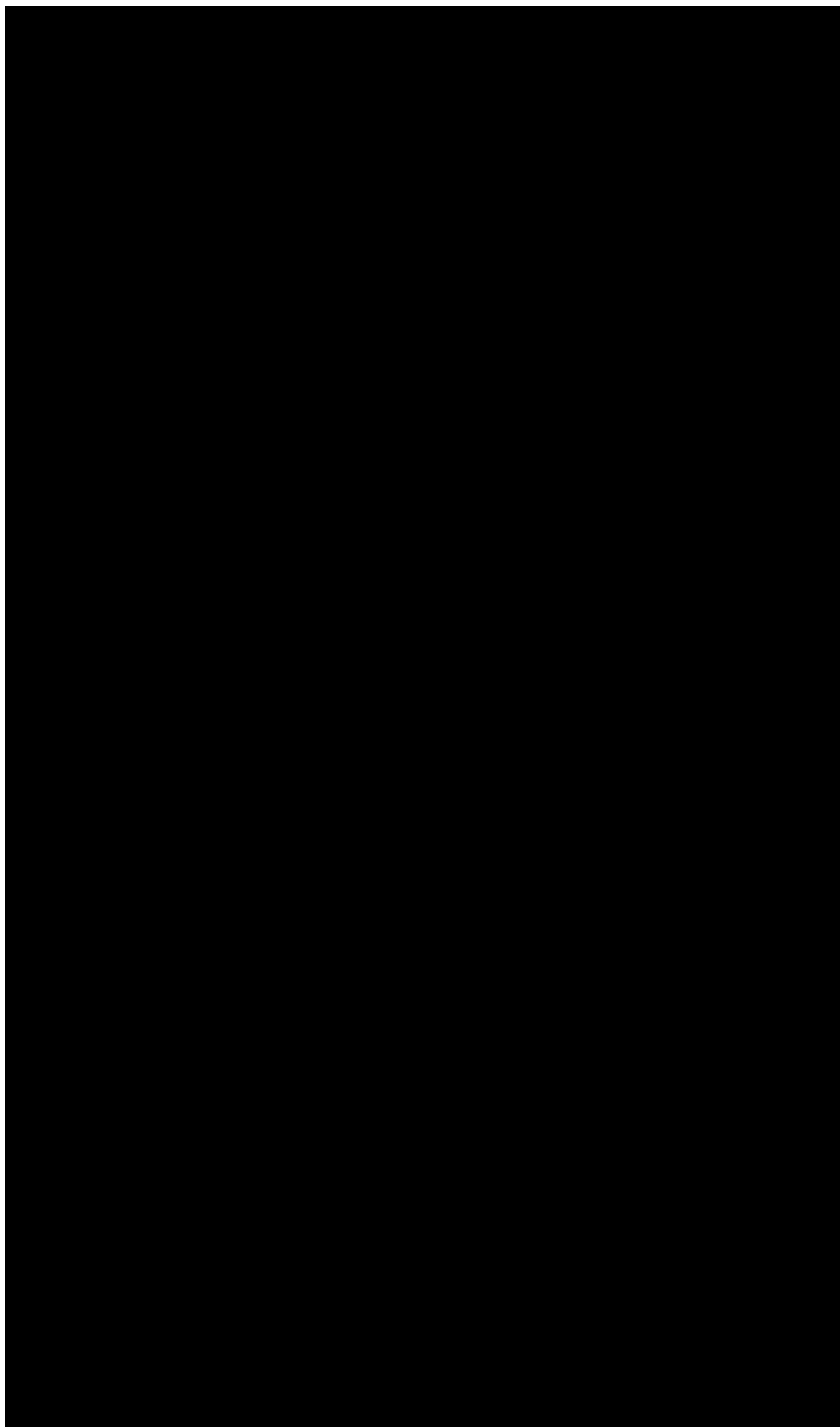
Table 2

Core and Non-Core Postcode Sectors

The SP is required to identify which Post Code areas they would designate as core and non-core areas for distribution purposes

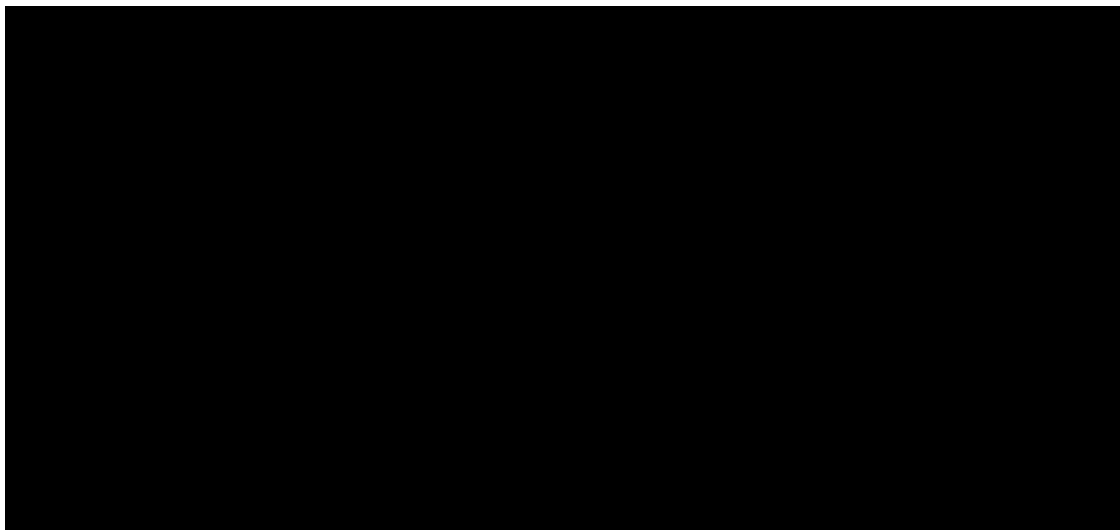
Numbers of solid of fuel beneficiaries by postcode location as of December 2023





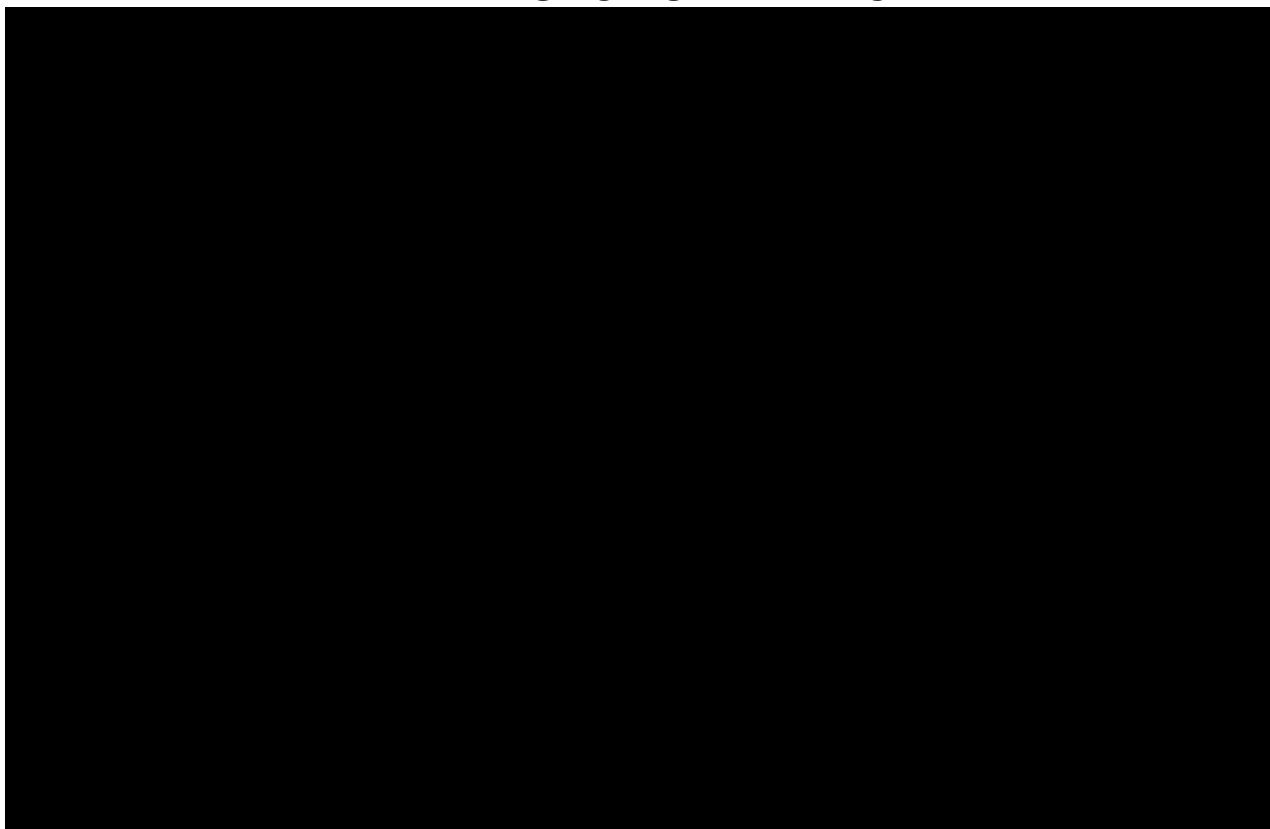
Note: A Postcode Sector cannot be Core and Non-Core

Appendix 1C



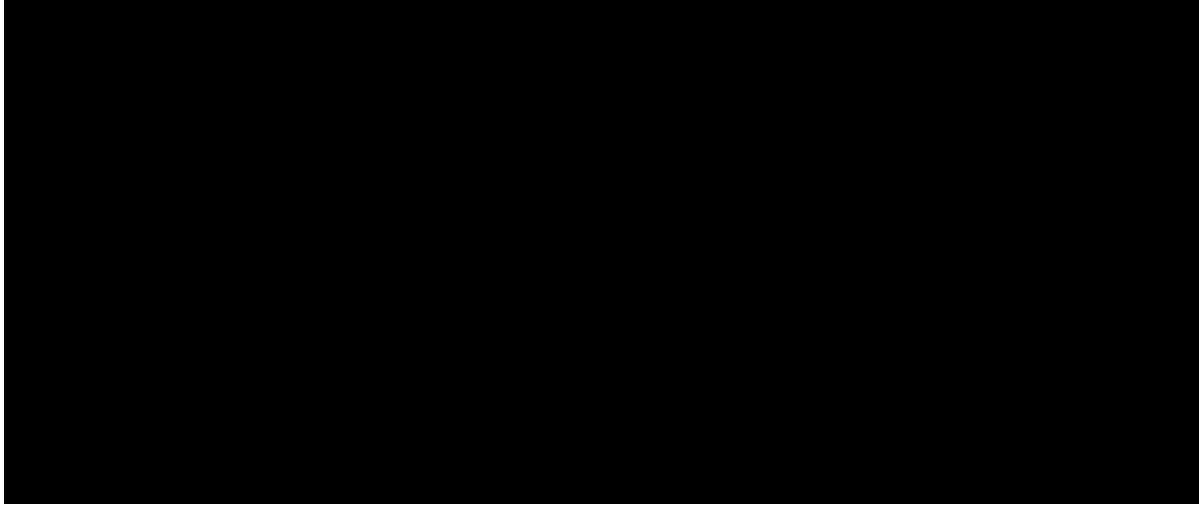
APPENDIX 2

TRANSACTION RATE CARD



To apply for the first 24 months of the contract

APPENDIX 3
DAILY FTE RATE CARD



APPENDIX 4 TRANSITION COSTS

Transition description of activity / cost item	Cost (£)
<i>Total cost during transition</i>	

Note: please note that Transition Costs will not be included in the pricing evaluation.

APPENDIX 5

SUMMARY OF OPERATIONAL TIMESCALES AND SERVICE LEVEL AGREEMENTS

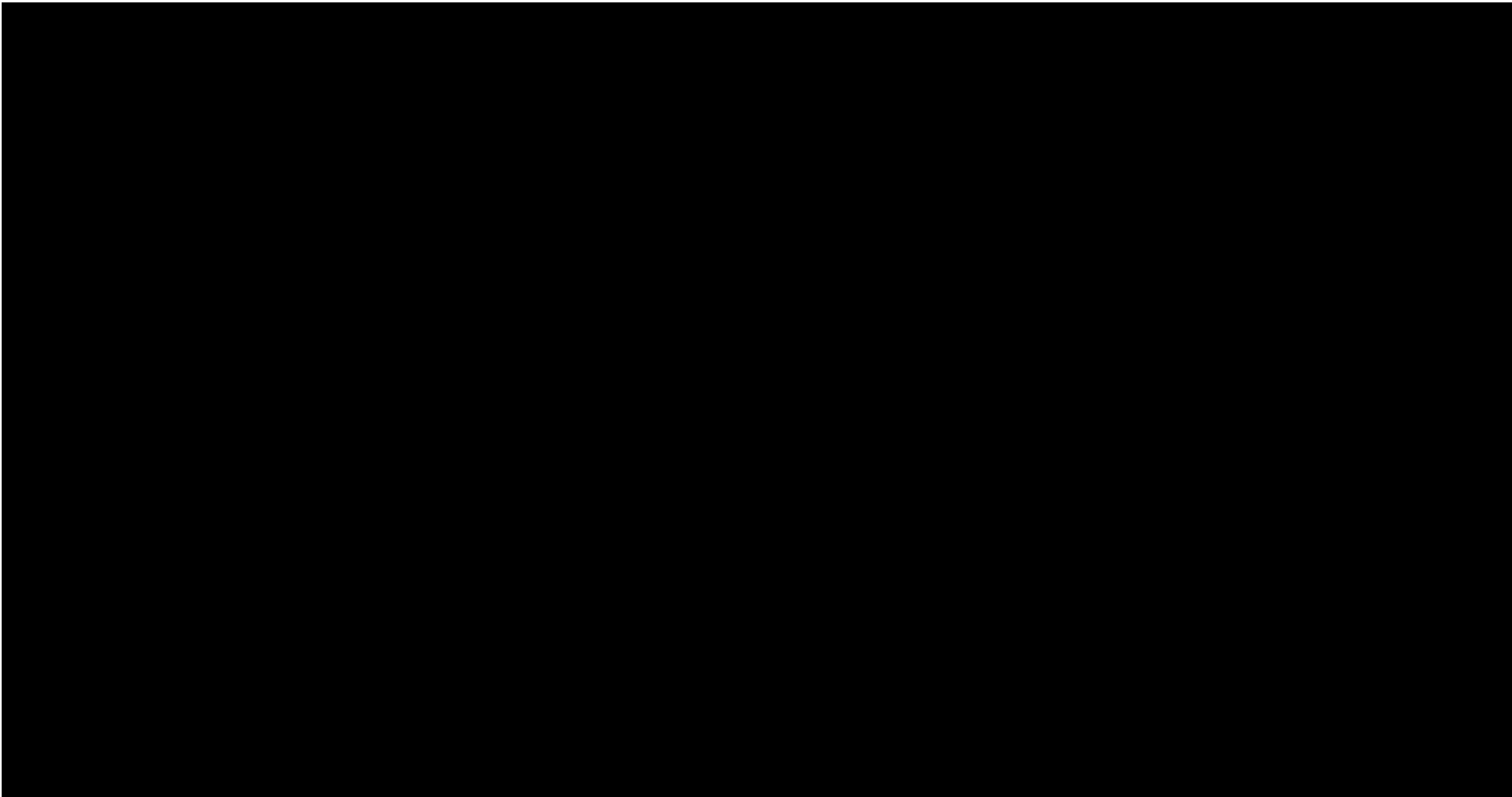
Clause	Work	Task	Timescale
2.2.4 A) b)	Purchasing Requirements	Payment terms within commercial contracts with solid fuel suppliers reflect the Department's contract terms.	Annually
2.2.4 A) d)	Purchasing Requirements	The Department receives, each year, supporting documentation of the product prices submitted by the SP from Suppliers	Annually
2.2.4 C) a)	Purchasing Requirements	The SP will ensure that their stock management means the Beneficiary receives uninterrupted deliveries of solid fuel according to the agreed schedule.	Weekly
2.2.4 F) b)	Purchasing Requirements	HETAS approval certificates (or equivalence agreed standard) and data sheets provided to the Department each time a product is tested.	At least once a year
2.3.5 A) a)	Delivery Requirements	Annually the SP will be expected to phase deliveries to be made in the forthcoming Fuel Year, April to March.	Annually
2.3.5 B) c)	Delivery Requirements	The SP will send NCFO, weekly, electronic file of deliveries, one week in advance of the week in which deliveries to be made. The file content to be to the agreed specification.	Weekly
2.3.5 B) d)	Delivery Requirements	The SP will send NCFO, daily, electronic file confirmation of deliveries made. The file content to be to the agreed specification.	Daily
2.3.5 C) a)	Delivery Requirements	The SP will make out of phase deliveries within 3 working days of the request being received.	3 working days
2.3.5 D) a)	Delivery Requirements	The SP will make deliveries as set out in the beneficiaries Delivery Letter.	Weekly
2.3.5 D) b)	Delivery Requirements	The SP will only make deliveries to Beneficiaries' homes on Monday to Friday within the hours of 07.30am to 18.30pm.	Weekly
2.3.5 D) d)	Delivery Requirements	For each delivery the SP will be required to produce a delivery ticket (or e-ticket) for the Beneficiary, showing the Beneficiary's name, address, fuel type and quantity delivered.	Per Delivery
2.3.5 D) e)	Delivery Requirements	Where the SP fails to make a delivery, as a result of not having access to the designated storage area, they will leave a card to let the Beneficiary know a delivery has been attempted.	Per failed delivery
2.3.5 E) b), F) a) and G) b)	Delivery Requirements	The SP will investigate and resolve as far as reasonable complaints about the quality of the fuel delivered, the manner in which the delivery was made, or the amount of fuel delivered within 10 working days of the complaint being received.	10 working days
2.3.5 H) a)	Delivery Requirements	The SP will recover previously delivered solid fuel, as instructed by NCFO within 1 Calendar month of the instruction being received.	1 calendar month
2.4.2 A) a)	Beneficiary Requirements	The SP will operate a local telephone helpline, to enable Beneficiaries to contact the SP between the hours of 9am and 4pm on normal working days (Monday to Friday excluding Bank Holidays)	Daily
2.4.2 B) b)	Beneficiary Requirements	If necessary, the SP will respond to written communication, either by letter or email, within 10 working days.	10 working days
2.4.2 B) d)	Beneficiary Requirements	If the SP receives correspondence about the entitlement, or a change of solid fuel, the SP will scan the correspondence to the required standards and the electronic copy must be forwarded to the NCFO within 1 working day.	1 working day
2.4.2 D) a)	Beneficiary Requirements	Annual Letters are sent to all solid fuel Beneficiaries to notify of the phasing of deliveries for the forthcoming Fuel Year.	Mid-March
2.4.2 E) a)	Beneficiary Requirements	On the day after the notification of a change in entitlement level by the NCFO the SP will send to the Beneficiary a letter confirming the re-phasing of deliveries and when these will be made.	Daily

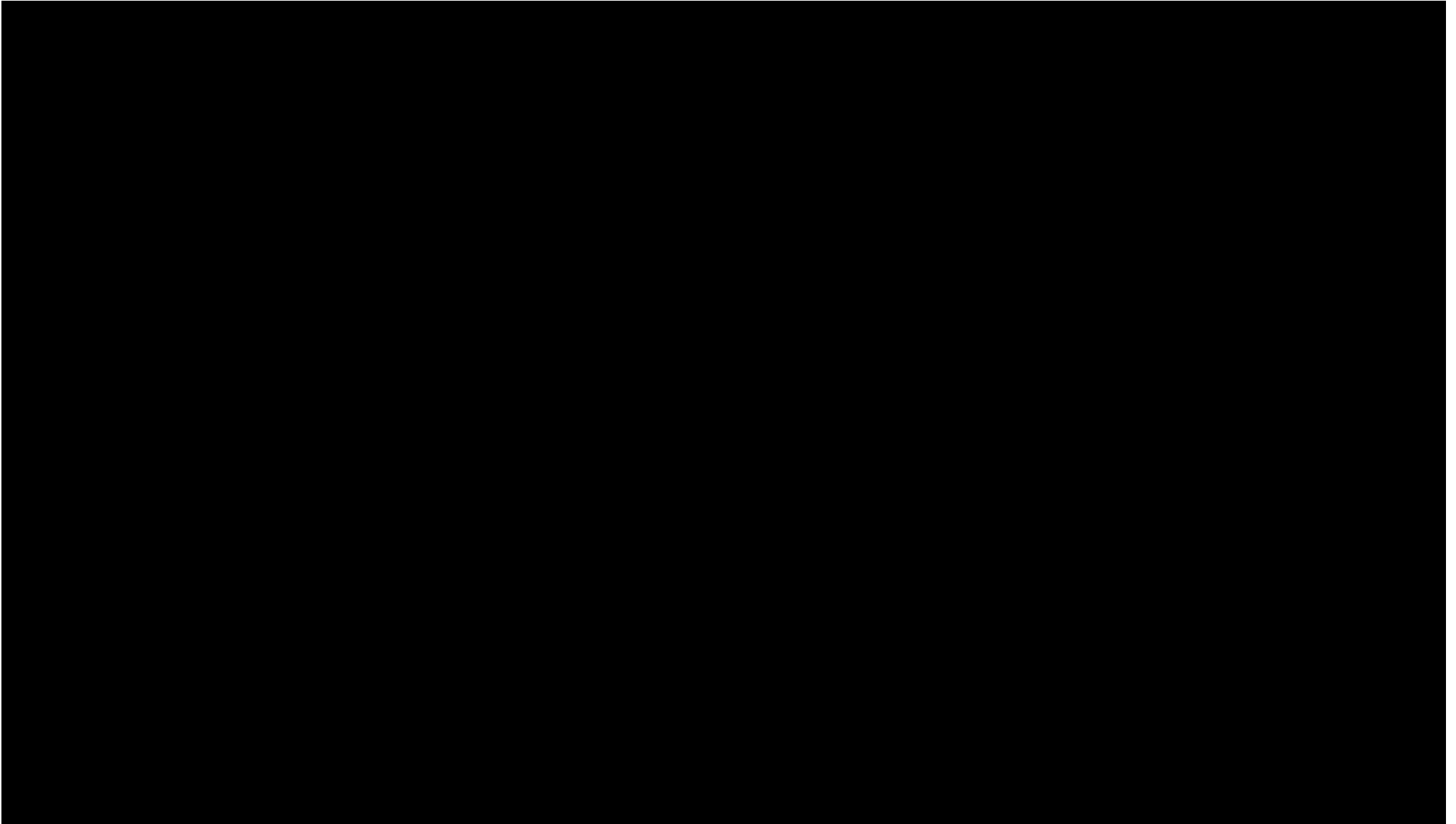
2.4.3 A) c)	Managing Complains and Disputes	The SP must respond within 10 working days from receipt of the complaint	10 working days
2.4.4 B) a)	MPs, others	Where MPs, MSPs, and AMs of the Welsh Assembly enquiries are directly addressed to the SP, the SP will respond, on behalf of the Department, to the enquiry within 10 working days, unless such enquiries are an issue of policy, in which case the SP will recommend a course of action and request approval of such action from the Department.	10 working days
2.4.4 B) b)	MPs, others	Where MPs, MSPs, and AMs of the Welsh Assembly enquiries are addressed to the Department, upon notification of the enquiry raised, the SP will supply the Department within 3 working days, a brief on the issue and a suggested draft response to enable the Department to respond by Departmental deadlines for such cases.	3 working days
2.5.2 b)	Liaison with the NCFO and data exchange	Daily, the SP will send information about confirmed deliveries. On a weekly basis, the SP will send information about planned deliveries. The NCFO will send daily information to the SP about changes to entitlements to enable the SP to amend their delivery plan accordingly.	Daily and Weekly
2.5.2 c)	Liaison with the NCFO and data exchange	On a monthly basis, the SP and the NCFO must work together to ensure that both the entitlement database and delivery database reconcile. Any variances will be investigated and resolved accordingly.	Monthly
3.3.2 B) a)	Financial Management	The SP must submit accurate invoices monthly for processing and payment, no later than 10 working days following the end of the month. Payments will be submitted and processed in arrears of services provided.	10 working days
3.3.2 C) b)	Financial Management	The in-year expenditure forecasts (broken down by month) should be provided at least once a year in March.	March
3.4.2 B) a)	Fraud Management	The SP will inform the Department as soon as practicable (within 24 hours) if it suspects any serious fraud relating supply of solid fuel or operation of the Service (which shall include any suspected significant fraud by a Beneficiary or any member of the SP's staff) that has occurred.	24 hours
3.8 A) a)	Business Continuity and Disaster Recovery	Recovery timescales are likely to be (i) telephone service backup within 24 hours (ii) IT systems available within 48 hours (iii) staff at desks available within 48 hours (iv) deliveries re-commenced within 48 hours	24 Hours, and 48 Hours
3.9 D) c)	Data Handling Incidents and Breaches	The SP must ensure that any breaches in data security are reported as soon as possible, which must be within 24 hours of the breach.	Within 24 hours

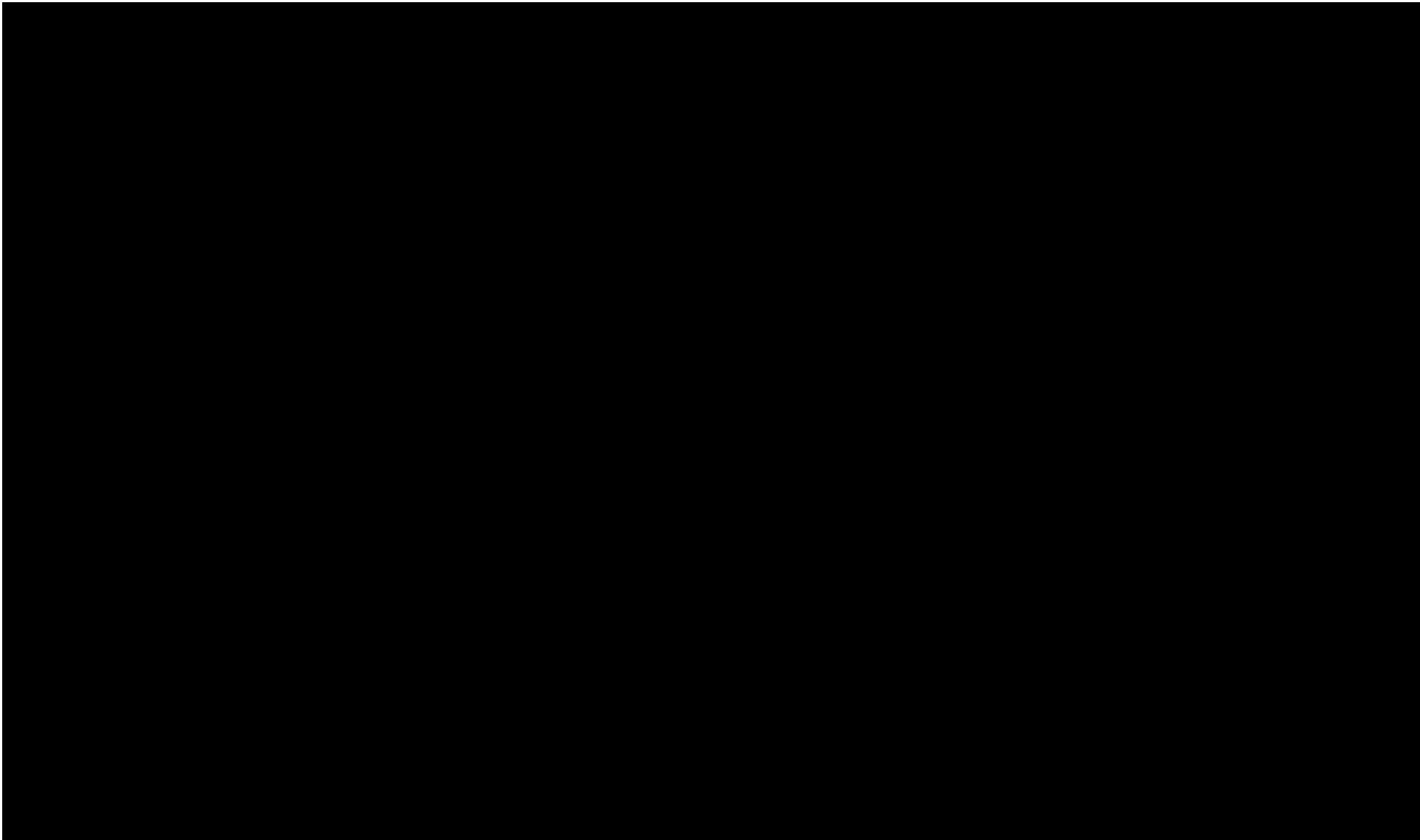
B. Pricing schedules:

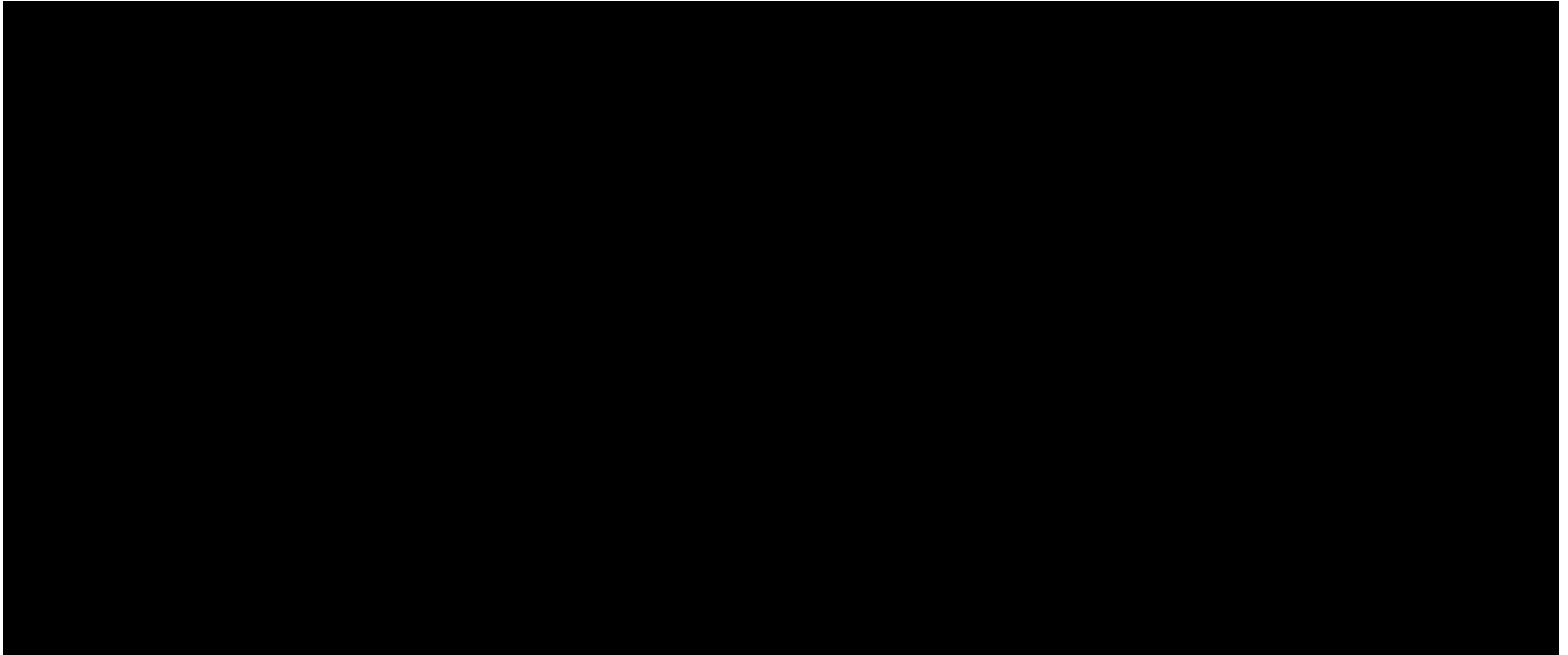
1) Administration Charges:

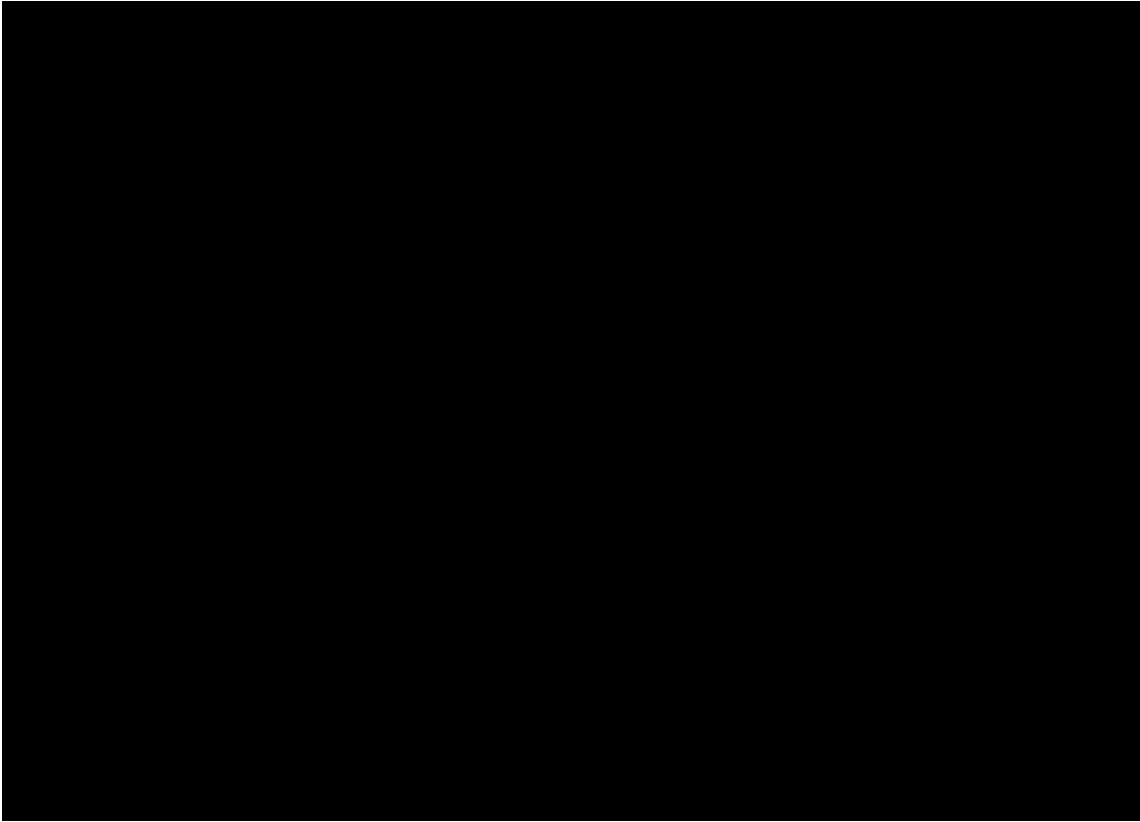
Administration Pricing Evaluation Model - Input Sheet

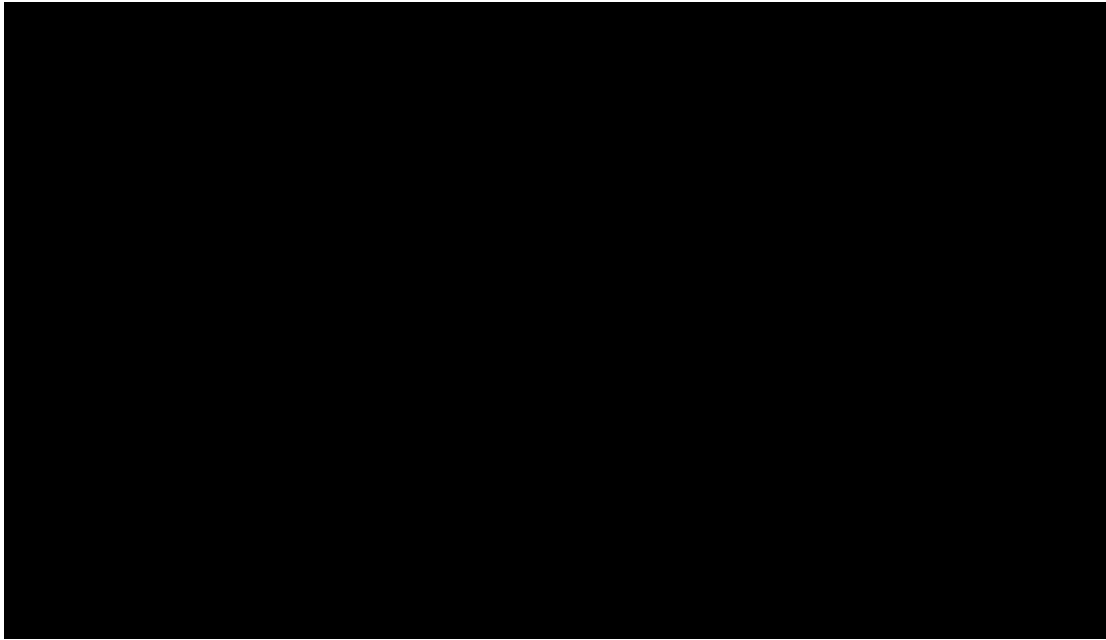




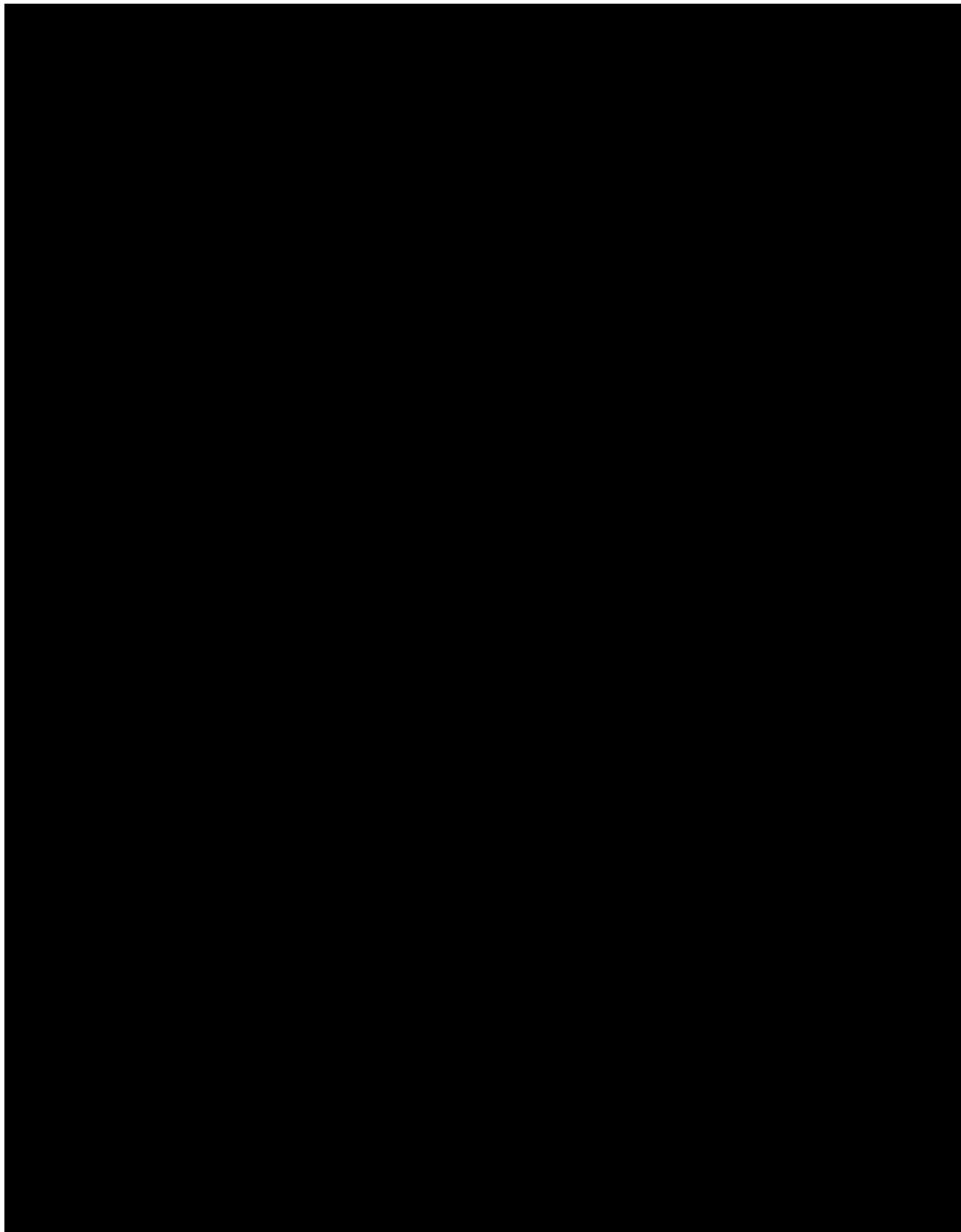








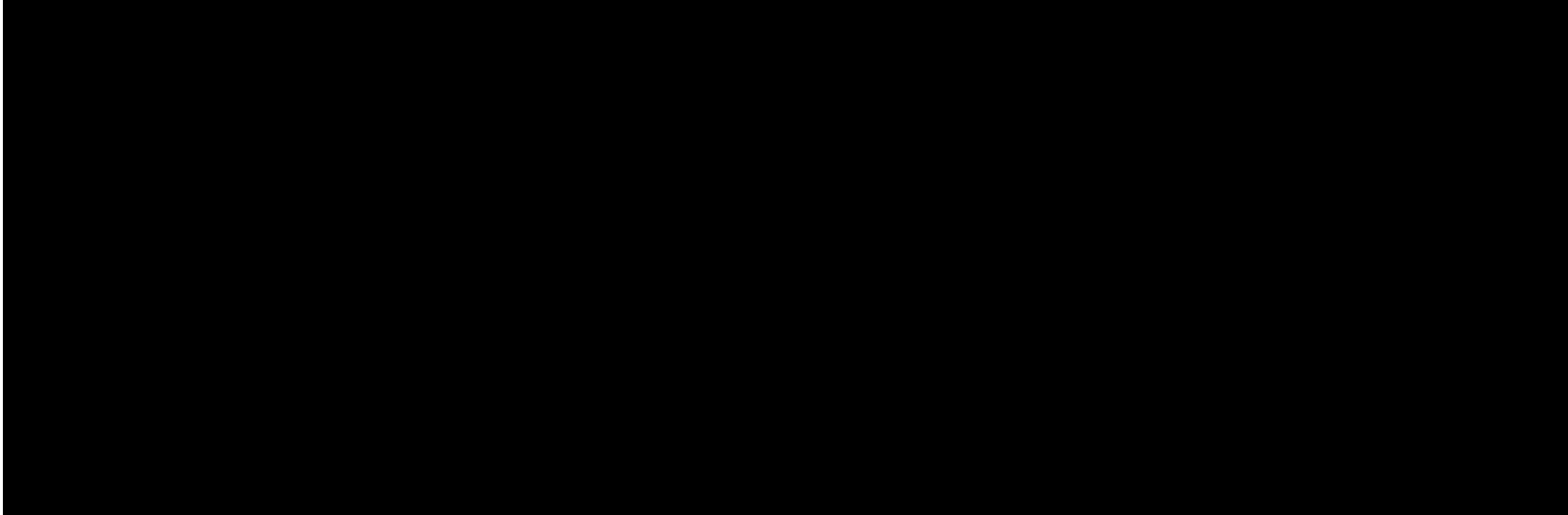
Administration Pricing Evaluation Model - Output Sheet

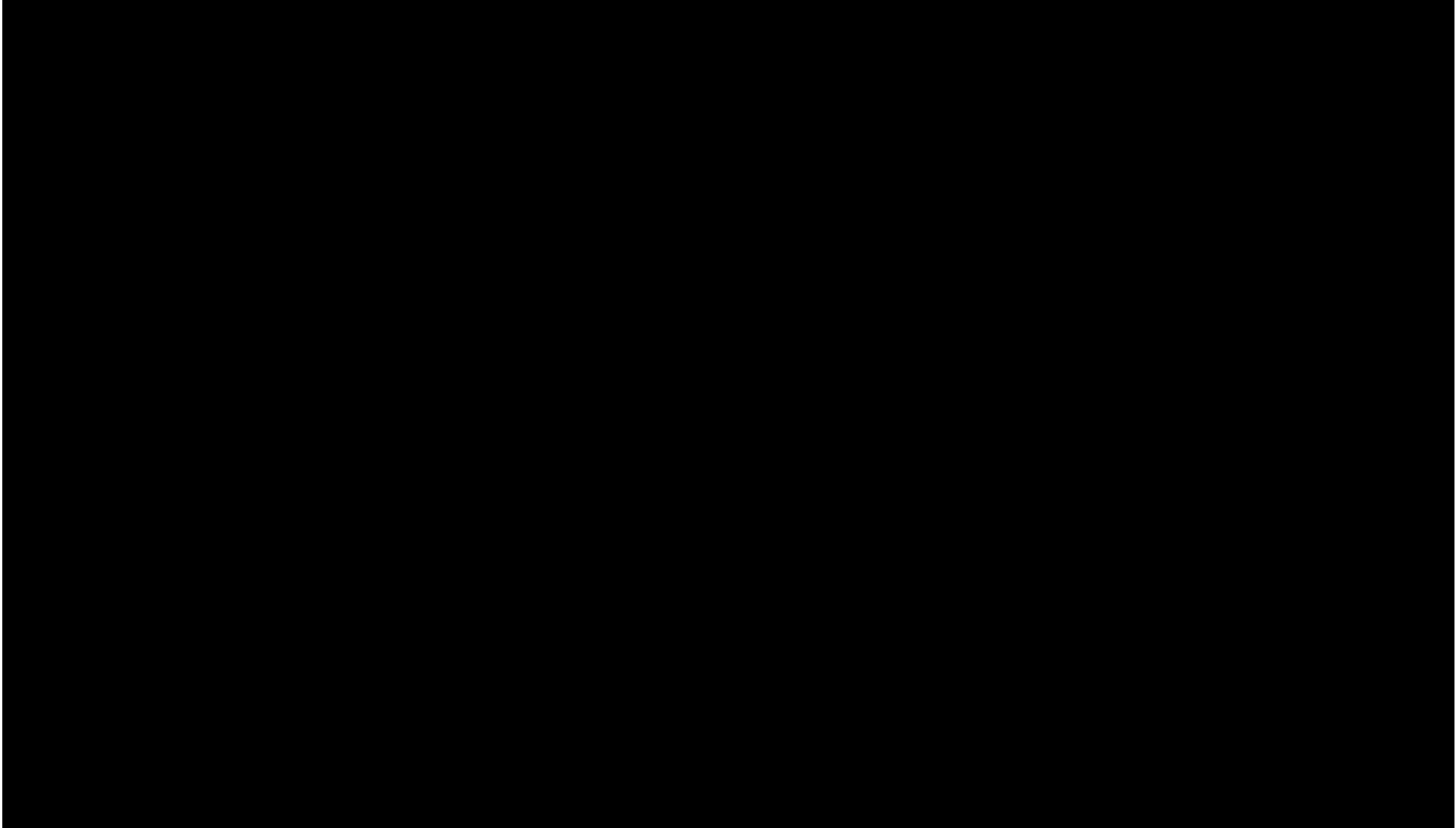


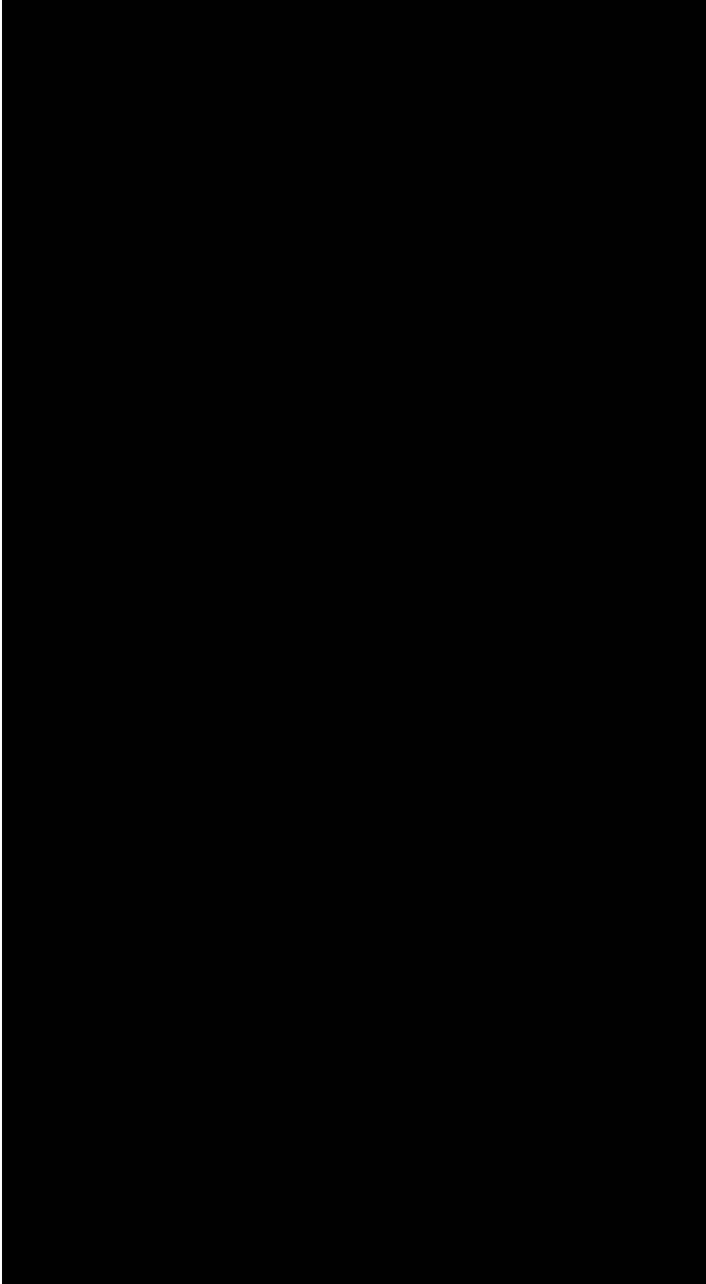


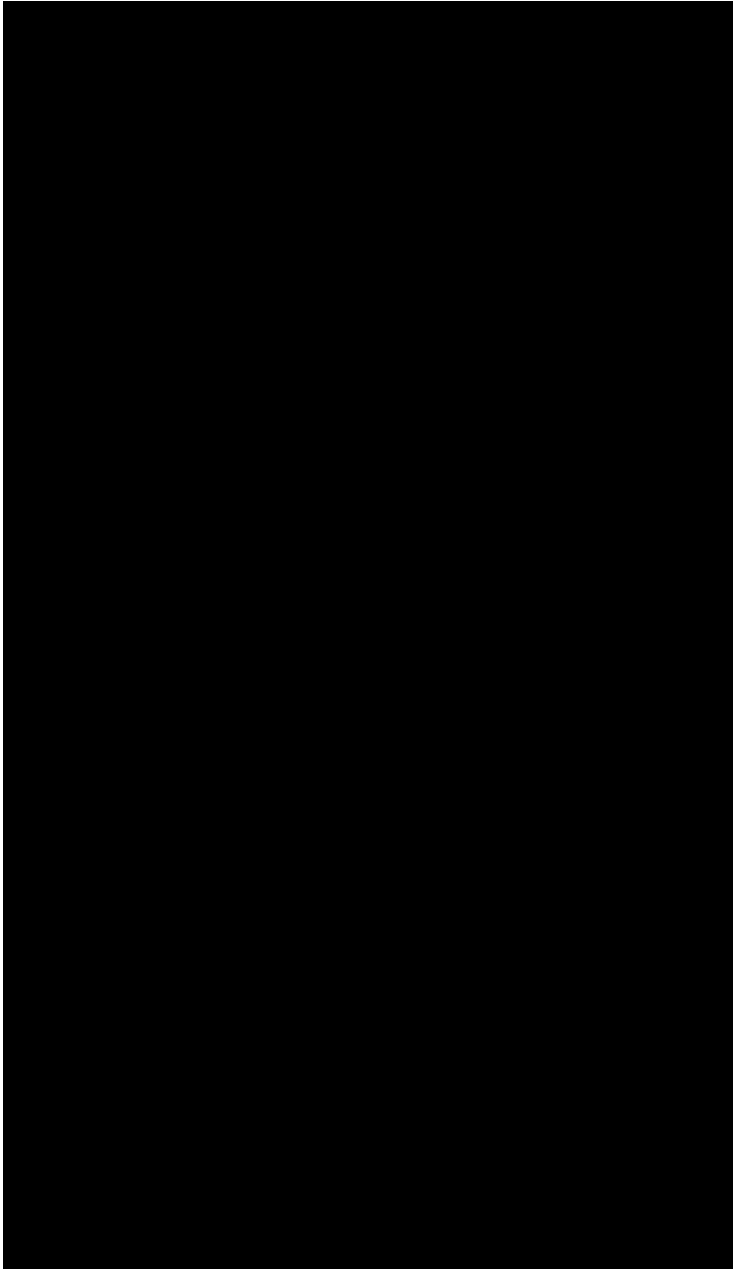
2) Distribution Charges

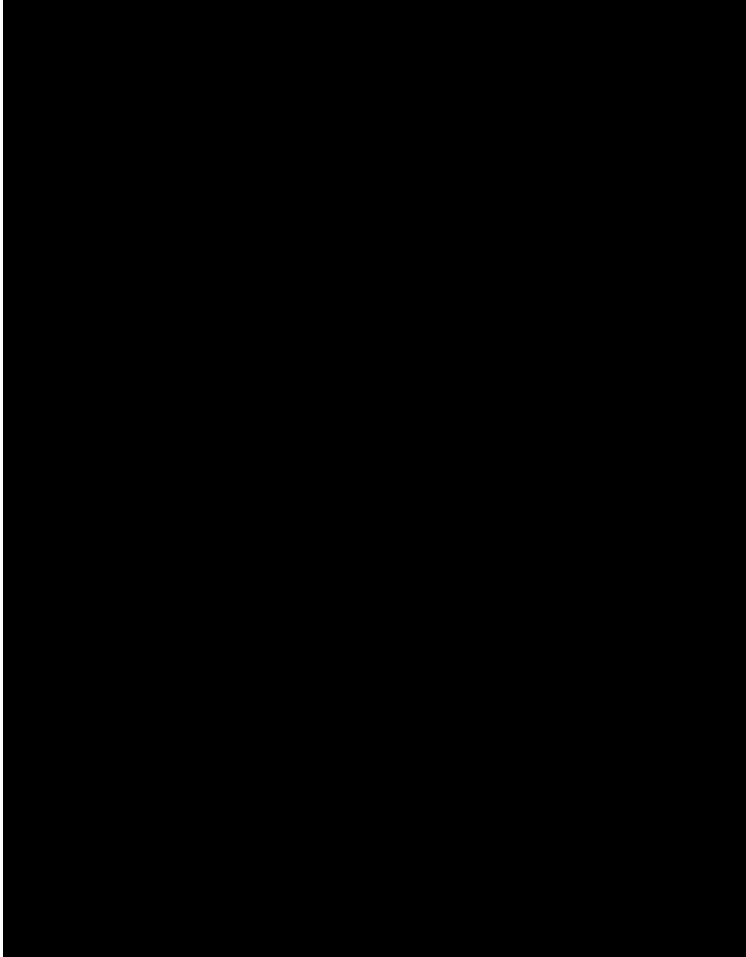
Distribution Pricing Evaluation Model - Input Sheet

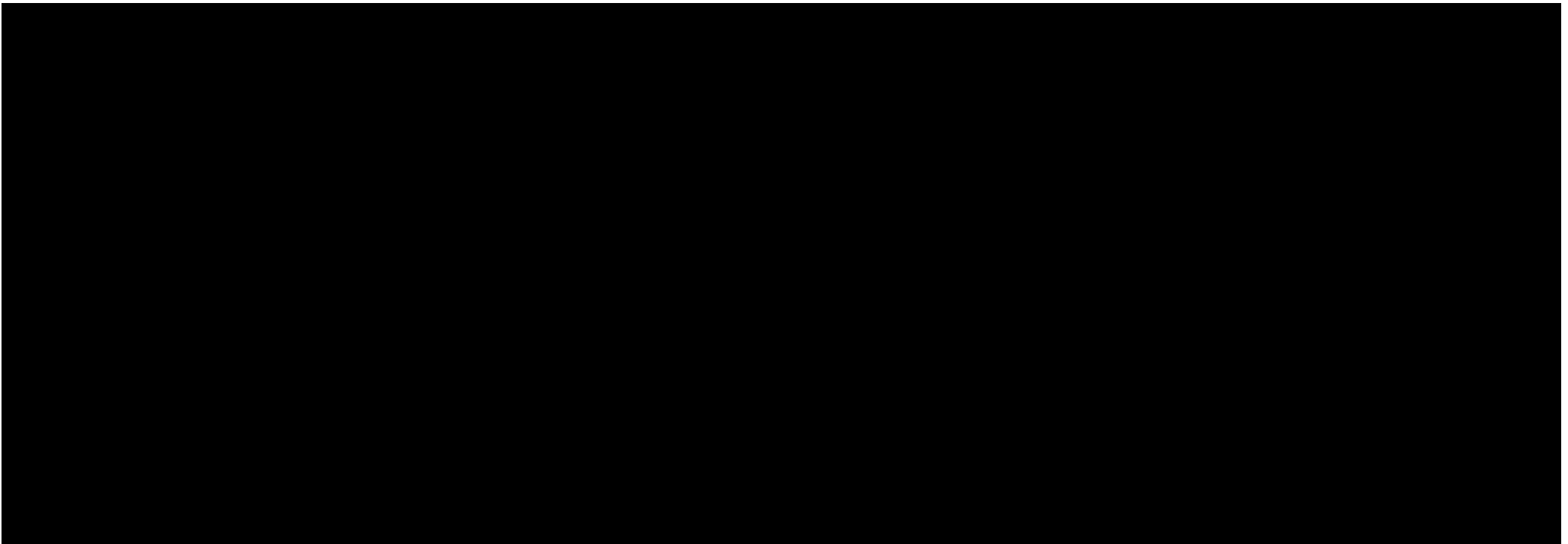




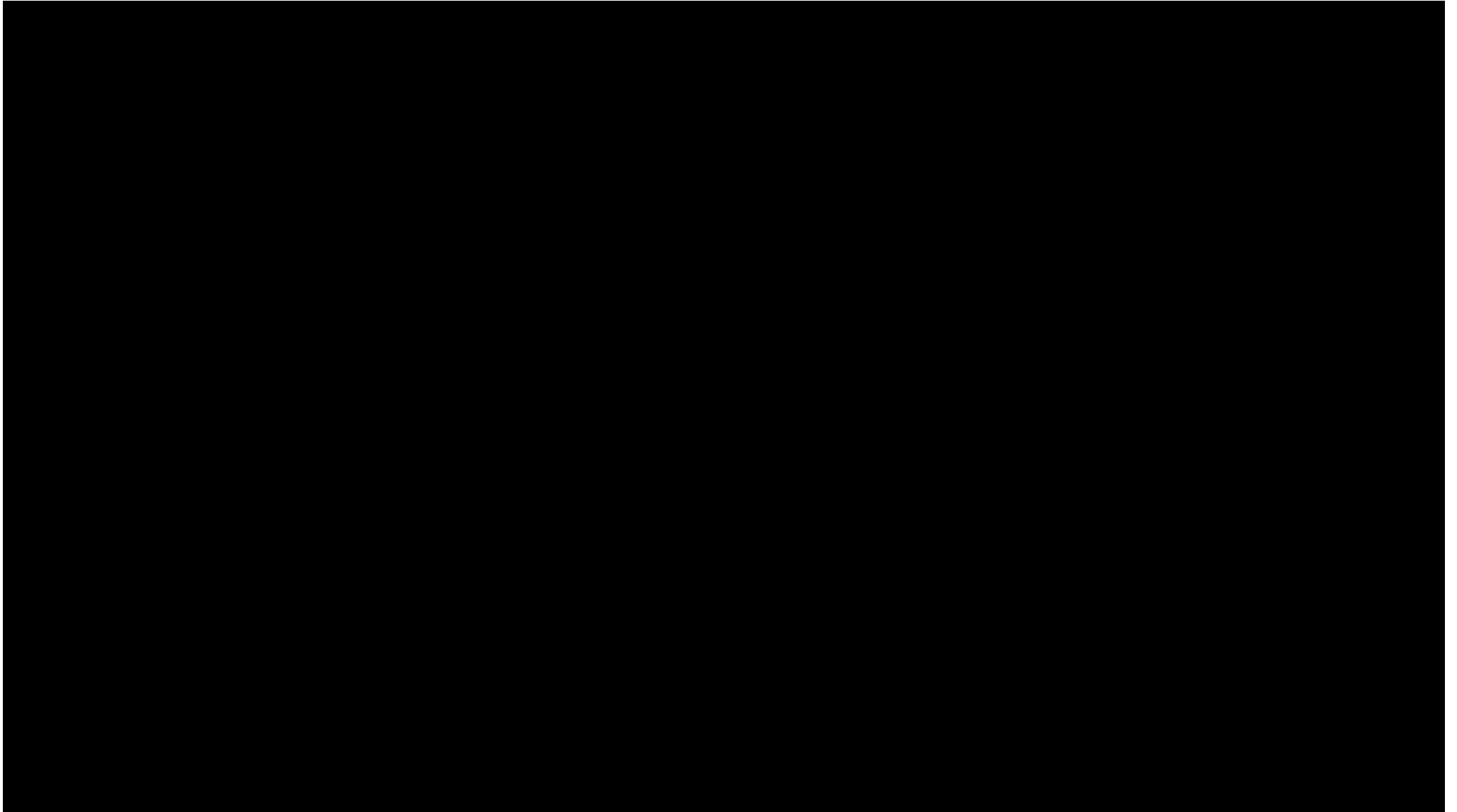


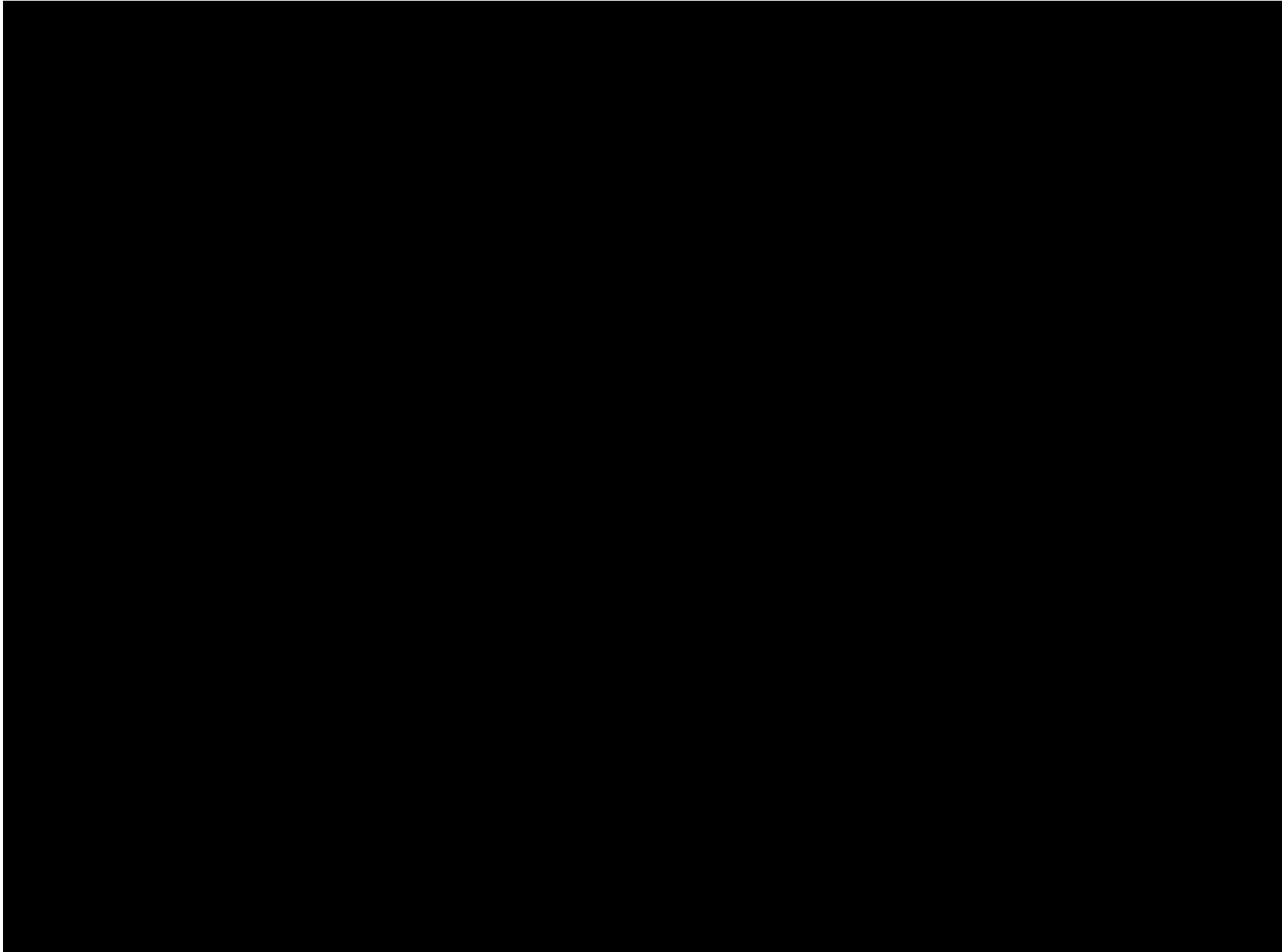


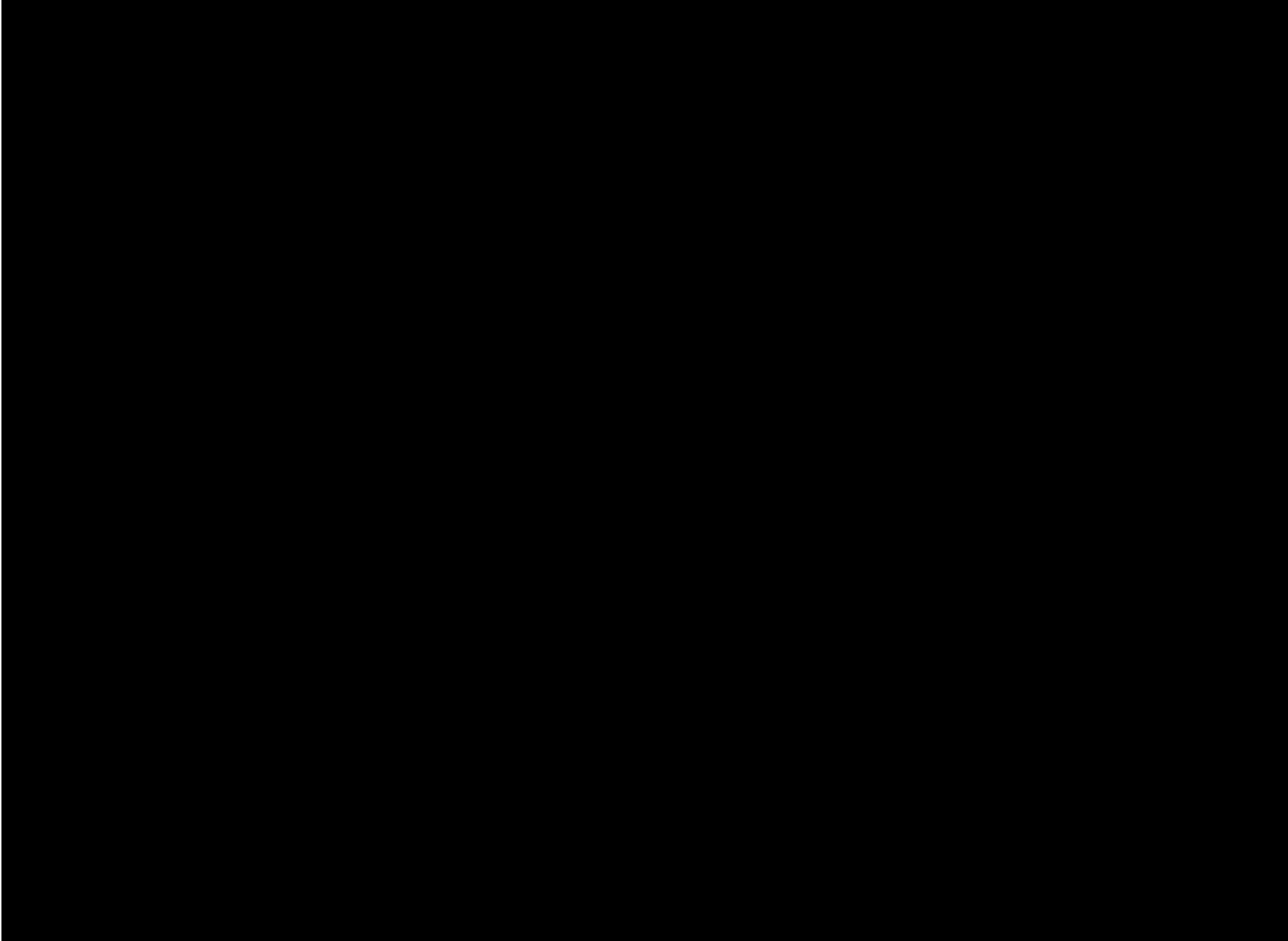


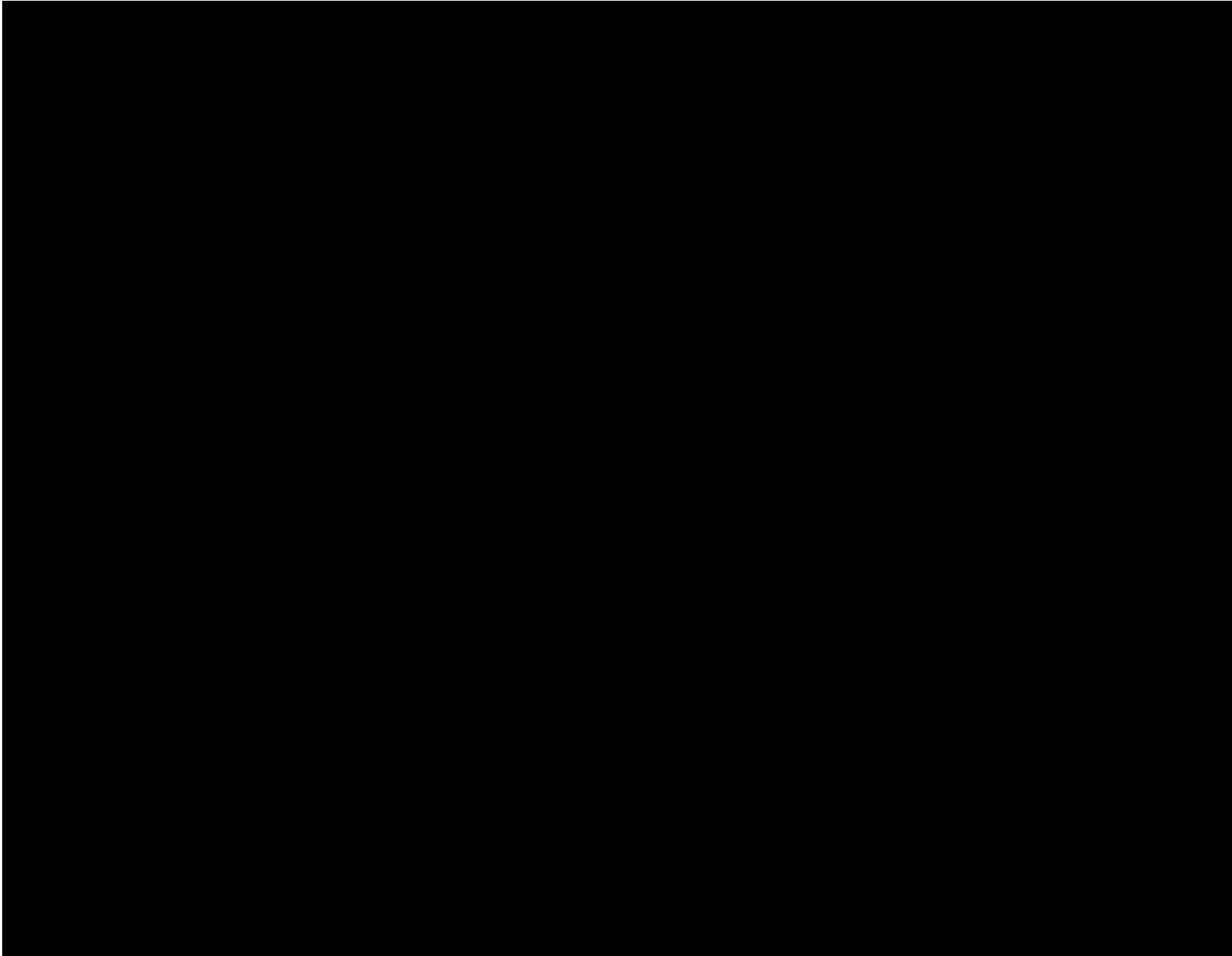


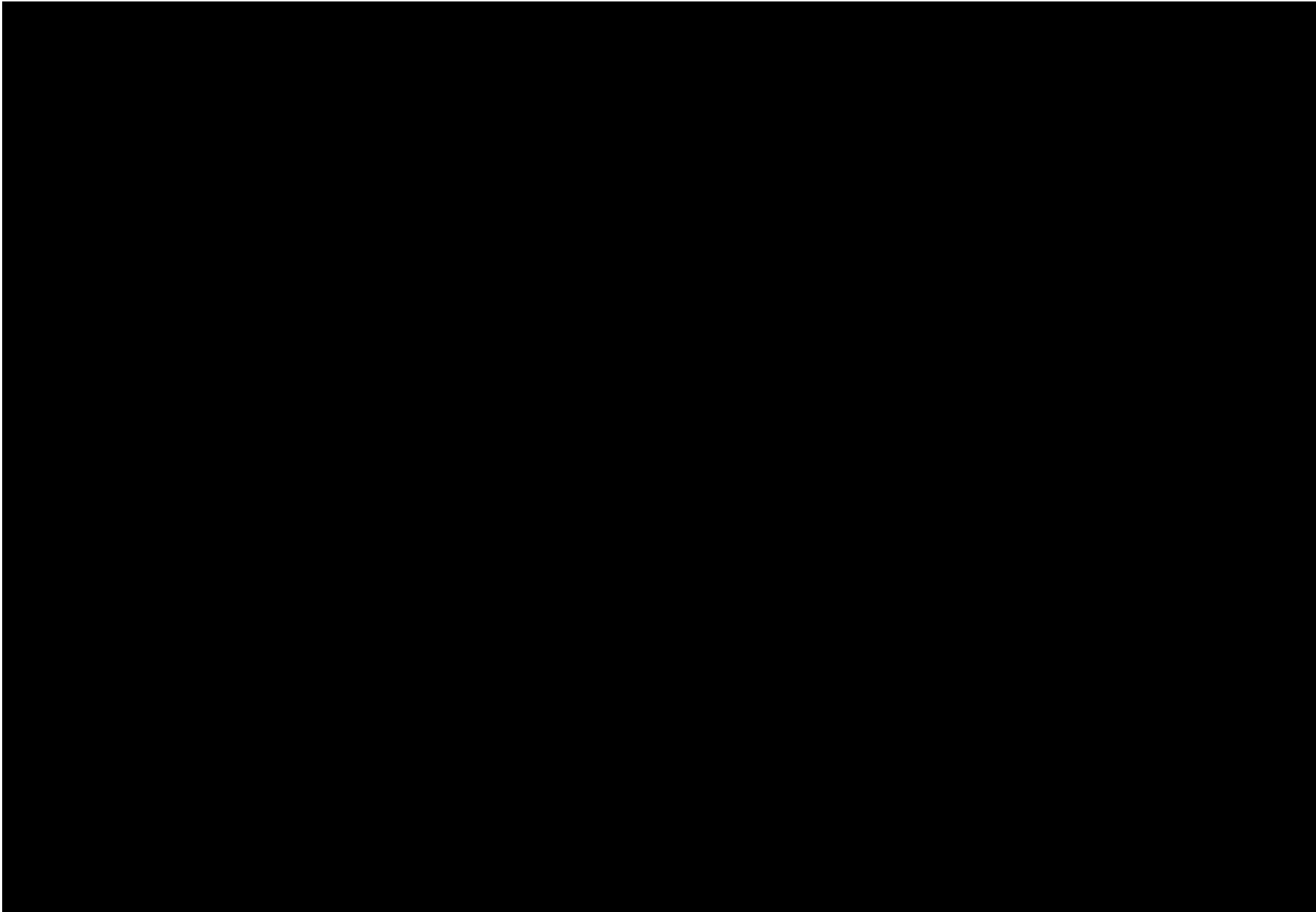
Distribution Pricing Evaluation Model - Output Sheet

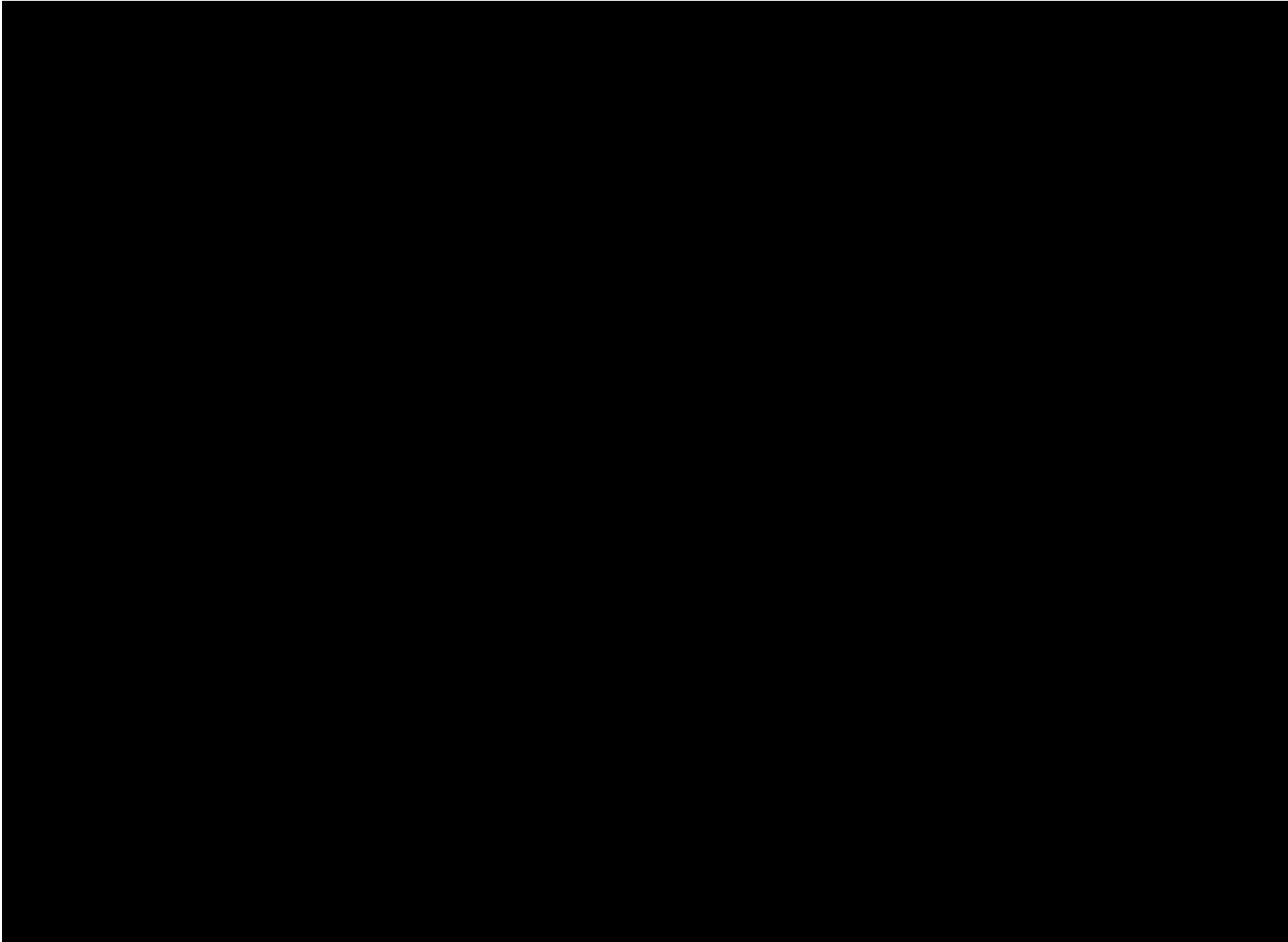


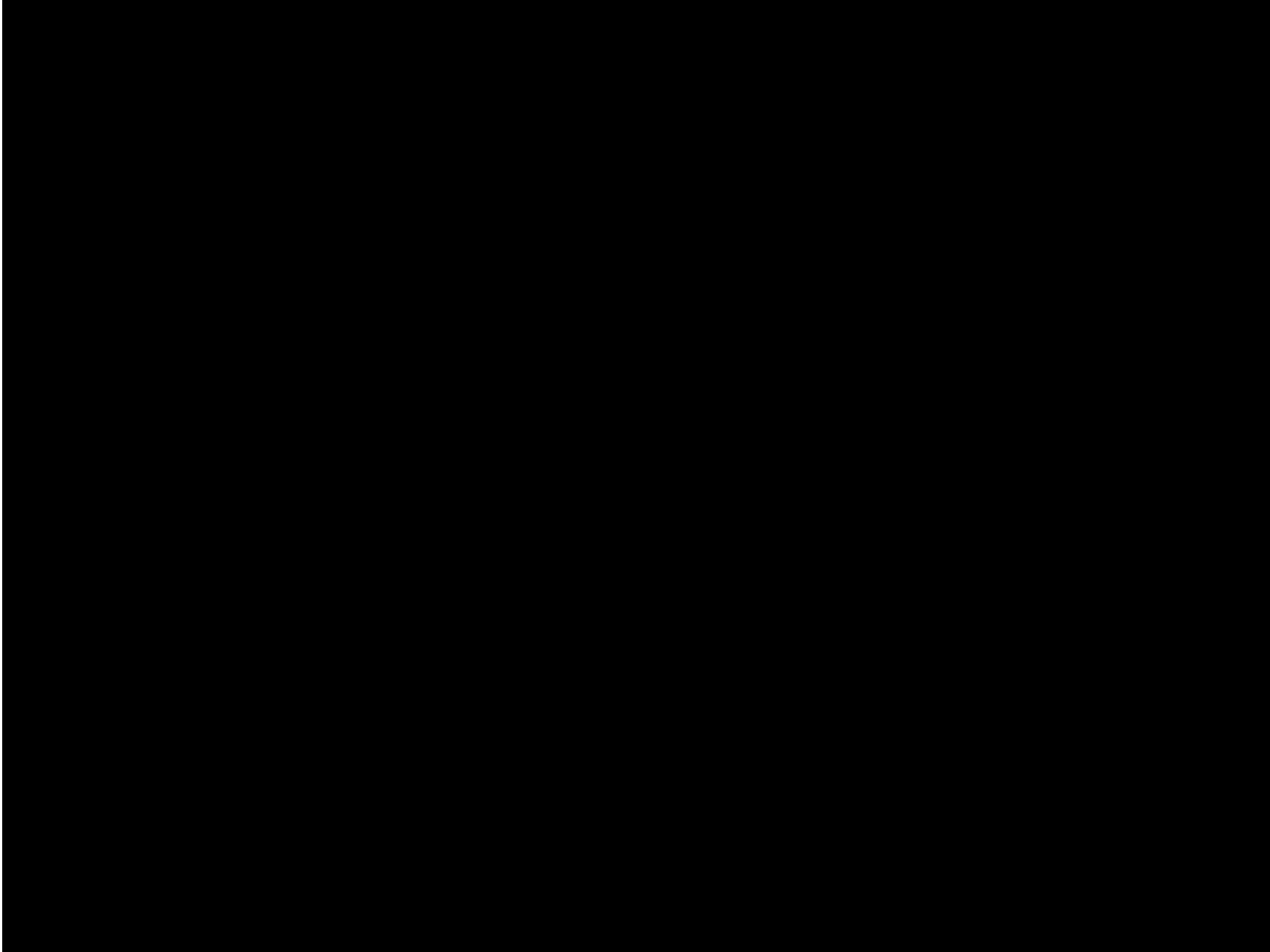


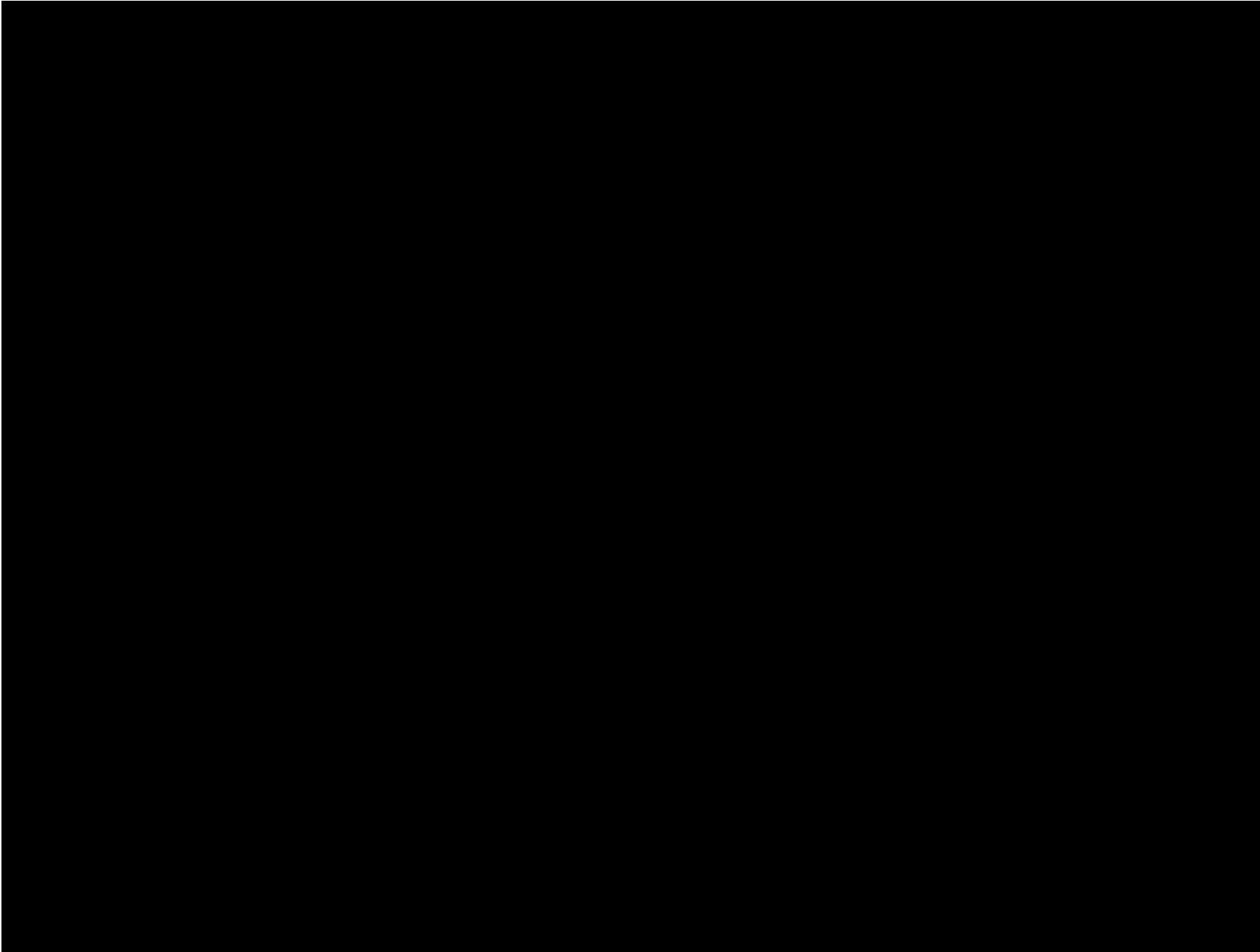


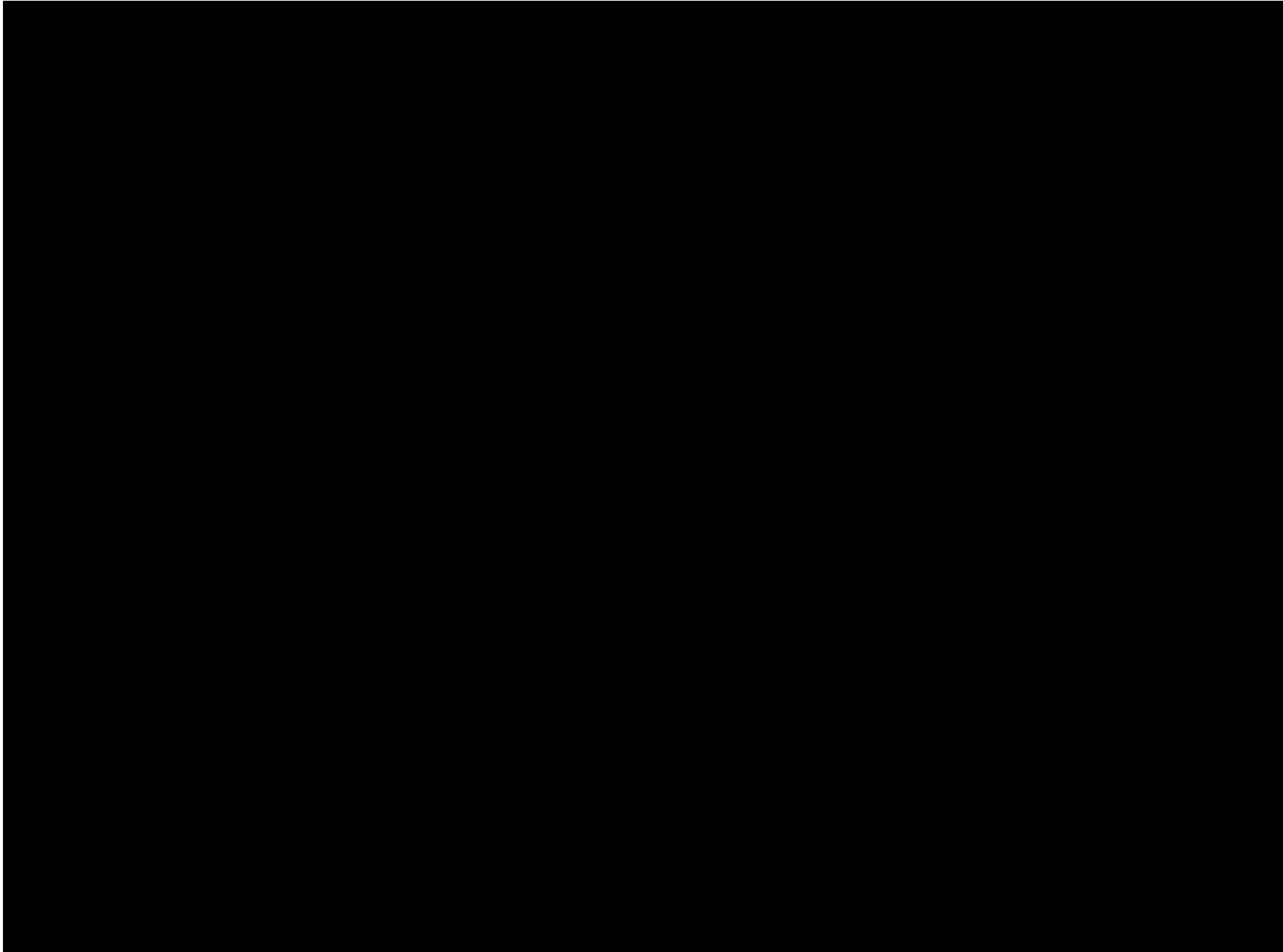


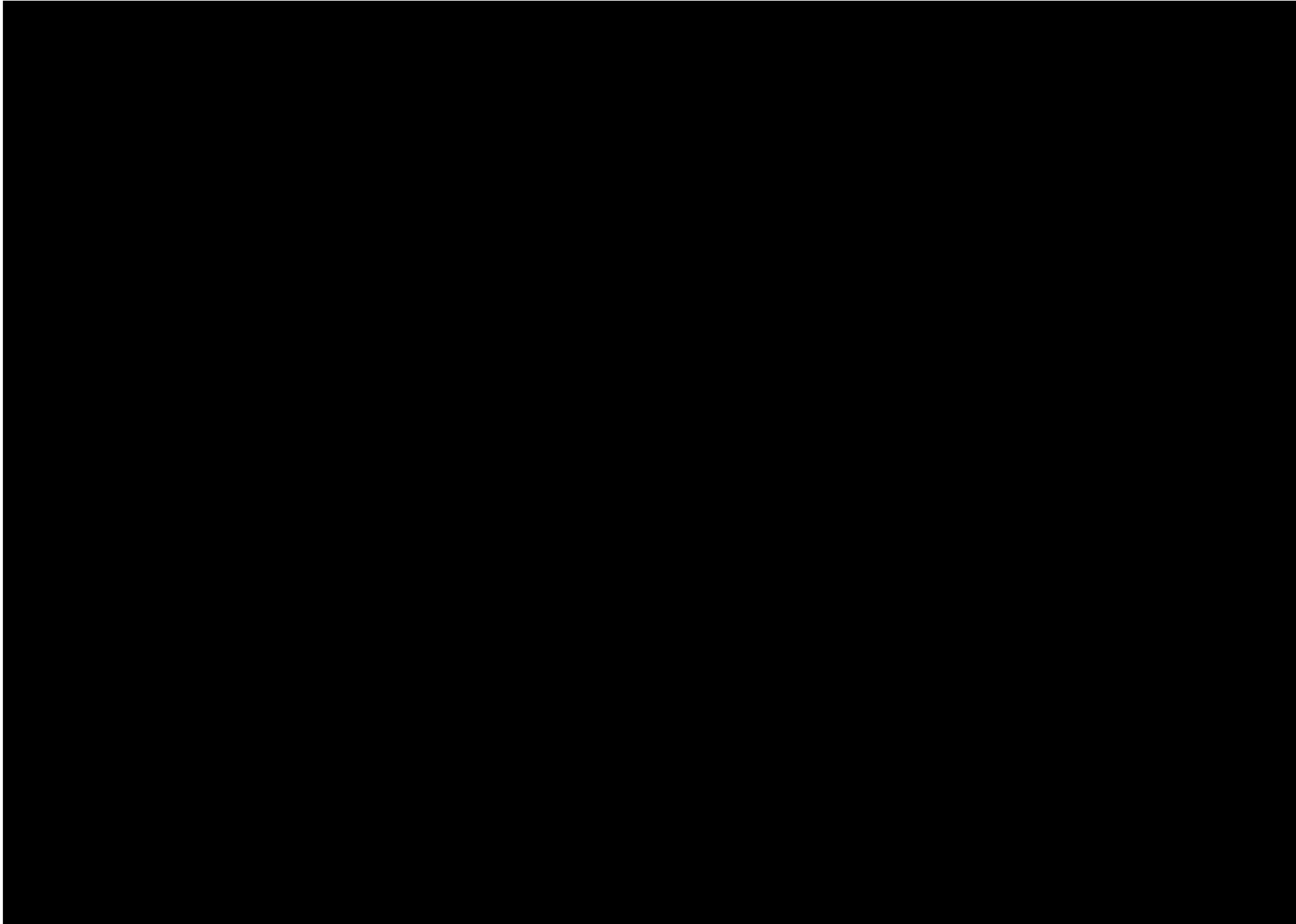


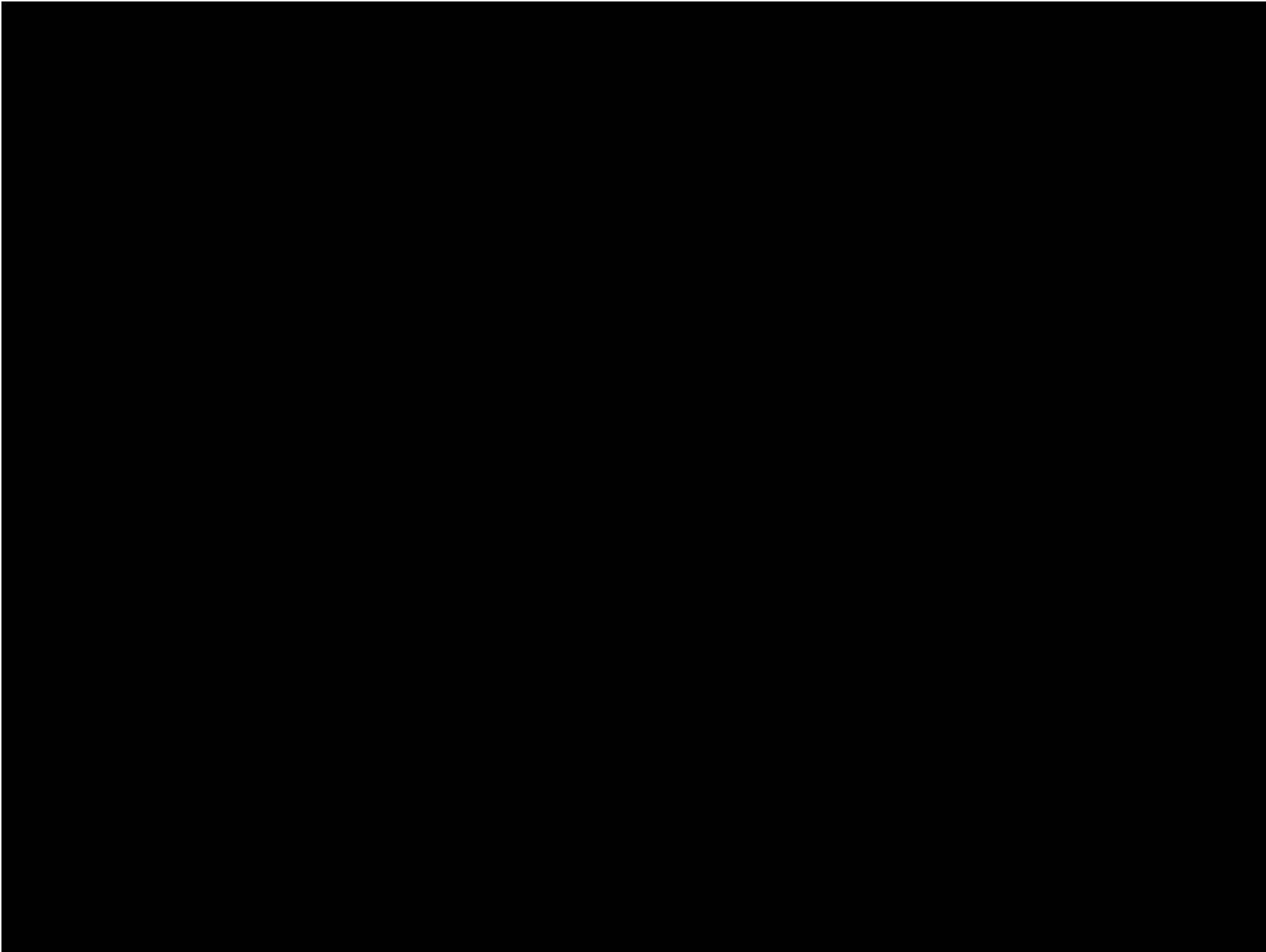


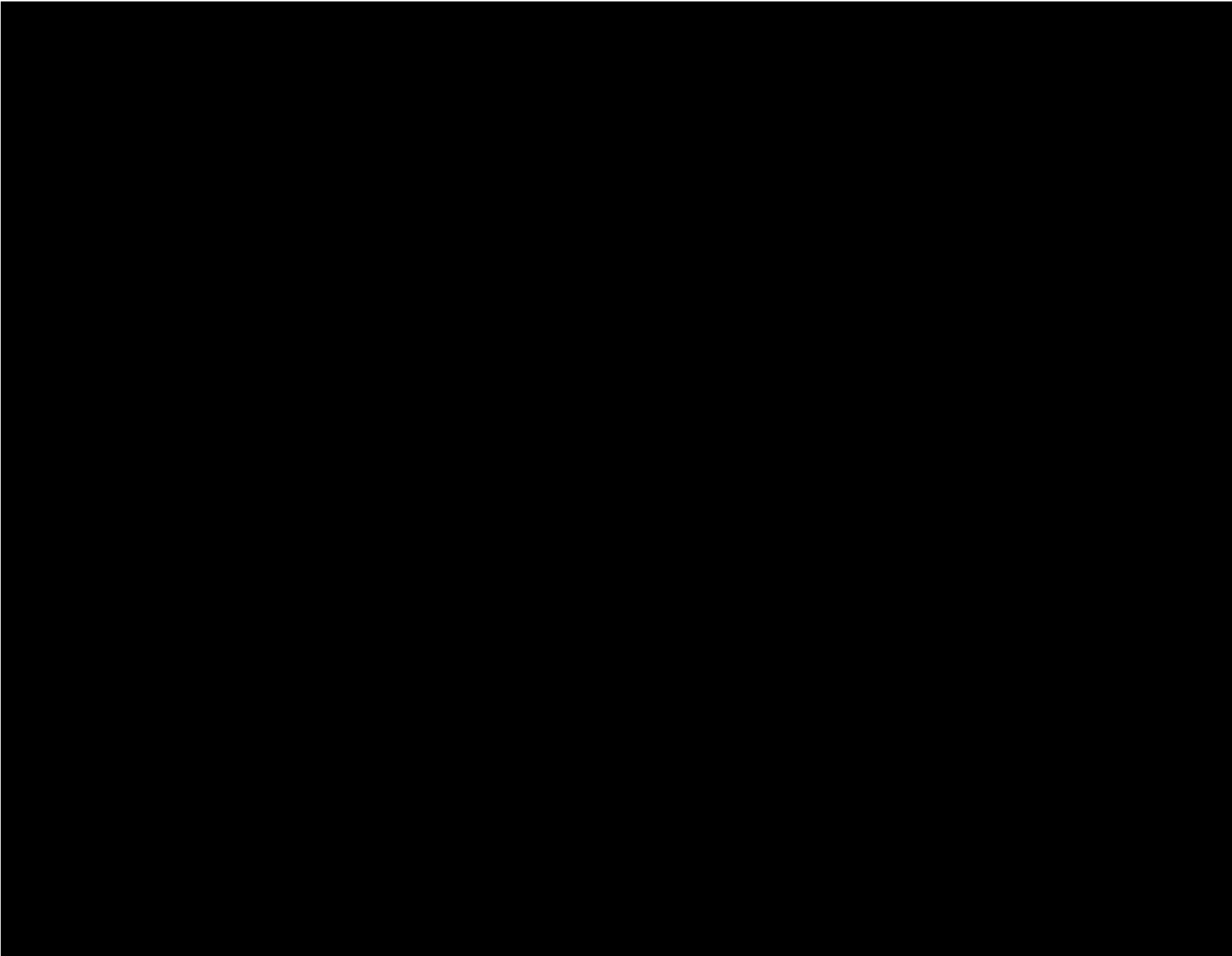






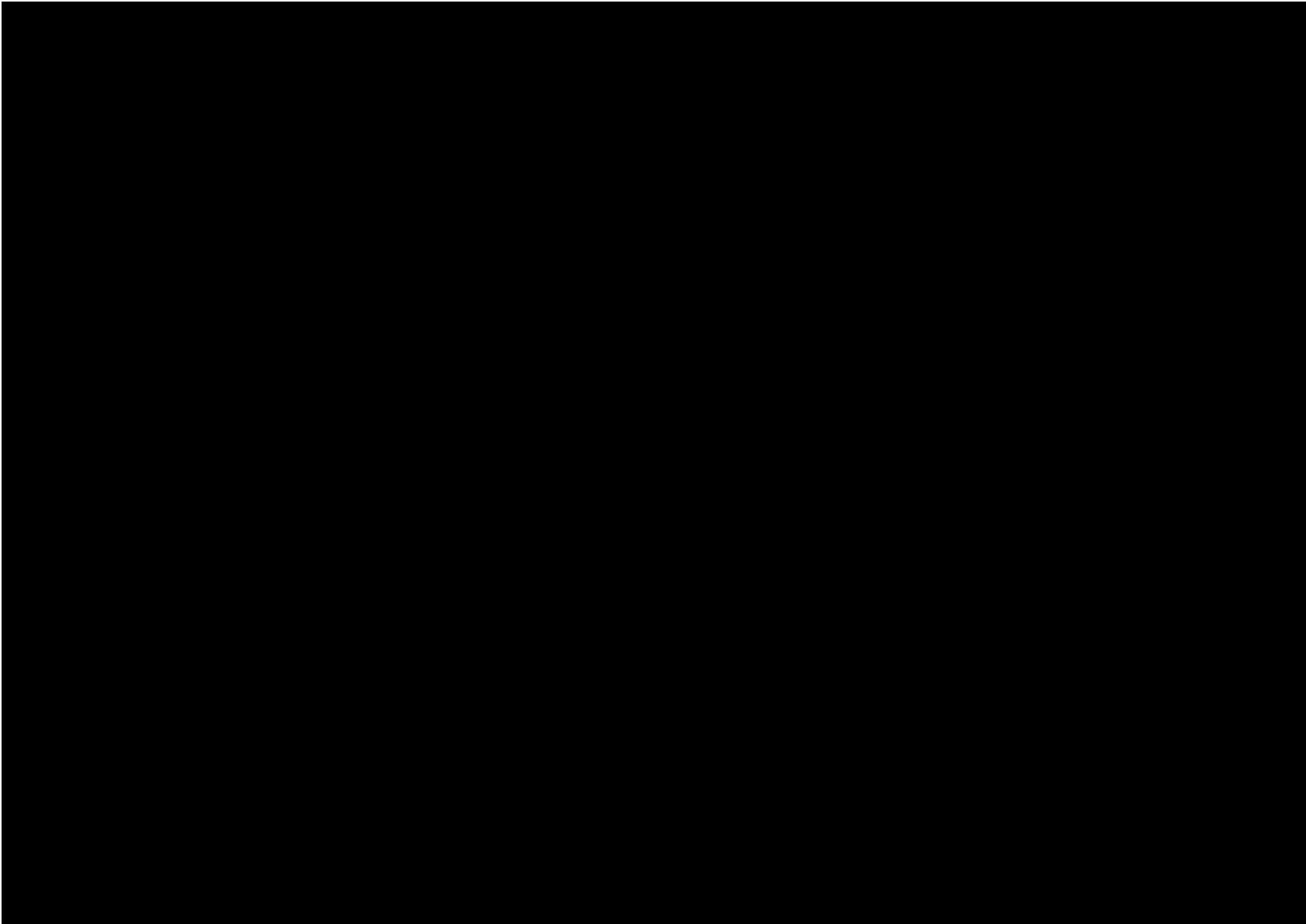








3) Purchasing Charges



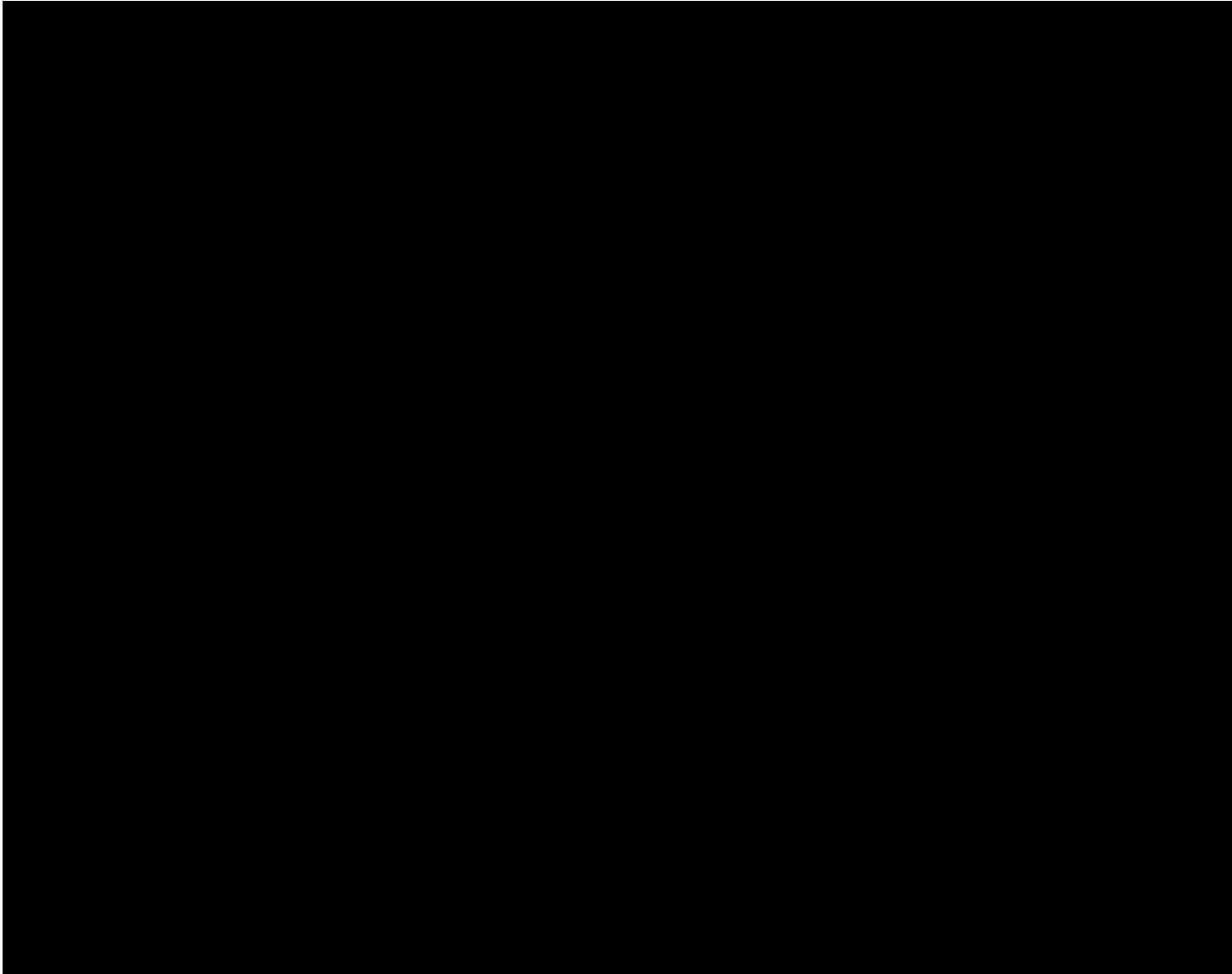
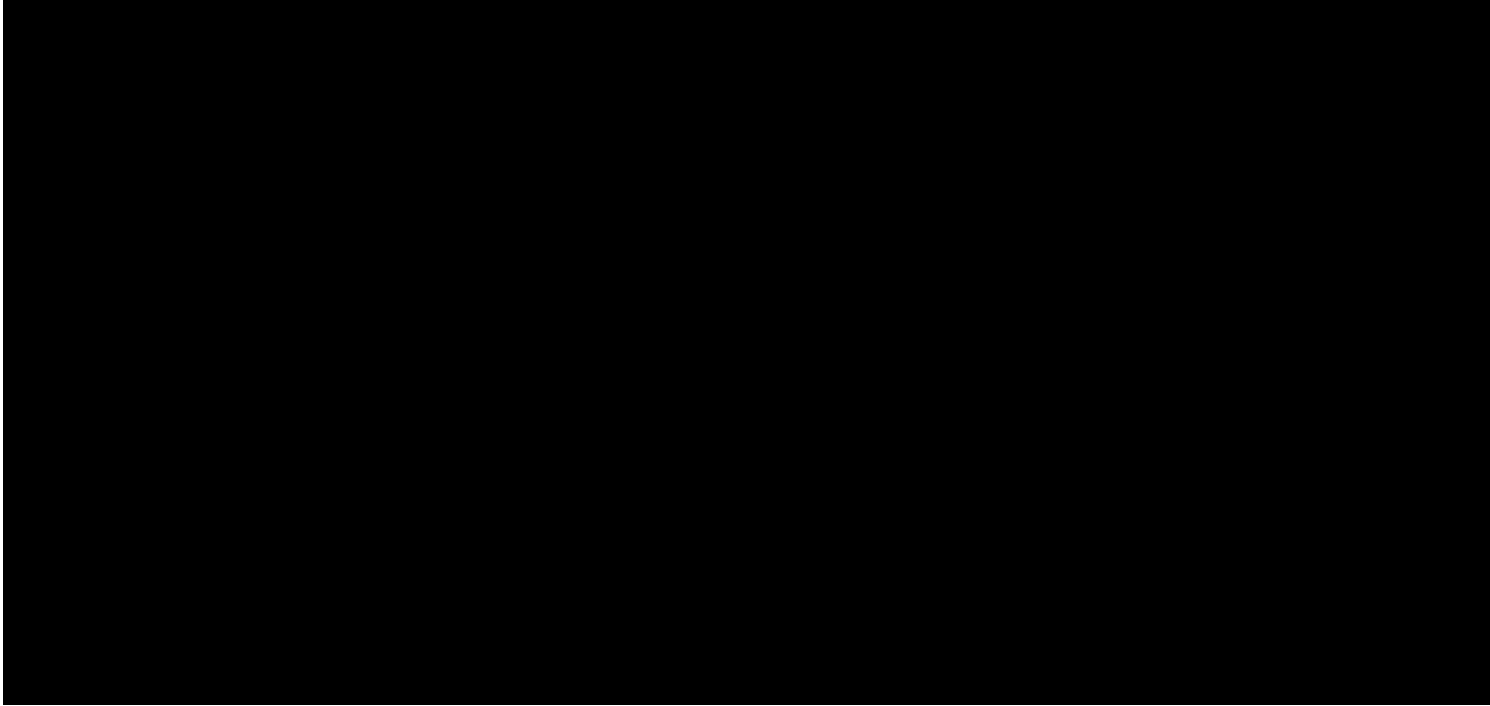
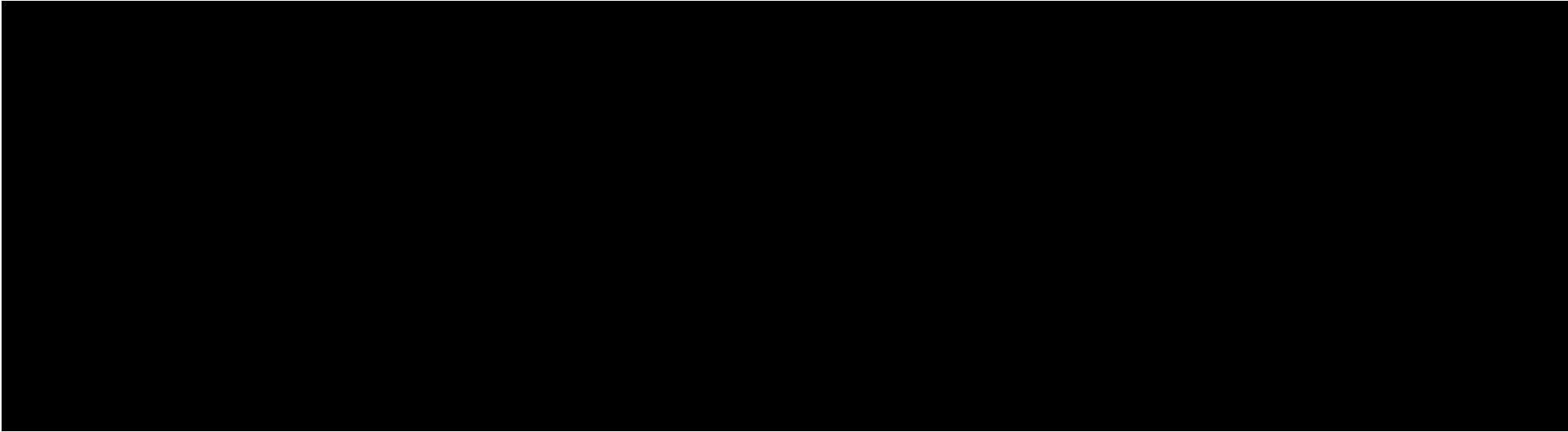


Table 2.



Purchasing Pricing Evaluation Model - Modelling Assumptions



Purchasing Pricing Evaluation Model - Output Sheet

