

TERMS AND CONDITIONS

Supplier: Fair Isaac Services Limited

AGREEMENT
relating to the supply of Digital Debt Services

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THIS CONTRACT is made on [**XX June2019**]

BETWEEN

- (1) **THE DEPARTMENT FOR WORK AND PENSIONS** of Caxton House, 6-12 Tothill Street, London, SW1H 9NA (the "**Authority**").
- (2) **FAIR ISAAC SERVICES LIMITED** a company registered in England and Wales under company number 01998476 and whose registered office is at Cottons Centre, 5th Floor, Hays Lane, London, SE1 2QP ("**Supplier**")

each a '**Party**' and together the '**Parties**'.

INTRODUCTION

- A. The Authority is responsible for welfare, pensions and child maintenance policy. As the UK's biggest public service department it administers the State Pension and a range of working age, disability and ill health benefits to around 22 million claimants and customers. The Authority also manages, recovers and accounts for monies owed to the UK Government.
- B. The Authority wishes to replace the existing core debt management system with a new debt and recovery management service.
- C. The Authority placed a contract notice ref: 2018/S 031-067957 in the Official Journal of the European Union ("OJEU Notice") seeking expressions of interest to bid from providers for the provision of the debt and recovery management service.
- D. Following an evaluation of the interested bidders' selection questionnaire responses, the Authority issued an invitation to tender ("ITT") to the Supplier (along with other suppliers who were successful at the selection stage) and the Supplier submitted a response to the ITT;
- E. On the basis of the Supplier's Tender submitted by the Supplier and the subsequent evaluation by the Authority of all the tenders submitted by tenderers, the Authority selected the Supplier to enter into this Contract to provide the debt and recovery management service to the Authority in accordance with Schedule 1 (Service Requirements).
- F. The Supplier is the Authority's incumbent provider of core debt management services. Prior to the Commencement Date, the Supplier and the Authority entered into a re-stated agreement dated 31 March 2014 and an amendment agreement dated 18 August 2017 (together referred to as the "Original Licence") pursuant to which the Supplier granted to the Authority a licence to use the Licensed Software for the processing of Accounts and agreed to provide maintenance and support services. The Original Licence will be terminated and the Supplier has agreed to supply the Licensed Software and Services on the terms set out in this Contract.

IT IS AGREED as follows:

A. PRELIMINARIES

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 22 (Definitions) or the relevant Schedule in which that capitalised expression appears.
- 1.2 If a capitalised expression does not have an interpretation in Schedule 22 (Definitions) or relevant Schedule, it shall have the meaning given to it in the Contract. If no meaning is given to it in the Contract, 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 this 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 or re-enacted 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 this Contract;
 - 1.3.8 references to "**Clauses**" and "**Schedules**" are, unless otherwise provided, references to the clauses and schedules of this Contract 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 the headings in this Contract are for ease of reference only and shall not affect the interpretation or construction of this Contract.
- 1.4 If there is any conflict between the Clauses and the Schedules and/or any Annexes to the Schedules, the conflict shall be resolved in accordance with the following order of precedence:
 - 1.4.1 the Clauses and Schedule 22 (Definitions);
 - 1.4.2 Schedules 1 (Service Requirements) and Schedule 3 (Service Levels and Performance) and their Annexes (save for any inconsistency or conflict with respect of: (i) paragraphs 4.2(m), 5.2(m), 5.2(n) and 7.3(g) of Schedule 4 (Supplier Solution), which shall take precedence over any conflicting provisions in Schedule 1 (Service Requirements); and (ii) the Support Response Times and Fix Times in Schedule 3, which shall take precedence over any conflicting provisions in Schedule 1 (Service Requirements));
 - 1.4.3 any other Schedules and their Annexes (other than Schedule 4 (Supplier Solution) and its Annexes); and

1.4.4 Schedule 4 (Supplier Solution) and its Annexes (if any).

1.5 The Schedules and their Annexes form part of this Contract

1.6 If there is any conflict between any part of Schedule 4 (Supplier Solution), then the Authority shall be entitled in its sole discretion to decide which part takes precedence.

2. DUE DILIGENCE

2.1 The Supplier acknowledges that:

2.1.1 the Authority has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Contract;

2.1.2 it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information and that it has entered into this Contract in reliance on its own due diligence alone;

2.1.3 it has satisfied itself (whether by inspection or having raised all relevant due diligence questions with the Authority in before the Commencement Date) of all relevant details (including those which could affect Service implementation, implementation, delivery, performance and price);

2.1.4 it has advised the Authority in writing of:

(a) each aspect, if any, of the Operating Environment that is not suitable for the provision of the Services;

(b) the actions needed to remedy each such unsuitable aspect; and

(c) a timetable for and the costs of those actions.

2.1.5 the Supplier shall not be excused from the performance of any of its obligations under this Contract on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of any:

(a) unsuitable aspects of the Operating Environment;

(b) misinterpretation of the requirements of the Authority in Schedule 1 (Service Requirements) or elsewhere in this Contract; and/or

(c) failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

3. REPRESENTATIONS AND WARRANTIES

3.1 Each Party represents and warrants that:

3.1.1 it has full capacity and authority to enter into and to perform this Contract;

3.1.2 this Contract is executed by its duly authorised representative;

3.1.3 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it (or, in the case of the Supplier, any of its Affiliates) that might affect its ability to perform its obligations under this Contract; and

3.1.4 its obligations under this Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable (as the case may be for each Party) bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of

general application (regardless of whether enforcement is sought in a proceeding in equity or Law).

- 3.2 The Supplier represents and warrants that:
- 3.2.1 It is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;
 - 3.2.2 It has all necessary consents (including, where its procedures so require, the consent of its Parent Company) and regulatory approvals to enter into this Contract;
 - 3.2.3 Its execution, delivery and performance of its obligations under this Contract does not and will not constitute a breach of any Law or obligation applicable to it and does not and will not cause or result in a Default under any agreement by which it is bound;
 - 3.2.4 As at the Commencement Date, all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation to its Tender submitted to the Authority and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Contract;
 - 3.2.5 As at the Commencement Date, it has notified the Authority in writing of any Occasion of Tax Non-Compliance or any litigation that it is involved in connection with any Occasion of Tax Non-Compliance;
 - 3.2.6 It has and shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPR, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-Contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Contract including the receipt of the Services by the Authority;
 - 3.2.7 It shall take all steps, in accordance with Good Industry Practice, to prevent the introduction, creation or propagation of any disruptive elements (including any virus, worms and/or Trojans, spyware or other malware) into systems, data, software or the Authority's Confidential Information (held in electronic form) owned by or under the control of, or used by, the Authority;
 - 3.2.8 It is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Contract;
 - 3.2.9 It is not affected by an Insolvency Event and no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue; and
- 3.3 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any undertaking in this Contract.
- 3.4 If at any time a Party becomes aware that a representation or warranty given by it under Clauses 3.1 and 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.

- 3.5 For the avoidance of doubt, the fact that any provision within this Contract is expressed as a warranty shall not preclude any right of termination the Authority may have in respect of breach of that provision by the Supplier which constitutes a material Default.

B. CONTRACT COMMENCEMENT

4. TERM AND CONDITION PRECEDENT

- 4.1 This Contract shall come into force on the Commencement Date and, unless extended pursuant to Clause 4.2 or terminated in accordance with the provisions of this Contract or otherwise in accordance with law or equity, shall expire at the end of Initial Period.
- 4.2 The Authority shall be entitled to extend the Initial Period by up to three further periods of one (1) year each by giving the Supplier written notice of its intention to extend at least thirty (30) Working Days' notice before the end of the Initial Period or subsequent Extension Period as the case may be.
- 4.3 Where expressly requested by the Authority, this Contract is conditional upon the valid execution and delivery to the Authority of the Deed of Guarantee (the "**Condition Precedent**"). The Authority may in its sole discretion at any time agree to waive compliance with the Condition Precedent by giving the Supplier notice in writing. If the Authority decides to waive compliance with the Condition Precedent, the Authority may at any time during the Term on providing reasonable notice, require the Supplier to deliver to a validly executed Deed of Guarantee.
- 4.4 The Supplier shall satisfy, or procure the satisfaction of, the Condition Precedent as soon as possible. In the event that the Condition Precedent is not satisfied within 20 Working Days after Commencement Date, then unless the Condition Precedent is waived by the Authority in accordance with Clause 4.3:
- 4.4.1 This Contract shall automatically cease and shall not come into effect; and
- 4.4.2 Neither Party shall have any obligation to pay any compensation to the other Party as a result of such cessation.
- 4.5 The Supplier shall consult with the Authority in relation to the steps it takes to satisfy the condition set out in Clause 4.3 and shall keep the Authority fully informed of its progress in satisfying the condition and of any circumstances which are likely to result in the condition not being satisfied by the date set out in Clause 4.4.
- 4.6 Prior to the Commencement Date, the Supplier and the Authority entered into the Original Licence pursuant to which the Supplier granted to the Authority a licence to use the Solution for the processing of Accounts and maintenance and support services. The Parties agree that upon the Commencement Date, the Original Licence and any variations or amendments entered into prior to the Commencement Date shall automatically terminate. The Parties further agree to waive clause 7.1 of the amendment to the restated licence agreement which forms part of the Original Licence so that such termination shall be treated as valid.
- 4.7 The Parties acknowledge and agree that under the Original Licence, the Authority paid the Supplier £816,920.40 inclusive of VAT for maintenance and support services annually in advance for the periods commencing from 1 September 2018 to 31 August 2019 for 2,200,000 licenses and from 1 January 2019 to 31 December 2019 for 2,500,000 licenses and finally from 1st April 2019 to 31st March 2020 for 2,000,000 licenses. To ensure that the Authority does not pay twice for maintenance and support services, the Supplier shall not charge

the Authority for any Maintenance and Support Services performed by the Supplier in the period from the Commencement Date until the end of the first Contract Year. This nil charge represents the maintenance and support charges already paid to the Supplier by the Authority under the Original Licence for services performed under this Contract.

- 4.8 The Supplier acknowledges and agrees that the Authority shall not be liable to pay any Contract Charges to the Supplier until the overpayment made by the Authority under the Original Licence has been offset against the Support and Maintenance Charges payable by the Authority.

C. CONTRACT PERFORMANCE

5. IMPLEMENTATION PLANS

- 5.1 The Supplier provided a 'Technical Training Plan', a 'Customisation Plan' and a 'Migration Plan' as part of its Tender which are attached at Schedule 9 (Implementation and Testing) at Annex 1. The Supplier is required under that Schedule to develop those outline Implementation Plans into the final detailed Implementation Plans.
- 5.2 The Supplier shall comply with the implementation requirements set out at Schedule 9 (Implementation and Testing).
- 5.3 Rectification of Delay in Implementation Services:
- 5.3.1 Without prejudice to any other rights or remedies of the Authority under this Contract, if the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay under this Contract it shall:
- (a) notify the Authority as soon as practically possible and no later than within two (2) Working Days from becoming aware of the Delay or anticipated Delay; and
 - (b) include in its notification an explanation of the actual or anticipated impact of the Delay; and
 - (c) comply with the Authority's instructions in order to address the impact of the Delay or anticipated Delay; and
 - (d) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay.

6. SERVICES

- 6.1 Provision of the Services
- 6.1.1 The Supplier acknowledges and agrees that the Authority relies on the skill and judgment of the Supplier in the provision of the Services and the performance of its obligations under this Contract.
- 6.1.2 The Supplier shall ensure that:
- (a) the Services:
 - (i) comply in all respects with the Service Requirements as set out in Schedule 1 (Service Requirements);
 - (ii) are supplied in accordance with the provisions of this Contract and the Tender (subject to clause 1.4 (Order of Precedence)).
- 6.1.3 The Supplier shall provide:
- (a) the Implementation Services detailed in the Implementation Plans, in particular the Supplier shall provide training in accordance with the

Technical Training Plan and customisation in accordance with the Customisation Plan, from the Commencement Date; and

- (b) the Maintenance and Support Services from (and including) the Commencement Date.
- 6.1.4 At the request of the Authority via the Variation Procedure, estimated costs for and, if approved via the change process, take on responsibility for delivery of the Authority configuration, and migration tasks (this list is not exhaustive).
- 6.1.5 The Supplier shall perform its obligations under this Contract in accordance with:
- (a) all applicable Law;
 - (b) Good Industry Practice;
 - (c) the Standards;
 - (d) the Security Policy;
 - (e) the Quality Plans; and
 - (f) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 6.1.5(a) to (e).
- 6.1.6 The Supplier shall:
- (a) at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Contract;
 - (b) subject to Clause 15.1 (Variation Procedure), obtain, and maintain throughout the duration of this Contract, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services;
 - (c) ensure that:
 - (i) the release of any new Supplier Software or Upgrade to any Supplier Software complies with the interface requirements of the Authority as set out in this Contract and (except in relation to new Software or upgrades which are released to address Malicious Software) shall notify the Authority three (3) Months before the release of any new Supplier Software or Upgrade;
 - (ii) all Software including Upgrades, Updates and New Releases used by or on behalf of the Supplier are currently supported versions of that Software and perform in all material respects in accordance with the relevant specification;
 - (iii) any products or services recommended or otherwise specified by the Supplier for use by the Authority in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or Services to meet the requirements of the Authority as set out in this Contract;
 - (iv) the Supplier Solution will be free of all encumbrances (except as agreed in writing with the Authority) and will be Euro Compliant; and
 - (v) the Supplier Solution is fully compatible with any Authority Software, Authority System, Authority Property and Authority Assets and as otherwise used by the

Supplier in connection with this Contract. For the avoidance of doubt where the Authority makes (or intends to make) material changes to the Authority Software, Authority System, Authority Property and/or Authority Assets and such material change shall, or is likely to, affect the Supplier Solution's compatibility with the Authority Software, Authority System, Authority Property and/or Authority Assets, the Parties may agree any required changes to the Supplier Solution in accordance with the Variation Procedure;

- (vi) Upgrades, Updates and New Releases are supplied to the Authority at no further cost;
 - (d) minimise any disruption to the Sites Services, the ICT Environment and/or the Authority's operations when providing Maintenance and Support Services;
 - (e) ensure that any Documentation and training provided by the Supplier to the Authority are comprehensive, accurate and prepared in accordance with Good Industry Practice;
 - (f) co-operate with the Other Suppliers and provide reasonable information (including any Documentation), advice and assistance in connection with the Services to any Other Supplier to enable such Other Supplier to create and maintain technical or organisational interfaces with the Services and, on the Expiry Date for any reason, to enable the timely transition of the supply of the Services (or any of them) to the Authority and/or to any Replacement Supplier;
 - (g) assign to the Authority, or if it is unable to do so, shall (to the extent it is legally able to do so) hold on trust for the sole benefit of the Authority, all warranties and indemnities provided by third parties or any Sub-Contractor in respect of any Deliverables and/or the Services. Where any such warranties are held on trust, the Supplier shall enforce such warranties in accordance with any reasonable directions that the Authority may notify from time to time to the Supplier;
 - (h) provide the Authority with such assistance as the Authority may reasonably require during the Term in respect of the supply of the Services including reasonable information (including Documentation), advice and assistance to Achieve the Configuration Milestone and the Migration Milestone;
 - (i) deliver the Services in a proportionate and efficient manner;
 - (j) ensure that neither it, nor any of its Affiliates, embarrasses the Authority or otherwise brings the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Supplier's obligations under this Contract; and
 - (k) gather, collate and provide such information and co-operation as the Authority may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Contract.
- 6.1.7 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-Contractors and Supplier Personnel also do, or refrain from doing, such act or thing.
- 6.1.8 At any time during the Term, the Authority may (but is not obliged to) require that the Supplier, via a Variation, provides the CCS Service to the

Authority subject to the terms of the agreed Variation Procedure. Upon agreement of the Variation in respect of the CCS Services, the CCS Services shall form part of the Services and shall be subject to the terms of this Contract and any additional terms agreed between the Parties in the relevant Variation. Until the relevant Variation is agreed, the Supplier shall not be obliged to provide the CCS Services.

6.2 Time of Delivery of the Services

6.2.1 The Supplier shall provide the Services from the Commencement Date and in accordance with the Milestone Dates (if any). Such provision shall include compliance with the obligation on the Supplier set out in Clause 5 (Plans).

6.3 Location and Manner of Delivery of the Services

6.3.1 Except where otherwise provided in this Contract, the Supplier shall provide the Services to the Authority through the Supplier Personnel at the Sites.

6.3.2 The Authority may inspect and examine the manner in which the Supplier provides the Services at the Sites and, if the Sites are not the Authority Premises, the Authority may carry out such inspection and examination during normal business hours and on reasonable notice.

6.4 Undelivered Services

6.4.1 In the event that any of the Services are not Delivered in accordance with Clauses 6.1 (Provision of the Services), 6.2 (Time of Delivery of the Services) and 6.3 (Location and Manner of Delivery of the Services) ("**Undelivered Services**"), the Authority, without prejudice to any other rights and remedies of the Authority howsoever arising, shall be entitled to withhold payment of the applicable Contract Charges for the Services that were not so Delivered until such time as the Undelivered Services are Delivered.

6.4.2 The Authority may, at its discretion and without prejudice to any other rights and remedies of the Authority howsoever arising, deem the failure to comply with Clauses 6.1, (Provision of the Services), 6.2 (Time of Delivery of the Services) and 6.3 (Location and Manner of Delivery of the Services) and meet the relevant Milestone Date (if any) to be a material Default.

6.5 Supplier Equipment

6.5.1 The Supplier shall be solely responsible for the cost of carriage of Supplier Equipment to the Sites and to the Authority Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on termination or expiry of this Contract the Supplier shall be responsible for the removal and safe disposal of all relevant Supplier Equipment from the Sites and the Authority Premises, including the cost of packing, carriage and making good the Sites and/or the Authority Premises following removal, and taking account of any sustainability requirements, including safe removal of data and recycling requirements.

6.5.2 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Authority shall be liable for loss of or damage to any of the Supplier's property located on Authority Premises which is due to the negligent act or omission of the Authority.

6.5.3 Subject to Clause 28 (Force Majeure), the loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its

obligation to supply the Services in accordance with this Agreement, including the Target Performance Levels.

6.6 Obligation to Remedy of Default in the Supply of the Services

6.6.1 Subject to Clauses 21.9.2 and 21.9.3 (IPR Indemnity) and without prejudice to any other rights and remedies of the Authority howsoever arising (including under Clauses 6.4 (Undelivered Services) and 26 (Authority Remedies for Default)), the Supplier shall, where practicable:

- (a) remedy any breach of its obligations in Clause 6 within three (3) Working Days of becoming aware of the relevant Default or being notified of the Default by the Authority or within such other time period as may be agreed with the Authority (taking into account the nature of the breach that has occurred); and
- (b) meet all the costs of, and incidental to, the performance of such remedial work.

6.7 Continuing Obligation to Provide the Services

6.7.1 The Supplier shall continue to perform all of its obligations under this Contract and shall not suspend the provision of the Services, notwithstanding:

- (a) any withholding or deduction by the Authority of any sum due to the Supplier pursuant to the exercise of a right of the Authority to such withholding or deduction under this Contract;
- (b) the existence of an unresolved Dispute; and/or
- (c) any failure by the Authority to pay any Contract Charges,
- (d) unless the Supplier is entitled to terminate this Contract under Clause 30.1 (Termination on Authority Cause for Failure to Pay) for failure by the Authority to pay undisputed Contract Charges.

7. STANDARDS AND QUALITY

7.1 The Supplier shall at all times during the Term comply with the Standards and maintain, where applicable, accreditation with the relevant Standards' authorisation body.

7.2 If so required by the Authority the Supplier shall develop, within 6 weeks of the Commencement Date quality plans that ensure that all aspects of the Services are the subject of quality management systems and are consistent with BS EN ISO 9001 or any equivalent standard which is generally recognised as having replaced it ("**Quality Plans**").

7.3 The Supplier shall seek Approval (the decision of the Authority to Approve or not shall not be unreasonably withheld or delayed) of the Quality Plans before implementing them. The Supplier acknowledges and accepts that Approval shall not act as an endorsement of the Quality Plans and shall not relieve the Supplier of its responsibility for ensuring that the Services are provided to the standard required by this Contract.

7.4 Throughout the Term, the Parties shall notify each other of any new or emergent standards which could affect the Supplier's provision, or the receipt by the Authority, of the Services. The adoption of any such new or emergent standard or changes to existing Standards shall be agreed in accordance with the Variation Procedure. Any change to an existing Standard which is included in Schedule 13 (Standards) shall, in addition, require the written consent of the Authority.

- 7.5 Where a new or emergent standard is to be developed or introduced by the Authority, the Supplier shall be responsible for ensuring that the potential impact on the Supplier's provision, or the Authority's receipt of the Services is explained to the Authority (within a reasonable timeframe), prior to the implementation of the new or emergent Standard.
- 7.6 Where Standards referenced conflict with each other or with best professional or industry practice adopted after the Commencement Date, then the later Standard or best practice shall be adopted by the Supplier. Any such alteration to any Standard or Standards shall require Approval (and the written consent of the Authority) where the relevant Standard or Standards is/are included in Schedule 13 (Standards) and shall be implemented within an agreed timescale.
- 7.7 Following the approval by the Authority of the Quality Plans:
 - 7.7.1 The Supplier shall implement all Deliverables in accordance with the Quality Plans; and
 - 7.7.2 Any Variation to the Quality Plans shall be agreed in accordance with the Variation Procedure.

8. SERVICE LEVELS AND SERVICE CREDITS

- 8.1 The Parties shall comply with the provisions of Part A (Service Levels and Service Credits) of Schedule 3 (Service Levels and Performance).
- 8.2 The Supplier shall at all times during the Term provide the Services to meet or exceed the Service Levels.
- 8.3 The Supplier acknowledges that any Service Level Failure may have a material adverse impact on the business and operations of the Authority and that it shall entitle the Authority to the rights set out in the provisions of Part A of Schedule 3 (Service Levels and Performance) including the right to any Service Credits. The Authority's right to claim Service Credits in respect of Service Level Failures shall apply immediately following Achievement by the Authority of the Customisation Milestone.
- 8.4 The Supplier acknowledges and agrees that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Authority as a result of the Supplier's failure to meet any Service Level or Service Threshold.
- 8.5 Not more than once in each Contract Year the Authority may, on giving the Supplier at least three (3) Months' notice, change the weighting of Service Levels and the Supplier shall not be entitled to object to, or increase the Contract Charges as a result of such changes, provided that:
 - 8.5.1 The total number of Service Levels for which the weighting is to be changed does not exceed the number set out at the Commencement Date of this Contract; and
 - 8.5.2 The principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards.

9. CRITICAL SERVICE LEVEL FAILURE

- 9.1 On the occurrence of a Critical Service Level Failure:
 - 9.1.1 Any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
 - 9.1.2 The Authority shall be entitled to withhold and retain as compensation for the Critical Service Level Failure a sum equal to any Contract Charges

which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this Clause 9.1 shall be without prejudice to the other rights and remedies of the Authority under this Contract including its right to terminate this Contract for material Default under Clause 29.2.1(b).

9.2 The Supplier:

9.2.1 Agrees that the application of Clause 9.1 is commercially justifiable where a Critical Service Level Failure occurs; and

9.2.2 Acknowledges that it has taken legal advice on the application of Clause 9.1 and has had the opportunity to price for that risk when calculating the Contract Charges.

10. DISRUPTION

10.1 The Supplier shall take reasonable care to ensure that in the performance of its obligations under this Contract it does not disrupt the operations of the Authority, its employees or any other contractor employed by the Authority.

10.2 The Supplier shall immediately inform the Authority of any actual or potential industrial action, whether such action be by the Supplier Personnel or others, which affects or might affect the Supplier's ability at any time to perform its obligations under this Contract.

10.3 In the event of industrial action by the Supplier Personnel, the Supplier shall seek Approval to its proposals for the continuance of the supply of the Services in accordance with its obligations under this Contract.

10.4 If the Supplier's proposals referred to in Clause 10.3 are considered insufficient or unacceptable by the Authority acting reasonably then the Authority may terminate this Contract for material Default.

11. SUPPLIER NOTIFICATION OF AUTHORITY CAUSE

11.1 Without prejudice to any other obligations of the Supplier in this Contract to notify the Authority in respect of a specific Authority Cause (including the notice requirements under Clause 30.1.1 (Termination on Authority Cause for Failure to Pay)), the Supplier shall notify the Authority as soon as reasonably practicable (and in any event within two (2) Working Days of the Supplier becoming aware) that a Authority Cause has occurred or is reasonably likely to occur, giving details of:

11.1.1 The Authority Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Contract; and

11.1.2 Any steps which the Authority can take to eliminate or mitigate the consequences and impact of such Authority Cause; and

11.1.3 Use all reasonable endeavours to eliminate or mitigate the consequences and impact of a Authority Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

D. CONTRACT GOVERNANCE

12. PERFORMANCE MONITORING

12.1 Unless otherwise Approved or notified by the Authority, the Supplier shall comply with the reporting and monitoring requirements set out in Schedule 10 (Governance), Schedule 11 (Reports and Records Provisions) and Schedule 3 (Service Levels and Performance).

13. REPRESENTATIVES

- 13.1 Each Party shall have a representative for the duration of this Contract who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Contract.
- 13.2 The initial Supplier Representative shall be the person as specified in Clause 43.6.2. The Supplier may appoint a new Supplier Representative provided that the Supplier has provided written notice to the Authority in advance of any such replacement.
- 13.3 The Authority shall notify the Supplier of the identity of the initial Authority Representative within five (5) Working Days of the Commencement Date. The Authority may, by written notice to the Supplier, revoke or amend the authority of the Authority Representative or appoint a new Authority Representative.

14. RECORDS, AUDIT ACCESS AND OPEN BOOK DATA

- 14.1 The Supplier shall keep and maintain for seven (7) years after the Expiry Date (or as long a period as may be agreed between the Parties), full and accurate records and accounts of the operation of this Contract including the Services provided under it, any Sub-Contracts and the amounts paid by the Authority.
- 14.2 The Supplier shall:
 - 14.2.1 Keep the records and accounts referred to in Clause 14.1 in accordance with Good Industry Practice and Law; and
 - 14.2.2 Afford any Auditor access to the records and accounts referred to in Clause 14.1 at the Supplier's premises and/or provide records and accounts (including copies of the Supplier's published accounts) or copies of the same, as may be required by any of the Auditors from time to time during the Term and the period specified in Clause 14.1, in order that the Auditor(s) may carry out an inspection to assess compliance by the Supplier and/or its Sub-Contractors of any of the Supplier's obligations under this Contract.
- 14.3 The Authority shall use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services save insofar as the Supplier accepts and acknowledges that control over the conduct of audits carried out by the Auditor(s) is outside of the control of the Authority.
- 14.4 Subject to the Supplier's rights in respect of Confidential Information, the Supplier shall on demand provide the Auditor(s) with all reasonable information requested by the Authority within the scope of the audit and shall cooperate with providing reasonable access to the Supplier Sites, Supplier Personnel and Supplier Equipment.
- 14.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Clause 14, unless the audit reveals a Default by the Supplier in which case the Supplier shall reimburse the Authority for the Authority's reasonable costs incurred in relation to the audit.
- 14.6 The Supplier acknowledges the importance to the Authority of financial transparency and the Authority's need for a reasonable level of transparency in the way in which the Contract Charges are calculated in order to comply with its obligations under the Government Transparency policy.
- 14.7 During the Term, and for a period of 7 years following the end of the Term, the Supplier shall:
 - 14.7.1 Maintain and retain the Open Book Data; and

14.7.2 Disclose and allow the Authority and/or the Audit Agents access to the Open Book Data.

14.8 The Supplier shall comply with the record keeping provisions set out in Schedule 11.

15. CHANGE

15.1 Variation Procedure

15.1.1 Subject to the provisions of this Clause 15 and of Schedule 2 (Charges and Invoicing), either Party may request a variation to this Contract provided that such variation does not amount to a material change of this Contract within the meaning of the Regulations and the Law. Such a change once implemented is hereinafter called a "**Variation**".

15.1.2 A Party may request a Variation by completing and sending a draft of the Change Control Note to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.

15.1.3 The Authority may require the Supplier to carry out an impact assessment of the Variation on the Services (the "**Impact Assessment**"). The Impact Assessment shall be completed in good faith and shall include full details of any impact of the proposed Variation on the Supplier's delivery of the Services and its ability to meet its obligations under the Contract, costs of implementing the Variation and ongoing costs post implementation, impact on the Contract Charges, impact on working practices of the Parties and any other information reasonably necessary and as may be requested by the Authority.

15.1.4 Subject to Clause 15.1.3, the receiving Party shall respond to the request within the time limits specified in the Change Control Note. Such time limits shall be reasonable and ultimately at the discretion of the Authority having regard to the nature of the Services and the proposed Variation.

15.1.5 In the event that:

- (a) the Supplier is unable to agree to or provide the Variation; and/or
- (b) the Parties are unable to agree a change to the Contract Charges that may be included in a request of a Variation or response to it as a consequence thereof,

the Authority may:

- (i) agree to continue to perform its obligations under this Contract without the Variation; or
- (ii) terminate this Contract with immediate effect, except where the Supplier has already fulfilled part or all of the Services in accordance with this Contract or where the Supplier can show evidence of substantial work being carried out to provide the Services under this Contract, and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.

15.1.6 If the Parties agree the Variation, the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Contract.

15.2 Legislative Change

- 15.2.1 The Supplier shall neither be relieved of its obligations under this Contract nor be entitled to an increase in the Contract Charges as the result of a:
- (a) General Change in Law;
 - (b) Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Commencement Date.

E. PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS

16. CONTRACT CHARGES AND PAYMENT

16.1 Contract Charges

- 16.1.1 In consideration of the Supplier carrying out its obligations under this Contract, including the provision of the Services, the Authority shall pay the undisputed Contract Charges in accordance with the pricing and payment profile and the invoicing procedure in Schedule 2 (Charges and Invoicing).
- 16.1.2 Except as otherwise provided, each Party shall bear its own costs and expenses incurred in respect of compliance with its obligations under Clause 14 (Records, Audit Access and Open Book Data), 22.5 (Freedom of Information), 22.6 (Protection of Personal Data).

16.2 VAT

- 16.2.1 The Contract Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a Valid Invoice.
- 16.2.2 The Supplier shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Authority at any time (whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Contract. Any amounts due under this Clause 16.2 (VAT) shall be paid in cleared funds by the Supplier to the Customer not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Customer.

16.3 Retention and Set Off

- 16.3.1 The Authority may retain or set off any amount owed to it by the Supplier against any amount due to the Supplier under this Contract or under any other agreement between the Supplier and the Authority.
- 16.3.2 The Supplier shall make any payments due to the Authority without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Supplier has obtained a sealed court order requiring an amount equal to such deduction to be paid by the Authority to the Supplier.

16.4 Promoting Tax Compliance

- 16.4.1 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:
- (a) notify the Authority in writing of such fact within five (5) Working Days of its occurrence; and
 - (b) promptly provide to the Authority:
 - (i) details of the steps that the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the

same from recurring, together with any mitigating factors that it considers relevant; and

- (ii) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

16.4.2 In the event that the Supplier fails to comply with this Clause 16.4 and/or does not provide details of proposed mitigating factors which in the reasonable opinion of the Authority are acceptable, then the Authority reserves the right to terminate this Contract for material Default.

16.5 Financial Distress

16.5.1 Parties shall comply with the provisions of Schedule 18 (Financial Distress) in relation to the assessment of the financial standing of the Supplier and the consequences of a change to that financial standing.

F. SUPPLIER PERSONNEL AND SUPPLY CHAIN MATTERS

17. SUPPLIER PERSONNEL

17.1 Supplier Personnel

17.1.1 The Supplier shall:

- (a) provide a list of the names of all Supplier Personnel requiring admission to Authority Premises, specifying the capacity in which they require admission and giving such other particulars as the Authority may reasonably require;
- (b) ensure that all Supplier Personnel:
 - (i) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;
 - (ii) are vetted in accordance with Good Industry Practice and, where applicable, the Security Policy and the Standards;
 - (iii) apply all due skill, care, diligence in faithfully performing those duties and exercising such powers as necessary in connection with the provision of the Services;
 - (iv) comply with all reasonable requirements of the Authority concerning conduct at the Authority Premises, including the security requirements set out in Schedule 16 (Security), if applicable; and
 - (v) obey all lawful instructions and reasonable directions of the Authority and provide the Services to the reasonable satisfaction of the Authority.
- (c) be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Contract shall be a Default by the Supplier;
- (d) replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;

17.2 Staff Transfer

The Parties do not anticipate, though the Authority does not warrant, that there will be any Relevant Transfers in relation to the commencement of this Contract (from the Former Supplier to the Supplier). Part A of Schedule 19 shall apply in the event of any Relevant Transfers at the Exit from this Contract (from the Supplier to the Replacement Supplier). The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times during the Term. Part B of Schedule 19 (Supplier Personnel) lists the Key Roles and names of the persons who the Supplier shall appoint to fill those Key Roles at the Commencement Date.

- 17.3 The Authority may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Personnel.
- 17.4 The Supplier shall not remove or replace any Key Personnel (including when carrying out Exit Management) unless:
- 17.4.1 Requested to do so by the Authority acting reasonably;
 - 17.4.2 The person concerned resigns, retires or dies or is on maternity or long-term sick leave;
 - 17.4.3 The person's employment or contractual arrangement with the Supplier or a Sub-contractor is terminated for material breach of contract by the employee; or
 - 17.4.4 The Supplier obtains the Authority's prior written consent (such consent not to be unreasonably withheld or delayed).
- 17.5 The Supplier shall:
- 17.5.1 Notify the Authority promptly of the absence of any Key Personnel (other than for short-term sickness or holidays of 2 weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);
 - 17.5.2 Ensure that any Key Role is not vacant for any longer than 10 Working Days;
 - 17.5.3 Give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Key Personnel's employment contract, this will mean at least 60 Working Days' notice;
 - 17.5.4 Ensure that all arrangements for planned changes in Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the performance of the Services; and
 - 17.5.5 Ensure that any replacement for a Key Role:
 - (a) has a level of qualifications and experience appropriate to the relevant Key Role; and
 - (b) is fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced.

18. SUPPLY CHAIN RIGHTS AND PROTECTION

18.1 Appointment of Sub-Contractors

- 18.1.1 The Supplier shall exercise due skill and care in the selection of any Sub-Contractors to ensure that the Supplier is able to:
- (a) manage any Sub-Contractors in accordance with Good Industry Practice;

- (b) comply with its obligations under this Contract in the Delivery of the Services; and
 - (c) assign, novate or otherwise transfer to the Authority or any Replacement Supplier any of its rights and/or obligations under each Sub-Contract that relates exclusively to this Contract.
- 18.1.2 Prior to sub-contacting any of its obligations under this Contract, the Supplier shall notify the Authority and provide the Authority with:
- (a) the proposed Sub-Contractor's name, registered office and company registration number;
 - (b) the scope of any Services to be provided by the proposed Sub-Contractor; and
 - (c) where the proposed Sub-Contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Authority that the proposed Sub-Contract has been agreed on "arm's-length" terms.
- 18.1.3 If requested by the Authority within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 18.1.2, the Supplier shall also provide:
- (a) a copy of the proposed Sub-Contract; and
 - (b) any further information reasonably requested by the Authority.
- 18.1.4 The Authority may, within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 18.1.2 (or, if later, receipt of any further information requested pursuant to Clause 18.1.3), object to the appointment of the relevant Sub-Contractor they consider that:
- (a) the appointment of a proposed Sub-Contractor may prejudice the provision of the Services (including in respect of Data Protection and security) or may be contrary to the interests respectively of the Authority under this Contract;
 - (b) the proposed Sub-Contractor is unreliable and/or has not provided reasonable services to other Public Bodies; and/or
 - (c) the proposed Sub-Contractor employs unfit persons, in which case, the Supplier shall not proceed with the proposed appointment.
- 18.2 Appointment of Key Sub-Contractors
- 18.2.1 The Authority has consented to the engagement of the Key Sub-Contractors listed in Part 2 of Schedule 17 (Software and Key Sub-Contractors).
- 18.2.2 Where the Supplier wishes to enter into a new Key Sub-Contract or replace a Key Sub-Contractor, it must obtain the prior written consent of the Authority (the decision to consent not to be unreasonably withheld or delayed). The Authority may reasonably withhold its consent to the appointment of a Key Sub-Contractor if clauses 18.1.4(a) to 18.1.4(c) apply.
- 18.2.3 Except where the Authority has given its prior written consent otherwise, the Supplier shall ensure that each Key Sub-Contract shall include:
- (a) provisions which will enable the Supplier to discharge its obligations under this Contract;
 - (b) a right under CRTPA for the Authority to enforce any provisions under the Key Sub-Contract which confer a benefit upon the Authority;

- (c) a provision enabling the Authority to enforce the Key Sub-Contract as if it were the Supplier;
- (d) a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-Contract to the Authority or any Replacement Supplier;
- (e) obligations no less onerous on the Key Sub-Contractor than those imposed on the Supplier under this Contract in respect of:
 - (i) data protection requirements set out under this Contract including clauses, 22.2 (Protection of Authority Data) and 22.6 (Protection of Personal Data);
 - (ii) FOIA requirements set out in Clause 22.5 (Freedom of Information);
 - (iii) the obligation not to embarrass the Authority or otherwise bring the Authority into disrepute set out in Clause 6.1.6(j) (Provision of Services);
 - (iv) the keeping of records in respect of the Services being provided under the Key Sub-Contract, including the maintenance of Open Book Data; and
 - (v) the conduct of audits set out in Clause 14 (Records, Audit Access & Open Book Data);
- (f) provisions enabling the Supplier to terminate the Key Sub-Contract on notice on terms no more onerous on the Supplier than those imposed on the Authority under Clauses 29 (Authority Termination Rights), 31 (Termination by Either Party) and 33 (Consequences of Expiry or Termination) of this Contract;
- (g) a provision restricting the ability of the Key Sub-Contractor to Sub-Contract all or any part of the provision of the Services provided to the Supplier under the Sub-Contract without first seeking the written consent of the Authority.

18.3 Supply Chain Protection

- 18.3.1 Except where the Authority has given its prior written consent otherwise, the Supplier shall ensure that all Sub-Contracts contain a provision:
- (a) requiring that any invoices submitted by a Sub-Contractor shall be considered and verified by the Supplier in a timely fashion and that undue delay in doing so shall not be sufficient justification for failing to regard an invoice as valid and undisputed; and
 - (b) a right for the Authority to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period; and
 - (c) requiring the Sub-Contractor to include in any Sub-Contract which it in turn awards suitable provisions to impose, as between the parties to that Sub-Contract, requirements to the same effect as those required by sub-clauses (a) and (b) directly above.

Also, any invoices submitted by a Sub-Contractor to the Supplier shall be considered and verified by the Supplier in a timely fashion. Undue delay in doing so shall not be sufficient justification for the Supplier failing to regard an invoice as valid and undisputed.

- 18.3.2 The Supplier shall:

- (a) pay any undisputed sums which are due from it to a Sub-Contractor within thirty (30) days from the receipt of a Valid Invoice;
- (b) include within the Monthly Performance Reports required under Schedule 11 (Reports and Records Provision) a summary of its compliance with this Clause 18.3.2, such data to be certified each quarter by a director of the Supplier as being accurate and not misleading.

18.3.3 Notwithstanding any provision of Clauses 22.3 (Confidentiality) and 23 (Publicity and Branding) if the Supplier notifies the Authority that the Supplier has failed to pay an undisputed Sub-Contractor's invoice within thirty (30) days of receipt, or the Authority otherwise discovers the same, the Authority shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

18.4 Termination of Sub-Contracts

18.4.1 The Authority may require the Supplier to terminate:

- (a) a Sub-Contract where:
 - (i) the acts or omissions of the relevant Sub-Contractor have caused or materially contributed to the Authority's right of termination pursuant to any of the termination events in Clause 29 (Authority Termination Rights) except Clause 29.7 (Termination Without Cause); and/or
 - (ii) the relevant Sub-Contractor or its Affiliates embarrassed the Authority or otherwise brought the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Sub-Contractor's obligations in relation to the Services or otherwise; and/or
- (b) a Key Sub-Contract where there is a Change of Control of the relevant Key Sub-Contractor, unless:
 - (i) the Authority has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or
 - (ii) the Authority has not served its notice of objection within six (6) months of the later of the date the Change of Control took place or the date on which the Authority was given notice of the Change of Control.

18.5 Retention of Legal Obligations

18.5.1 Notwithstanding the Supplier's right to Sub-Contract pursuant to this Clause 18 (Supply Chain Rights and Protection), the Supplier shall remain responsible for all acts and omissions of its Sub-Contractors and the acts and omissions of those employed or engaged by the Sub-Contractors as if they were its own.

G. PROPERTY MATTERS

19. AUTHORITY PREMISES

19.1 Licence to occupy Authority Premises

19.1.1 Any Authority Premises which the Authority agrees for the Supplier to use, shall be made available to the Supplier on a non-exclusive licence basis

free of charge and shall be used by the Supplier solely for the purpose of performing its obligations under this Contract. The Supplier shall have the use of such Authority Premises as licensee and shall vacate the same immediately upon completion of the necessary onsite work, termination, expiry or abandonment of this Contract and in accordance with Schedule 8 (Exit Management) where used.

19.2 Security of Authority Premises

19.2.1 The Authority shall be responsible for maintaining the security of the Authority Premises in accordance with the Security Policy. The Supplier shall comply with the Security Policy, and any other reasonable security requirements of the Authority while on the Authority Premises.

20. AUTHORITY PROPERTY

20.1 Where the Authority issues Authority Property free of charge to the Supplier such Authority Property shall be and remain the property of the Authority and the Supplier irrevocably licences the Authority and its agents to enter upon any premises of the Supplier during normal business hours on reasonable notice to recover any such Authority Property.

20.2 The Supplier shall not in any circumstances have a lien or any other interest on the Authority Property and at all times the Supplier shall possess the Authority Property as fiduciary agent and bailee of the Authority.

20.3 The Supplier shall take all reasonable steps to ensure that the title of the Authority to the Authority Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-Contractors and other appropriate persons and shall, at the Authority's request, store the Authority Property separately and securely and ensure that it is clearly identifiable as belonging to the Authority.

20.4 The Supplier shall be liable for all loss of, or damage to the Authority Property, (excluding fair wear and tear), unless such loss or damage was solely caused by a Authority Cause. The Supplier shall inform the Authority immediately of becoming aware of any defects appearing in or losses or damage occurring to the Authority Property.

H. INTELLECTUAL PROPERTY AND INFORMATION

21. INTELLECTUAL PROPERTY RIGHTS

21.1 Allocation of title to IPR

21.1.1 Save as expressly granted elsewhere under this Contract:

(a) the Authority shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, including:

- (i) in the Supplier Software;
- (ii) the Supplier Background IPR;
- (iii) in the Third Party Software;
- (iv) the Third Party IPR;
- (v) in the Specially Written Software; and
- (vi) the Project Specific IPR.

(b) the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Authority or its licensors, including the:

- (i) Authority Software;
 - (ii) Authority Background IPR; and
 - (iii) Authority Data.
- 21.1.2 Where either Party acquires, by operation of Law, title to Intellectual Property Rights that is inconsistent with the allocation of title set out in Clause 21.1, it shall assign in writing such Intellectual Property Rights as it has acquired to the other Party on the request of the other Party (whenever made).
- 21.1.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.
- 21.2 Licences granted by the Supplier: Specially Written Software and Project Specific IPR
 - 21.2.1 The Supplier hereby grants, or shall procure the direct grant, to the Authority and (if so required by the Authority) any Related Organisation of a perpetual, royalty-free, irrevocable, non-exclusive licence to use:
 - (a) the Documentation, Source Code and the Object Code of the Specially Written Software (including any Supplier Background IPR or Third Party IPR that are embedded in or which are an integral part of the Specially Written Software) which shall include the right to load, execute, interpret, store, transmit, display, copy (for the purposes of archiving, backing-up, loading, execution, interpretation, storage, transmission or display), modify, adapt, enhance, reverse compile, decode and translate such Specially Written Software;
 - (b) all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software (together the "**Software Supporting Materials**"); and
 - (c) the Project Specific IPR including but not limited to the right to copy, adapt, publish (including on the ICT Environment) and distribute such Project Specific IPR.
 - 21.2.2 The Supplier shall:
 - (a) inform the Authority of all Specially Written Software and any element of the Project Specific IPR that constitutes a modification or enhancement to Supplier Software or Third Party Software; and
 - (b) deliver to the Authority the Specially Written Software in both Source Code and Object Code forms together with relevant Documentation and all related Software Supporting Materials within seven days of Achievement of the relevant Milestone and shall provide updates of the Source Code and of the Software Supporting Materials promptly following each new release of the Specially Written Software, in each case on media that is reasonably acceptable to the Authority.
 - 21.2.3 The Supplier acknowledges and agrees that the ownership of the media referred to in Clause 21.2.2(b) shall vest in the Authority upon their receipt by the Authority.
- 21.3 Licences granted by the Supplier: Supplier Software and Supplier Background IPR
 - 21.3.1 The Supplier hereby grants to the Authority and (if so required by the Authority) any Related Organisation a perpetual, irrevocable royalty-free and non-exclusive licence to use:

- (a) the Supplier Software for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or, if the Authority is a Central Government Body, any other Central Government Body's) business or function including but not limited to the right to load, execute, store, transmit, display and copy (for the purposes of archiving, backing-up, loading, execution, storage, transmission or display); and
- (b) the Supplier Background IPR for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to as part of the exercise of the Authority's (or, if the Authority is a Central Government Body, any other Central Government Body's) business or function.
- (c) the Supplier Software for any purpose relating to the Services on both the existing core debt management system and the new debt and recovery management system concurrently in accordance with Clause 21.3.1(a) above, at no extra charge for the period commencing from the Commencement Date until the Authority confirms in writing to the Supplier that the Implementation Services have been completed in full provided that the total number of Account licenses in productive use does not exceed the volume specified in Annex 2 of Schedule 2 (Fees). The Parties acknowledge and agree that the Authority shall only be treated as having consumed one licence where an Account for a Customer or Corporate Customer is being used concurrently on both the existing core debt management system and the new debt and recovery management system.

21.3.2 At any time during the Term or following the Expiry Date, the Supplier may terminate a licence granted in respect of the Supplier Software or the Supplier Background IPR under Clause 21.3.1 by giving thirty (30) days' notice in writing (or such other period as agreed by the Parties) if there is a Authority Cause which constitutes a material breach of the terms of Clauses 21.3.1(a) or 21.3.1(b) (as the case may be) which, if the breach is capable of remedy, is not remedied within twenty (20) Working Days after the Supplier gives the Authority written notice specifying the breach and requiring its remedy.

21.3.3 In the event the licence of the Supplier Software or the Supplier Background IPR is terminated pursuant to Clause 21.3.2, the Authority shall:

- (a) immediately cease all use of the Supplier Software or the Supplier Background IPR (as the case may be);
- (b) at the discretion of the Supplier, return or destroy documents and other tangible materials that contain any of the Supplier Software and/or the Supplier Background IPR, provided that if the Supplier has not made an election within six (6) months of the termination of the licence, the Authority may destroy the documents and other tangible materials that contain any of the Supplier Software and/or the Supplier Background IPR (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any Supplier Software and/or Supplier Background IPR that are held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such Supplier Software and/or Supplier Background IPR.

21.4 Authority's right to sub-license

- 21.4.1 The Authority and any Related Organisation shall be freely entitled to sub-license the rights granted to it pursuant to Clause 21.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR).
- 21.4.2 The Authority and any Related Organisation may sub-license:
- (a) the rights granted under Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) to a third party (including for the avoidance of doubt, any Replacement Supplier) provided that:
 - (i) the sub-licence is on terms no broader than those granted to the Authority; and
 - (ii) the sub-licence only authorises the third party to use the rights licensed in Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) for purposes relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or, if the Authority is a Central Government Body, any other Central Government Body's) business or function; and
 - (b) the rights granted under Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) to any Approved Sub-Licensee to the extent necessary to use and/or obtain the benefit of the Specifically Written Software and/or the Project Specific IPR provided that the sub-licence is on terms no broader than those granted to the Authority.
- 21.5 Authority's right to assign/novate licences
- 21.5.1 The Authority:
- (a) shall be freely entitled to assign, novate or otherwise transfer its rights and obligations under the licence granted to it pursuant to Clause 21.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR); and
 - (b) may assign, novate or otherwise transfer its rights and obligations under the licence granted pursuant to Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) to:
 - (i) a Central Government Body; or
 - (ii) to 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; or
 - (iii) to any body which falls within the definition of "Crown" as defined in Schedule 22 (Definitions) whether existing before or after the Commencement Date.
 - (c) Where the Authority is a Central Government Body, any change in the legal status of the Authority which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 21.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR) and/or Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR). If the Authority ceases to be a Central Government Body, the successor body to the Authority shall still be entitled to the benefit of the licences granted in Clause 21.2.1 (Licences granted by the Supplier:

Specially Written Software and Project Specific IPR) and Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR).

- (d) If a licence granted in Clause 21.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR) and/or Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) is novated under Clause 21.5.1(a) or 21.5.1(b) or there is a change of the Authority's status pursuant to Clause 21.5.1(c) (both such bodies being referred to as the "Transferee"), the rights acquired by the Transferee shall not extend beyond those previously enjoyed by the Authority.

21.5.2 Any Transferee may be required by the Supplier to meet the Supplier's reasonable client onboarding criteria (as approved by the Authority), including additional compliance checks where the Transferee will access or process Personal Data.

21.6 Third Party IPR and Third Party Software

21.6.1 The Supplier shall procure that the owners or the authorised licensors of any Third Party IPR and any Third Party Software which is not commercial off-the-shelf software grant a direct licence to the Authority and any Related Organisation on terms at least equivalent to those set out in Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) and Clause 21.5.1(b) and 21.5.1(c) (Authority's right to assign/novate licences). If the Supplier cannot obtain for the Authority and any Related Organisation a licence materially in accordance with the licence terms set out in Clause 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) and Clause 21.5.1(b) and 21.5.1(c) (Authority's right to assign/novate licences) in respect of any such Third Party IPR and/or Third Party Software, the Supplier shall:

- (a) notify the Authority in writing giving details of what licence terms can be obtained from the relevant third party and whether there are alternative software providers which the Supplier could seek to use; and
- (b) only use such Third Party IPR and/or Third Party Software if the Authority Approves the terms of the licence from the relevant third party.

21.6.2 The Supplier shall procure that the owners or the authorised licensors of any Third Party Software which is commercial off-the-shelf software grants a direct licence to the Authority and any Related Organisation on terms no less favourable (including as to indemnification against IPR claims) that such software is usually made available by the relevant third party.

21.6.3 Should the Supplier become aware at any time, including after termination, that the Specially Written Software and/or the Project Specific IPRs contain any Intellectual Property Rights for which the Authority or any Related Organisation does not have a suitable licence, then the Supplier must notify the Authority within 10 days of what those rights are and which parts of the Specially Written Software and the Project Specific IPRs they are found in.

21.7 Licence granted by the Authority

21.7.1 The Authority hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Term to use the Authority Software, the Authority Background IPR and the Authority Data solely to the extent necessary for providing the Services in accordance with this Contract,

including (but not limited to) the right to grant sub-licences to Sub-Contractors provided that:

- (a) any relevant Sub-Contractor has entered into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 22.3 (Confidentiality); and
- (b) the Supplier shall not without Approval use the licensed materials for any other purpose or for the benefit of any person other than the Authority.

21.8 Termination of licenses

21.8.1 Subject to Clauses 21.3.2 and/or 21.3.3 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR), all licences granted pursuant to this Clause 21 (Intellectual Property Rights) (other than those granted pursuant to Clause 21.6.2 (Third Party IPR and Third Party Software) and 21.7.1 (Licence granted by the Authority)) shall survive the Expiry Date.

21.8.2 The Supplier shall, if requested by the Authority in accordance with Schedule 8 (Exit Management) where used, grant (or procure the grant) to the Replacement Supplier of a licence to use any Supplier Software, Supplier Background IPR, Third Party IPR and/or Third Party Software on terms equivalent to those set out in Clause 21.2.1 (Licences granted by the Supplier: Specially Written Software and Project Specific IPR) and 21.3.1 (Licences granted by the Supplier: Supplier Software and Supplier Background IPR) subject to the Replacement Supplier entering into reasonable confidentiality undertakings with the Supplier.

21.8.3 The licence granted pursuant to Clause 21.7.1 (Licence granted by the Authority) and any sub-licence granted by the Supplier in accordance with Clause 21.7.1 (Licence granted by the Authority) shall terminate automatically on the Expiry Date (or earlier termination of this Contract) and the Supplier shall:

- (a) immediately cease all use of the Authority Software, the Authority Background IPR and the Authority Data (as the case may be);
- (b) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the Authority Software, the Authority Background IPR and the Authority Data, provided that if the Authority has not made an election within six months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Authority Software, the Authority Background IPR and the Authority Data (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any Authority Software, Authority Background IPR and Authority Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier containing such Authority Software, Authority Background IPR and/or Authority Data.

21.9 IPR Indemnity

21.9.1 The Supplier shall at all times, during and after the Term, on written demand indemnify the Authority and each other Indemnified Person, and keep the Authority and each other Indemnified Person indemnified, against all Losses incurred by, awarded against or agreed to be paid by the Authority (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.

- 21.9.2 If an IPR Claim is made, or the Supplier anticipates that an IPR Claim might be made, the Supplier may, at its own expense and sole option, either:
- (a) procure for the Authority or other relevant Indemnified Person the right to continue using the relevant item which is subject to the IPR Claim; or
 - (b) replace or modify the relevant item with non-infringing substitutes provided that:
 - (i) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;
 - (ii) the replaced or modified item does not have an adverse effect on any other Services or the ICT Environment;
 - (iii) there is no additional cost to the Authority relevant Indemnified Person (as the case may be); and
 - (iv) the terms and conditions of this Contract shall apply to the replaced or modified Services.
- 21.9.3 If the Supplier elects to procure a licence in accordance with Clause 21.9.2(a) or to modify or replace an item pursuant to Clause 21.9.2(b), but this has not avoided or resolved the IPR Claim, then:
- (a) the Authority may terminate this Contract by written notice with immediate effect; and
 - (b) without prejudice to the indemnity set out in Clause 21.9.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute services including the additional costs of procuring, implementing and maintaining the substitute items.
- 21.9.4 The provisions of Clauses 21.9.1 to 21.9.3 (inclusive) shall not apply to the extent that any IPR Claim is caused by any use by or on behalf of the Authority of the Software, or the use of the Authority Software by or on behalf of the Supplier, in either case in combination with any item not supplied or recommended by the Supplier pursuant to this Contract or in a manner not reasonably to be inferred from the description of the Services or the provisions of this Contract.
- 21.9.5 The Authority agrees that:
- (a) it will notify the Supplier in writing of any IPR Claim;
 - (b) it will allow the Supplier to conduct all negotiations and proceedings and will provide the Supplier with such reasonable assistance required by the Supplier, each at the Supplier's cost, regarding the IPR Claim; and
 - (c) it will not, without first consulting with the Supplier, agree to make any payment or make an admission relating to the IPR Claim.
- 21.9.6 The Supplier shall consider and defend the IPR Claim diligently using competent counsel and in such a way as not to bring the reputation of the Authority into disrepute. The Supplier shall not settle or compromise any IPR Claim without the Authority's Approval (not to be unreasonably withheld or delayed).
- 21.10 Escrow Agreement
- 21.10.1 Within 15 Working Days of the Commencement Date, the Supplier is required to enter into an Escrow Agreement with the Authority and an Escrow Agent for the Software.

- 21.10.2 The Authority reserves the right to appoint an Escrow Agent. If the Supplier refuses to enter into an Escrow Agreement and/or does not cooperate with the Authority for this requirement, the Authority shall be entitled to terminate this Contract for material Default.
- 21.10.3 Should a release event occur, as defined in the final Escrow Agreement, the Software shall transfer to the Authority. The Escrow Agreement shall ensure that both the Software's Source Code and instructions are transferred to the Authority in such a manner that the Authority can assume a perpetual licence of the Software, and can build and deploy the debt and recovery management service in its stand-alone environment and run this from here.

22. SECURITY AND PROTECTION OF INFORMATION

22.1 Malicious Software

- 22.1.1 The Supplier shall, as an enduring obligation throughout the Term use the latest versions of anti-virus definitions and software available from an industry accepted anti-virus software vendor (unless otherwise agreed in writing between the Parties) to check for, contain the spread of, and minimise the impact of Malicious Software in the ICT Environment (or as otherwise agreed between the Parties).
- 22.1.2 Any cost arising out of the actions of the Parties taken to mitigate and reduce the effect of any Malicious Software and to restore provision of the Services shall be borne by the Parties as follows:
 - (a) by the Supplier, where the Malicious Software originates from the Supplier Software, the Third Party Software supplied by the Supplier (except where the Authority has waived the obligation set out in Clause 22.1.1) or the Authority Data (whilst the Authority Data was under the control of the Supplier) unless the Supplier can demonstrate that such Malicious Software was present and not quarantined or otherwise identified by the Authority when provided to the Supplier; and
 - (b) by the Authority if the Malicious Software originates from the Authority Software (in respect of which the Authority has waived its obligation set out in Clause 22.1.1) or the Authority Data (whilst the Authority Data was under the control of the Authority).

22.2 Protection of Authority Data

- 22.2.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Authority Data.
- 22.2.2 The Supplier shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Supplier of its obligations under this Contract or as otherwise Approved by the Authority.
- 22.2.3 To the extent that the Authority Data is held and/or Processed by the Supplier, the Supplier shall supply that Authority Data to the Authority as requested by the Authority and in the format (if any) specified in this Contract and in any event as specified by the Authority from time to time in writing.
- 22.2.4 The Supplier shall take responsibility for preserving the integrity of Authority Data and preventing the corruption or loss of Authority Data.
- 22.2.5 The Supplier shall ensure that any system on which the Supplier holds any Authority Data, including back-up data, is a secure system that complies with the Security Policy and the Security Management Plan (if any).

- 22.2.6 If at any time the Supplier suspects or has reason to believe that the Authority Data is corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Authority immediately and inform the Authority of the remedial action the Supplier proposes to take.
- 22.2.7 If the Authority Data is corrupted, lost or sufficiently degraded as a result of a Default so as to be unusable, the Authority may:
- (a) require the Supplier (at the Supplier's expense) to restore or procure the restoration of Authority Data as required by the Authority, and the Supplier shall do so as soon as practicable but not later than five (5) Working Days from the date of receipt of the Authority's notice; and/or
 - (b) itself restore or procure the restoration of Authority Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so in accordance with the requirements specified by the Authority.

22.3 Confidentiality

- 22.3.1 For the purposes of this Clause 22.3, the term “**Disclosing Party**” 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.
- 22.3.2 Except to the extent set out in this Clause 22.3 or where disclosure is expressly permitted elsewhere in this Contract, the Recipient shall:
- (a) treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials); and
 - (b) not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Contract or without obtaining the owner's prior written consent;
 - (c) not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Contract; and
 - (d) immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.
- 22.3.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:
- (a) the Recipient is required to disclose the Confidential Information by Law, provided that Clause 22.5 (Freedom of Information) shall apply to disclosures required under the FOIA or the EIRs;
 - (b) the need for such disclosure arises out of or in connection with:
 - (i) any legal challenge or potential legal challenge against the Authority arising out of or in connection with this Contract;
 - (ii) the examination and certification of the Authority's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority is making use of any Services provided under this Contract; or

- (iii) the conduct of a Central Government Body review in respect of this Contract; or
 - (c) the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.
- 22.3.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.
- 22.3.5 Subject to Clauses 22.3.2 and 22.3.7, the Supplier may only disclose the Confidential Information of the Authority on a confidential basis to:
- (a) Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Contract; and
 - (b) its professional advisers for the purposes of obtaining advice in relation to this Contract.
- 22.3.6 Where the Supplier discloses Confidential Information of the Authority pursuant to this Clause 22.3.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Contract by the persons to whom disclosure has been made.
- 22.3.7 The Authority may disclose the Confidential Information of the Supplier:
- (a) to any Central Government Body on the basis that the information may only be further disclosed to Central Government Bodies;
 - (b) to the British Parliament and any committees of the British Parliament or if required by any British Parliamentary reporting requirement;
 - (c) to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
 - (d) on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 22.3.7(a) (including any benchmarking organisation) for any purpose relating to or connected with this Contract;
 - (e) on a confidential basis for the purpose of the exercise of its rights under this Contract; or
 - (f) to a proposed transferee, assignee or novatee of, or successor in title to the Authority,
- and for the purposes of the foregoing, references to disclosure 22.3.5 on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Clause 22.3.5.
- 22.3.8 Nothing in this Clause 22.3 shall prevent a Recipient from using any techniques, ideas or Know-How gained during the performance of this Contract in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

22.3.9 In the event that the Supplier fails to comply with Clauses 22.3.2 to 22.3.5, the Authority reserves the right to terminate this Contract for material Default.

22.4 Transparency

- 22.4.1 The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Contract and any Transparency Reports under it is not Confidential Information and shall be made available in accordance with the procurement policy note 13/15 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/458554/Procurement_Policy_Note_13_15.pdf and the Transparency Principles referred to therein. The Authority shall determine whether any of the content of this Contract is exempt from disclosure in accordance with the provisions of the FOIA. The Authority may consult with the Supplier to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.
- 22.4.2 Notwithstanding any other provision of this Contract, the Supplier hereby gives his consent for the Authority to publish this Contract in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted), including any changes to this Contract agreed from time to time.
- 22.4.3 The Supplier shall assist and cooperate with the Authority to enable the Authority to publish this Contract.

22.5 Freedom of Information

22.5.1 The Supplier acknowledges that the Authority is subject to the requirements of the FOIA and the EIRs. The Supplier shall:

- (a) provide all necessary assistance and cooperation as reasonably requested by the Authority to enable the Authority to comply with its Information disclosure obligations under the FOIA and EIRs;
- (b) transfer to the Authority all Requests for Information relating to this Contract that it receives as soon as practicable and in any event within two (2) Working Days of receipt;
- (c) provide the Authority with a copy of all Information belonging to the Authority requested in the Request for Information which is in its possession or control in the form that the Authority requires within five (5) Working Days (or such other period as the Authority may reasonably specify) of the Authority's request for such Information; and
- (d) not respond directly to a Request for Information unless authorised in writing to do so by the Authority.

22.5.2 The Supplier acknowledges that the Authority may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Authority shall take reasonable steps to notify the Supplier of a Request for Information (in accordance with the Secretary of State's Section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Contract) the Authority shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

22.6 Protection of Personal Data

22.6.1 With respect to the Parties' rights and obligations under this Agreement, the Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Data Controller and the Supplier is the Data Processor.

22.6.2 The Supplier shall notify the Authority immediately if it considers that any of the Authority's instructions infringe the Data Protection Legislation.

22.6.3 The Supplier shall provide all reasonable assistance to the Authority in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Authority, include (without limitation):

- (a) a systematic description of the envisaged processing operations and the purpose of the processing;
- (b) an assessment of the necessity and proportionality of the processing operations in relation to the Services;
- (c) an assessment of the risks to the rights and freedoms of Data Subjects;
- (d) the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data; and
- (e) upon request provide a copy of the record of the processing of any Personal Data it carries out on behalf of the Authority including (without limitation) the records specified in Article 30(2) of the GDPR.

22.6.4 The Supplier shall, in relation to any Personal Data processed or to be processed in connection with its obligations under this Agreement:-

- (a) process that Personal Data only to the extent and in such manner as is necessary for the purposes specified in this Agreement and in accordance with Schedule 21, unless the Supplier is required to process the Personal Data otherwise by Law. In such case, the Supplier shall promptly inform the Authority of that legal requirement unless the Law prevents such disclosure;
- (b) ensure that, at the its own expense and at no cost to the Authority, it has in place Protective Measures which have been reviewed and approved by the Authority as appropriate to protect against a Data Loss Event having taken account of the:
 - (i) nature of the data to be protected;
 - (ii) harm that might result from a Data Loss Event;
 - (iii) state of technological development; and
 - (iv) cost of implementing any measures;

review and approval of the Protective Measures by the Authority shall not relieve the Supplier of its obligations under Data Protection Legislation including, for the avoidance of doubt, putting sufficient Protective Measures in place.

- (c) ensure that it and its Staff:
 - (i) do not process Personal Data except in accordance with this Agreement and Data Protection Legislation and access to such data is limited to those Staff who need to access Personal Data to meet the Supplier's Data Processor duties under this Agreement and Data Protection Legislation and only collect Personal Data on behalf of the Authority in the format agreed with the Authority which shall contain a data protection notice informing the Data Subject of the identity of the Data Controller, the identity of any data protection representative it may have appointed, the purpose(s) for which the Data Subject's Personal Data will be processed and any other information, which is necessary to comply with Data Protection Legislation. The Supplier shall not modify the format agreed with the Authority without the prior written consent of the Authority;
 - (ii) take all reasonable steps to ensure the reliability and integrity of any Staff who have access to the Personal Data and ensure that they:
 - (A) are aware of and comply with the Supplier's duties under this Clause 22.6;
 - (B) are subject to appropriate confidentiality undertakings including between the Supplier and any Sub-processor;
 - (C) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Authority or as otherwise permitted by this Agreement or required to do so under a legal requirement/court order (provided that the

Supplier shall give notice to the Authority of any disclosure of Personal Data that it or any of its Staff is required to make under such a legal requirement or court order immediately when it is made aware of such a requirement); and

- (D) have undergone adequate training in the use, care, protection and handling of Personal Data;
- (d) not transfer Personal Data outside of the European Economic Area or International Organisation unless the prior written consent of the Authority has been obtained and provided the following conditions are fulfilled:
 - (i) the Authority or the Supplier has provided appropriate safeguards in relation to the transfer;
 - (ii) the Data Subject has enforceable rights and effective legal remedies;
 - (iii) the Supplier complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Authority in meeting its obligations); and
 - (iv) the Supplier complies with any reasonable instructions notified to it in advance by the Authority with respect to the processing of the Personal Data;
- (e) at the written direction of the Authority, delete or return Personal Data (and any copies of it) using a secure method of transfer to the Authority on termination of this Agreement unless the Supplier is required by Law to retain the Personal Data;
- (f) permit the Authority or the Authority's Representative to inspect and audit the Supplier's Data Processor activities (and/or those of its Staff) and comply with all reasonable requests or directions by the Authority to enable the Authority to verify that the Supplier is in full compliance with its obligations under this Agreement.

22.6.5 Subject to Clause 22.6.6, the Supplier shall notify the Authority immediately if it:

- (a) receives a Data Subject Access Request (or purported Data Subject Access Request);
- (b) receives a request to rectify, block or erase any Personal Data;
- (c) receives any other request, notice, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
- (d) receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Agreement;
- (e) receives a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
- (f) becomes aware of a breach of Data Protection Legislation or a Data Loss Event.

- 22.6.6 The Supplier's obligation to notify the Authority under Clause 22.6.5 shall include the provision of further information to the Authority in phases, as details become available.
- 22.6.7 Taking into account the nature of the processing, the Supplier shall provide the Authority with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under Clause 22.6.5 (and insofar as possible within the timescales reasonably required by the Authority) at no cost to the Authority including by promptly providing:
- (a) the Authority with full details and copies of the complaint, communication or request;
 - (b) such assistance as is reasonably requested by the Authority to enable the Authority to comply with a Data Subject Access Request promptly;
 - (c) the Authority, at its request, with any Personal Data it holds in relation to a Data Subject;
 - (d) assistance as requested by the Authority following any Data Loss Event and/or breach of Data Protection Legislation to enable the Authority to mitigate the impact of the Personal Data Breach, to ensure that Personal Data Breaches of the same nature do not occur again, to notify the competent regulatory body of the Personal Data Breach and/or to notify the Data Subjects of the Personal Data Breach;
 - (e) assistance as requested by the Authority with respect to any request from the Information Commissioner's Office, or any consultation by the Authority with the Information Commissioner's Office.
- 22.6.8 The Supplier shall maintain complete and accurate records and information to demonstrate its compliance with its Data Processor obligations under this Clause 22.6. This requirement does not apply where the Supplier employs fewer than 250 staff, unless:-
- (a) the Authority determines the processing is not occasional;
 - (b) the Authority determines the processing includes any Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; and
 - (c) the Authority determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 22.6.9 The Supplier shall allow for audits of its 'data processing' activity by the Authority or the Authority's designated auditor. The Supplier shall keep a record of any processing of Personal Data it carries out on behalf of the Authority including (without limitation) the records specified in Article 30(2) of the GDPR.
- 22.6.10 The Supplier shall designate a Data Protection Officer if required by Data Protection Legislation or by the Authority in writing.
- 22.6.11 Before allowing any Sub-processor to process any Personal Data under this Agreement, the Supplier must:-
- (a) notify the Authority in writing of the intended Sub-processor and processing;
 - (b) obtain the advance written consent of the Authority to allow the Sub-processor to process any Personal Data under the Agreement;

- (c) enter into a written agreement with the Sub-processor which reflects the terms set out in this Clause 22.6 such that they apply to the Sub-Processor as a Data Processor; and
 - (d) provide the Authority with such information regarding the Sub-processor as the Authority may reasonably require.
- 22.6.12 The Supplier shall remain fully liable for all acts or omissions of any Sub-processor and Staff.
- 22.6.13 The Authority may, at any time on not less than thirty (30) Working Days' advance notice, revise this clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by an attachment to this Agreement).
- 22.6.14 The Supplier shall comply with guidance issued by the Information Commissioner's Office. The Authority may on not less than thirty (30) Working Days' notice to the Supplier amend this Agreement to ensure that it complies with any guidance issued by the Information Commissioners Officer and/or any changes to Data Protection Legislation.
- 22.6.15 The Supplier shall indemnify and keep the Authority indemnified in full from and against all claims, proceedings, actions, damages, loss, penalties, fines, levies, costs and expenses and all loss of profits, business revenue or goodwill (whether direct or indirect) and all consequential or indirect loss howsoever arising out of, in respect of or in connection with, any breach by the Supplier or any of its Staff of this Clause 22.6.
- 22.6.16 The provision of this Clause 22.6 applies during the Term and indefinitely after its expiry.

22.7 Offshoring

- 22.7.1 While not in any way limiting any other provision of this Agreement, in delivering the Services, the Supplier and its Sub-contractors, shall comply with the Authority's Offshoring Policy. The Authority's Offshoring Policy shall apply to Landed Resources.

23. PUBLICITY AND BRANDING

23.1 The Supplier shall not:

- 23.1.1 make any press announcements or publicise this Contract in any way; or
- 23.1.2 use the Authority's name or brand in any promotion or marketing or announcement of orders,

Without Approval (the decision of the Authority to Approve or not shall not be unreasonably withheld or delayed).

- 23.2 Each Party acknowledges to the other that nothing in this Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Services, equipment, the Supplier System and the Authority System) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

I. LIABILITY AND INSURANCE

24. LIABILITY

- 24.1 Unlimited Liability

- 24.1.1 Neither Party excludes or limits its liability for:
- (a) death or personal injury caused by its negligence, or that of its employees, agents or Sub-Contractors (as applicable);
 - (b) bribery or Fraud by it or its employees;
 - (c) breach of any obligation as to title implied by section 2 of the Supply of Goods and Services Act 1982; or
 - (d) any liability to the extent it cannot be excluded or limited by Law.

24.1.2 The Supplier does not exclude or limit its liability in respect of the indemnity in Clause 21.9 (IPR Indemnity) and in each case whether before or after the making of a demand pursuant to the indemnity therein.

24.2 Financial Limits

24.2.1 Subject to Clause 24.1.1 (Unlimited Liability), the Supplier's total aggregate liability.

- (a) in respect of all Losses incurred by the Authority under or in connection with this Contract as a result of Defaults by the Supplier shall in no event exceed:
 - (i) in relation to any Defaults occurring from the Commencement Date to the end of the first Contract Year, a sum equal to one hundred and twenty five per cent (125%) of the Estimated Year 1 Contract Charges;
 - (ii) in relation to any Defaults occurring in each subsequent Contract Year, a sum equal to one hundred and twenty five per cent (125%) of the Contract Charges payable to the Supplier under this Contract in the previous Contract Year.

24.2.2 Subject to Clauses 24.1.1 (Unlimited Liability) and 24.2.1 (Financial Limits) and without prejudice to its obligation to pay the undisputed Contract Charges as and when they fall due for payment, the Authority's total aggregate liability in respect of all Losses as a result of Authority Causes shall be limited to:

- (a) in relation to any Authority Causes occurring from the Commencement Date to the end of the first Contract Year, a sum equal to the Estimated Year 1 Contract Charges;
- (b) in relation to any Authority Causes occurring in each subsequent Contract Year that commences during the remainder of the Term, a sum equal to the Contract Charges payable to the Supplier under this Contract in the previous Contract Year; and
- (c) in relation to any Authority Causes occurring in each Contract Year that commences after the end of the Term, a sum equal to the Contract Charges payable to the Supplier under this Contract in the last Contract Year commencing during the Term.

24.3 Non-recoverable Losses

24.3.1 Subject to Clause 24.1.1 (Unlimited Liability) neither Party shall be liable to the other Party for any:

- (a) indirect, special or consequential Loss;
- (b) loss of profits, turnover, savings, business opportunities or damage to goodwill (in each case whether direct or indirect).

24.4 Recoverable Losses

24.4.1 Subject to Clause 24.2.1 (Financial Limits), and notwithstanding Clause 24.3.1 (Non-recoverable Losses), the Supplier acknowledges that the Authority may, amongst other things, recover from the Supplier the following Losses incurred by the Authority to the extent that they arise as a result of a Default by the Supplier:

- (a) any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
- (b) any wasted expenditure or charges;
- (c) the additional cost of procuring Replacement Services for the remainder of the Term and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Contract;
- (d) any compensation or interest paid to a third party by the Authority; and
- (e) any fine, penalty or costs incurred by the Authority pursuant to Law.

24.5 Miscellaneous

24.5.1 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Contract.

24.5.2 Any Deductions shall not be taken into consideration when calculating the Supplier's liability under Clause 24.2.1 (Financial Limits).

25. **INSURANCE**

25.1 Without limitation to the generality of Clause 25.2, the Supplier shall ensure that it maintains the policy or policies of insurance as set out at Schedule 14 (Insurance Requirements).

25.2 The Supplier shall effect and maintain such further policy or policies of insurance in respect of all risks which may be incurred by the Supplier arising out of its performance of its obligations under this Contract.

25.3 The Supplier shall effect and maintain the policy or policies of insurance referred to in Clauses 25.1 and 25.2 above for six (6) years after the Expiry Date.

25.4 The Supplier shall give the Authority, on request, copies of all insurance policies referred to in Clauses 25.1 and 25.2 or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.

25.5 If, for whatever reason, the Supplier fails to give effect to and maintain the insurance policies required under this Clause 25, the Authority may make alternative arrangements to protect its interests and may recover the premium and other costs of such arrangements as a debt due from the Supplier.

25.6 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liability under this Contract. It shall be the responsibility of the Supplier to determine the amount of insurance cover that will be adequate to enable the Supplier to satisfy any liability in relation to the performance of its obligations under this Contract.

25.7 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Authority (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely

to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

J. REMEDIES AND RELIEF

26. AUTHORITY REMEDIES FOR DEFAULT

26.1 Remedies

26.1.1 Without prejudice to any other right or remedy of the Authority howsoever arising (including under Schedule 3 (Service Levels and Performance)), if the Supplier commits any Default of this Contract then the Authority may (whether or not any part of the Services have been Delivered) do any of the following:

- (a) at the Authority's option, give the Supplier the opportunity (at the Supplier's expense) to remedy the Default together with any damage resulting from such Default (and where such Default is capable of remedy) or to supply Replacement Services and carry out any other necessary work to ensure that the terms of this Contract are fulfilled, in accordance with the Authority's instructions;
- (b) carry out, at the Supplier's expense, any work necessary to make the provision of the Services comply with this Contract;
- (c) if the Default is a material Default that is capable of remedy (and for these purposes a material Default may be a single material Default or a number of Defaults or repeated Defaults – whether of the same or different obligations and regardless of whether such Defaults are remedied – which taken together constitute a material Default):
 - (i) instruct the Supplier to comply with the Rectification Plan Process;
 - (ii) suspend this Contract (whereupon the relevant provisions of Clause 32 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) the Services;
 - (iii) without terminating or suspending the whole of this Contract, terminate or suspend this Contract in respect of part of the provision of the Services only (whereupon the relevant provisions of Clause 32 (Partial Termination, Suspension and Partial Suspension) shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) such part of the Services;

26.1.2 Where the Authority exercises any of its step-in rights under Clauses 26.1.1(c)(ii) or 26.1.1(c)(iii), the Authority shall have the right to charge the Supplier for and the Supplier shall on demand pay any costs reasonably incurred by the Authority (including any reasonable administration costs) in respect of the supply of any part of the Services by the Authority or a third party and provided that the Authority uses its reasonable endeavours to mitigate any additional expenditure in obtaining Replacement Services.

26.2 Rectification Plan Process

- 26.2.1 Where the Authority has instructed the Supplier to comply with the Rectification Plan Process pursuant to Clause 26.1.1(c)(i):
- (a) the Supplier shall submit a draft Rectification Plan to the Authority for it to review as soon as possible and in any event within ten (10) Working Days (or such other period as may be agreed between the Parties) from the date of Authority's instructions. The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Default giving rise to the Authority's request for a draft Rectification Plan.
 - (b) the draft Rectification Plan shall set out:
 - (i) full details of the Default that has occurred, including a root cause analysis;
 - (ii) the actual or anticipated effect of the Default; and
 - (iii) the steps which the Supplier proposes to take to rectify the Default (if applicable) and to prevent such Default from recurring, including timescales for such steps and for the rectification of the Default (where applicable).
- 26.2.2 The Supplier shall promptly provide to the Authority any further documentation that the Authority requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with Schedule 6 (Dispute Resolution Procedure).
- 26.2.3 The Authority may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:
- (a) is insufficiently detailed to be capable of proper evaluation;
 - (b) will take too long to complete;
 - (c) will not prevent recurrence of the Default; and/or
 - (d) will rectify the Default but in a manner which is unacceptable to the Authority.
- 26.2.4 The Authority shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Authority rejects the draft Rectification Plan, the Authority shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Authority for review within five (5) Working Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft.
- 26.2.5 If the Authority consents to the Rectification Plan, the Supplier shall immediately start work on the actions set out in the Rectification Plan.

27. SUPPLIER RELIEF DUE TO AUTHORITY CAUSE

- 27.1 If the Supplier has failed to:
- 27.1.1 Achieve a Milestone by its Milestone Date;
 - 27.1.2 Provide the Services in accordance with the Service Levels;
 - 27.1.3 Comply with its obligations under this Contract, (each a "Supplier Non-Performance"), and can demonstrate that the Supplier Non-Performance would not have occurred but for a Authority Cause, then (subject to the

Supplier fulfilling its obligations in Clause 11 (Supplier Notification of Authority Cause)):

- (a) the Supplier shall not be treated as being in breach of this Contract to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Authority Cause;
- (b) the Authority shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance to terminate this Contract pursuant to Clause 29 (Authority Termination Rights) except Clause 29.7 (Termination Without Cause);
- (c) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:
 - (i) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Authority Cause; and
 - (ii) if the Authority, acting reasonably, considers it appropriate, the Implementation Plans shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Authority Cause; and
 - (iii) the Supplier shall be entitled to compensation in accordance with Paragraph 7 of Schedule 2 (Charges and Invoicing)
- (d) where the Supplier Non-Performance constitutes a Service Level Failure:
 - (i) the Supplier shall not be liable to accrue Service Credits;
 - (ii) the Authority shall not be entitled to any Compensation for Critical Service Level Failure pursuant to Clause 9 (Critical Service Level Failure); and
 - (iii) the Supplier shall be entitled to invoice for the Contract Charges for the provision of the relevant Services affected by the Authority Cause,

in each case, to the extent that the Supplier can demonstrate that the Service Level Failure was caused by the Authority Cause.

27.2 In order to claim any of the rights and/or relief referred to in Clause 27.1, the Supplier shall:

27.2.1 Comply with its obligations under Clause 11 (Notification of Authority Cause); and

27.2.2 Within ten (10) Working Days of becoming aware that a Authority Cause has caused, or is likely to cause, a Supplier Non-Performance, give the Authority notice (a "**Relief Notice**") setting out details of:

- (a) the Supplier Non-Performance;
- (b) the Authority Cause and its effect on the Supplier's ability to meet its obligations under this Contract; and
- (c) the relief claimed by the Supplier.

27.3 Following the receipt of a Relief Notice, the Authority shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Authority Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Authority

Cause and its entitlement to relief, consulting with the Supplier where necessary.

- 27.4 Without prejudice to Clauses 6.7 (Continuing obligation to provide the Services), if a Dispute arises as to:
- 27.4.1 Whether a Supplier Non-Performance would not have occurred but for a Authority Cause; and/or
- 27.4.2 The nature and/or extent of the relief claimed by the Supplier, either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.
- 27.5 Any Variation that is required to the Implementation Plans or to the Contract Charges pursuant to this Clause 27 shall be implemented in accordance with the Variation Procedure.

28. FORCE MAJEURE

- 28.1 Subject to the remainder of this Clause 28 a Party may claim relief under this Clause 28 from liability for failure to meet its obligations under this Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Contract which results from a failure or delay by an agent, Sub-Contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-Contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.
- 28.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.
- 28.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 28 to the extent that consequences of the relevant Force Majeure Event:
- 28.3.1 Are capable of being mitigated by any of the provision of any Services, but the Supplier has failed to do so; and/or
- 28.3.2 Should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Contract.
- 28.4 Subject to Clause 28.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.
- 28.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.
- 28.6 Where, as a result of a Force Majeure Event:
- 28.6.1 An Affected Party fails to perform its obligations in accordance with this Contract, then during the continuance of the Force Majeure Event:

- (a) the other Party shall not be entitled to exercise any rights to terminate this Contract in whole or in part as a result of such failure unless the provision of the Services is materially impacted by a Force Majeure Event which endures for a continuous period of more than ninety (90) days; and
 - (b) the Supplier shall not be liable for any Default and the Authority shall not be liable for any Authority Cause arising as a result of such failure;
- 28.6.2 The Supplier fails to perform its obligations in accordance with this Contract:
- (a) The Authority shall not be entitled:
 - (i) during the continuance of the Force Majeure Event to exercise its step-in rights under Clause 26.1.1(b) and 26.1.1(c) (Authority Remedies for Default) as a result of such failure; and/or
 - (ii) to receive Service Credits or withhold and retain any of the Contract Charges as Compensation for Critical Service Level Failure pursuant to Clause 9 (Critical Service Level Failure) to the extent that a Service Level Failure or Critical Service Level Failure has been caused by the Force Majeure Event; and
 - (b) The Supplier shall be entitled to receive payment of the Contract Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be provided in accordance with the terms of this Contract during the occurrence of the Force Majeure Event.
- 28.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Contract.
- 28.8 Relief from liability for the Affected Party under this Clause 28 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Contract and shall not be dependent on the serving of notice under Clause 28.7.

K. TERMINATION

29. AUTHORITY TERMINATION RIGHTS

29.1 Termination in Relation to the Deed of Guarantee

- 29.1.1 Where the Authority requires the Supplier to procure a Deed of Guarantee pursuant to Clause 4 (Term and Condition Precedent), the Authority may terminate this Contract by issuing a Termination Notice to the Supplier where:
- (a) the Guarantor withdraws the Deed of Guarantee for any reason whatsoever;
 - (b) the Guarantor is in breach or anticipatory breach of the Deed of Guarantee;
 - (c) an Insolvency Event occurs in respect of the Guarantor; or
 - (d) the Deed of Guarantee becomes invalid or unenforceable for any reason whatsoever,
- and in each case the Deed of Guarantee (as applicable) is not replaced by an alternative guarantee agreement acceptable to the Authority; or

- (e) the Supplier fails to provide the documentation required by Clause 4 by the date so specified by the Authority.

29.2 Termination on Material Default

29.2.1 The Authority may terminate this Contract for material Default by issuing a Termination Notice to the Supplier where:

- (a) the Supplier fails to Achieve the Customisation Milestone or the Configuration Milestone is not Achieved;
- (b) the Supplier commits a Critical Service Level Failure;
- (c) the representation and warranty given by the Supplier pursuant to Clause 3.2.5 (Representations and Warranties) is materially untrue or misleading, and the Supplier fails to provide details of proposed mitigating factors which in the reasonable opinion of the Authority are acceptable;
- (d) as a result of any Defaults, the Authority incurs Losses in any Contract Year which exceed 80% of the value of the Supplier's aggregate annual liability limit for that Contract Year as set out in Clause and 24.2.1(a) (Liability);
- (e) the Authority expressly reserves the right to terminate this Contract for material Default, including pursuant to any of the following provisions: Clauses 6.4.2 (Services), 9.1 (Critical Service Level Failure), 10.4 (Disruption), 16.4 Promoting Tax Compliance, 21.10.2 (Escrow Agreement), 22.3.9 (Confidentiality), 38.6.2 (Prevention of Fraud and Bribery) and Paragraph 4.1 of Schedule 18 (Financial Distress), where applicable;
- (f) the Supplier commits any material Default of this Contract which is not, in the reasonable opinion of the Authority, capable of remedy; and/or
- (g) the Supplier commits a Default, including a material Default, which in the opinion of the Authority is remediable but has not remedied such Default to the satisfaction of the Authority in accordance with the Rectification Plan Process;

29.2.2 For the purpose of Clause 29.2.1, a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default.

29.3 Termination in Relation to Financial Standing

29.3.1 The Authority may terminate this Contract by issuing a Termination Notice to the Supplier where in the reasonable opinion of the Authority there is a material detrimental change in the financial standing and/or the credit rating of the Supplier which:

- (a) adversely impacts on the Supplier's ability to supply the Services under this Contract; or
- (b) could reasonably be expected to have an adverse impact on the Suppliers ability to supply the Services under this Contract.

29.4 Termination on Insolvency

29.4.1 The Authority may terminate this Contract by issuing a Termination Notice to the Supplier where an Insolvency Event affecting the Supplier occurs.

29.5 Termination on Change of Control

29.5.1 The Supplier shall notify the Authority immediately in writing and as soon as the Supplier is aware (or ought reasonably to be aware) that it is

anticipating, undergoing, undergoes or has undergone a Change of Control and provided such notification does not contravene any Law.

29.5.2 The Supplier shall ensure that any notification made pursuant to Clause 29.5.1 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.

29.5.3 The Authority may terminate this Contract under Clause 29.5 by issuing a Termination Notice to the Supplier within six (6) Months of:

- (a) being notified in writing that a Change of Control is anticipated or in contemplation or has occurred; or
- (b) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,

but shall not be permitted to terminate where an Approval was granted prior to the Change of Control.

29.6 Termination for breach of Regulations

29.6.1 The Authority may terminate this Contract by issuing a Termination Notice to the Supplier on the occurrence of any of the statutory provisos contained in Regulation 73 (1) (a) to (c).

29.7 Termination Without Cause

29.7.1 The Authority shall have the right to terminate this Contract at any time by issuing a Termination Notice to the Supplier giving written notice of at least forty-five (45) days.

29.8 Termination in Relation to Variation

29.8.1 The Authority may terminate this Contract by issuing a Termination Notice to the Supplier for failure of the Parties to agree or the Supplier to implement a Variation in accordance with the Variation Procedure.

29.9 Termination in relation to Tax Compliance

29.9.1 The Authority may terminate this Contract by issuing a Termination Notice to the Supplier in the event that:

- (a) the warranty given by the Supplier pursuant to Clause 3.2.5 is materially untrue; or
- (b) the Supplier commits a material breach of its obligation to notify the Authority of any Occasion of Tax Non-Compliance as required by Clause 16.4; or
- (c) the Supplier fails to provide details of proposed mitigating factors as required by Clause 16.4 which in the reasonable opinion of the Authority, are acceptable.

30. SUPPLIER TERMINATION RIGHTS

30.1 Termination on Authority Cause for Failure to Pay

30.1.1 The Supplier may, by issuing a Termination Notice to the Authority, terminate this Contract if the Authority fails to pay an undisputed sum due to the Supplier under this Contract which in aggregate exceeds the amount of £620,000 pounds (the '**Undisputed Sums Limit**'), and the said undisputed sum due remains outstanding for forty (40) Working Days (the "**Undisputed Sums Time Period**") after the receipt by the Authority of a written notice of non-payment from the Supplier specifying:

- (a) the Authority's failure to pay; and

- (b) the correct overdue and undisputed sum; and
- (c) the reasons why the undisputed sum is due; and
- (d) the requirement on the Authority to remedy the failure to pay; and
- (e) this Contract shall then terminate on the date specified in the Termination Notice (which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice), save that such right of termination shall not apply where the failure to pay is due to the Authority exercising its rights under this Contract including Clause 16.3 (Retention and Set off).

30.1.2 The Supplier shall not suspend the supply of the Services for failure of the Authority to pay undisputed sums of money (whether in whole or in part).

31. TERMINATION BY EITHER PARTY

31.1 Termination for continuing Force Majeure Event

31.1.1 Either Party may, by, by issuing a Termination Notice to the other Party terminate this Contract if, in accordance with Clause 28.6.1(a) (Force Majeure).

32. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION

32.1 Where the Authority has the right to terminate this Contract, the Authority shall be entitled to terminate or suspend all or part of this Contract provided always that, if the Authority elects to terminate or suspend this Contract in part, the parts of this Contract not terminated or suspended can, in the Authority's reasonable opinion, operate effectively to deliver the intended purpose of the surviving parts of this Contract.

32.2 Any suspension of this Contract under Clause 32.1 shall be for such period as the Authority may specify and without prejudice to any right of termination which has already accrued, or subsequently accrues, to the Authority.

32.3 The Parties shall seek to agree the effect of any Variation necessitated by a partial termination, suspension or partial suspension in accordance with the Variation Procedure, including the effect that the partial termination, suspension or partial suspension may have on the provision of any other Services and the Contract Charges, provided that the Supplier shall not be entitled to:

32.3.1 An increase in the Contract Charges in respect of the provision of the Services that have not been terminated if the partial termination arises due to the exercise of any of the Authority's termination rights under Clause 29 (Authority Termination Rights) except Clause 29.7 (Termination Without Cause); and

32.3.2 Reject the Variation.

33. CONSEQUENCES OF EXPIRY OR TERMINATION

33.1 Consequences of termination under Clauses 29.1 (Termination in Relation to Guarantee), 29.2 (Termination on Material Default), 29.3 (Termination in Relation to Financial Standing) and 29.8 (Termination in Relation to Variation)

33.1.1 Where the Authority:

- (a) terminates (in whole or in part) this Contract under any of the Clauses referred to in Clause 33.1; and
- (b) then makes other arrangements for the supply of the Services,

the Authority may recover from the Supplier the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Authority throughout the remainder of the Term provided that Authority shall take all reasonable steps to mitigate such additional expenditure. No further payments shall be payable by the Authority to the Supplier until the Authority has established the final cost of making those other arrangements.

- 33.1.2 Without prejudice to the Authority's rights under Clause 33.1.1, where the Authority terminates this Contract under Clause 29.2.1(a) the Supplier shall reimburse the Authority for any Milestone or other payments that the Authority has made to the Supplier prior to the date of such termination. Without prejudice to its other obligations under Schedule 8 (Exit Management), the Supplier shall also be liable at its own cost to provide all reasonable assistance to the Authority in migrating the Authority Data to any Replacement Supplier's system.
- 33.2 Consequences of termination under Clauses 29.7 (Termination without Cause) and 30.1 (Termination on Authority Cause for Failure to Pay)
- 33.2.1 Where:
- (a) the Authority terminates (in whole or in part) this Contract under Clause 29.7 (Termination without Cause); or
 - (b) the Supplier terminates this Contract pursuant to Clause 30.1 (Termination on Authority Cause for Failure to Pay),
- the Authority shall indemnify the Supplier against any reasonable and proven Losses which would otherwise represent an unavoidable loss by the Supplier by reason of the termination of this Contract, provided that the Supplier takes all reasonable steps to mitigate such Losses. The Supplier shall submit a fully itemised and costed list of such Losses, with supporting evidence including such further evidence as the Authority may require, reasonably and actually incurred by the Supplier as a result of termination under Clause 29.7 (Termination without Cause).
- 33.2.2 The Authority shall not be liable under Clause 33.2.1 to pay any sum which:
- (a) was claimable under insurance held by the Supplier, and the Supplier has failed to make a claim on its insurance, or has failed to make a claim in accordance with the procedural requirements of the insurance policy; or
 - (b) when added to any sums paid or due to the Supplier under this Contract, exceeds the total sum that would have been payable to the Supplier if this Contract had not been terminated.
- 33.3 Consequences of termination under Clause 31.1 (Termination for Continuing Force Majeure Event)
- 33.3.1 The costs of termination incurred by the Parties shall lie where they fall if either Party terminates or partially terminates this Contract for a continuing Force Majeure Event pursuant to Clause 31.1 (Termination for Continuing Force Majeure Event).
- 33.4 Consequences of Termination for Any Reason
- 33.4.1 Save as otherwise expressly provided in this Contract:
- (a) termination or expiry of this Contract shall be without prejudice to any rights, remedies or obligations accrued under this Contract prior to termination or expiration and nothing in this Contract shall prejudice the

right of either Party to recover any amount outstanding at the time of such termination or expiry; and

- (b) termination of this Contract shall not affect the continuing rights, remedies or obligations of the Authority or the Supplier under Clauses 14 (Records, Audit Access & Open Book Data), 21 (Intellectual Property Rights), 22.3 (Confidentiality), 22.5 (Freedom of Information) 22.6 (Protection of Personal Data), 24 (Liability), 33 (Consequences of Expiry or Termination), 39 (Severance), 41 (Entire Agreement), 42 (Third Party Rights) 44 (Dispute Resolution) and 45 (Governing Law and Jurisdiction), and the provisions of Schedule 22 (Definitions), Schedule 2 (Charges and Invoicing), Schedule 8 (Exit Management), Schedule 6 (Dispute Resolution Procedure) and, without limitation to the foregoing, any other provision of this Contract which expressly or by implication is to be performed or observed notwithstanding termination or expiry shall survive the Expiry Date.
- (c) The Parties shall comply with the provisions of Schedule 8 (Exit Management) and any current Exit Plan in relation to the orderly transition of the Services to the Authority or a Replacement Supplier.

L. MISCELLANEOUS AND GOVERNING LAW

34. COMPLIANCE

34.1 Health and Safety

34.1.1 The Supplier shall perform its obligations under this Contract (including those in relation to the Services) in accordance with:

- (a) all applicable Law regarding health and safety; and
- (b) the Authority's health and safety policy (as provided to the Supplier from time to time) whilst at the Authority Premises.

34.1.2 Each Party shall promptly notify the other of as soon as possible of any health and safety incidents or material health and safety hazards at the Authority Premises of which it becomes aware and which relate to or arise in connection with the performance of this Contract.

34.1.3 While on the Authority Premises, the Supplier shall comply with any health and safety measures implemented by the Authority in respect of Supplier Personnel and other persons working there and any instructions from the Authority on any necessary associated safety measures.

34.2 Equality and Diversity

34.2.1 The Supplier shall:

- (a) perform its obligations under this Contract (including those in relation to provision of the Services) in accordance with:
 - (i) all applicable equality Law (whether in relation to race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise); and
 - (ii) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law;
- (b) take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or

tribunal, or the Equality and Human Rights Commission or (any successor organisation).

34.3 Official Secrets Act and Finance Act

34.3.1 The Supplier shall comply with the provisions of:

- (a) the Official Secrets Acts 1911 to 1989; and
- (b) section 182 of the Finance Act 1989.

34.4 Environmental Requirements

34.4.1 The Supplier shall, when working on the Sites, perform its obligations under this Contract in accordance with the Environmental Policy of the Authority.

34.4.2 The Authority shall provide a copy of its written Environmental Policy (if any) to the Supplier upon the Supplier's written request.

35. ASSIGNMENT AND NOVATION

35.1 The Supplier shall not assign, novate, Sub-Contract or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Contract or any part of it without Approval.

35.2 The Authority may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under this Contract or any part thereof to:

35.2.1 The Supplier, through the change process; or

35.2.2 Any other Contracting Body; or

35.2.3 Any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Authority; or

35.2.4 Any private sector body which substantially performs the functions of the Authority,

and the Supplier shall, at the Authority's request, enter into a novation agreement in such form as the Authority shall reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 35.2.

35.3 A change in the legal status of the Authority shall not, subject to Clause 35.4 affect the validity of this Contract and this Contract shall be binding on any successor body to the Authority.

35.4 If the Authority assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Contract to a private sector body in accordance with Clause 35.2.4 (the "**Transferee**" in the rest of this Clause) the right of termination of the Authority in Clause 29.4 (Termination on Insolvency) shall be available to the Supplier in the event of insolvency of the Transferee (as if the references to Supplier in Clause 29.4 (Termination on Insolvency) and to Supplier or Guarantor in the definition of Insolvency Event were references to the Transferee).

36. WAIVER AND CUMULATIVE REMEDIES

- 36.1 The rights and remedies under this Contract may be waived only by notice in accordance with Clause 43 (Notices) 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 Contract or by Law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that right or remedy.
- 36.2 Unless otherwise provided in this Contract, rights and remedies under this Contract are cumulative and do not exclude any rights or remedies provided by Law, in equity or otherwise.

37. RELATIONSHIP OF THE PARTIES

- 37.1 Except as expressly provided otherwise in this Contract, nothing in this Contract, nor any actions taken by the Parties pursuant to this Contract, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

38. PREVENTION OF FRAUD AND BRIBERY

- 38.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, have at any time prior to the Commencement Date:
- 38.1.1 Committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or
 - 38.1.2 Been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.
- 38.2 The Supplier shall not during the Term:
- 38.2.1 Commit a Prohibited Act; and/or
 - 38.2.2 Do or suffer anything to be done which would cause the Authority or any of the Authority's employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.
- 38.3 The Supplier shall during the Term:
- 38.3.1 Establish, maintain and enforce, and require that its Sub-Contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;
 - 38.3.2 Keep appropriate records of its compliance with its obligations under Clause 38.3.1 and make such records available to the Authority on request;
 - 38.3.3 If so required by the Authority, within twenty (20) Working Days of the Commencement Date, and annually thereafter, certify to the Authority in writing of the Supplier and all persons associated with it or its Sub-Contractors or other persons who are supplying the Services in connection with this Contract are compliant with the Relevant Requirements. The Supplier shall provide such supporting evidence of compliance as the Authority may reasonably request; and

- 38.3.4 Have, maintain and where appropriate enforce an anti-bribery policy (which shall be disclosed to the Authority on request) to prevent it and any Supplier Personnel or any person acting on the Supplier's behalf from committing a Prohibited Act.
- 38.4 The Supplier shall immediately notify the Authority in writing if it becomes aware of any breach of Clause 38.1, or has reason to believe that it has or any of the Supplier Personnel have:
 - 38.4.1 Been subject to an investigation or prosecution which relates to an alleged Prohibited Act;
 - 38.4.2 Been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or
 - 38.4.3 Received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Contract or otherwise suspects that any person or Party directly or indirectly connected with this Contract has committed or attempted to commit a Prohibited Act.
- 38.5 If the Supplier makes a notification to the Authority pursuant to Clause 38.4, the Supplier shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to audit any books, records and/or any other relevant documentation in accordance with Clause 14 (Records, Audit Access and Open Book Data).
- 38.6 If the Supplier breaches Clause 38.3, the Authority may by notice:
 - 38.6.1 Require the Supplier to remove from performance of this Contract any Supplier Personnel whose acts or omissions have caused the Supplier's breach; or
 - 38.6.2 Immediately terminate this Contract for material Default.
- 38.7 Any notice served by the Authority under Clause 38.4 shall specify the nature of the Prohibited Act, the identity of the Party who the Authority believes has committed the Prohibited Act and the action that the Authority has elected to take (including, where relevant, the date on which this Contract shall terminate).

39. SEVERANCE

- 39.1 If any provision of this Contract (or part of any provision) is held to be void or otherwise unenforceable by any court of competent jurisdiction, such provision (or part) shall to the extent necessary to ensure that the remaining provisions of this Contract are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Contract shall not be affected.
- 39.2 In the event that any deemed deletion under Clause 39.1 is so fundamental as to prevent the accomplishment of the purpose of this Contract or materially alters the balance of risks and rewards in this Contract, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Contract so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Contract and, to the extent that is reasonably practicable, achieves the Parties' original commercial intention.
- 39.3 If the Parties are unable to resolve the Dispute arising under this Clause 39 within twenty (20) Working Days of the date of the notice given pursuant to Clause 39.2, this Contract shall automatically terminate with immediate effect.

The costs of termination incurred by the Parties shall lie where they fall if this Contract is terminated pursuant to this Clause 39.

40. FURTHER ASSURANCES

40.1 Each Party undertakes at the request of the other, and at the cost of the requesting Party to do all acts and execute all documents which may be necessary to give effect to the meaning of this Contract.

41. ENTIRE AGREEMENT

41.1 This Contract and the documents referred to in it constitute the entire agreement between the Parties in respect of the matter and supersedes and extinguishes all prior negotiations, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.

41.2 Neither Party has been given, nor entered into this Contract in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Contract.

41.3 Nothing in this Clause 41 shall exclude any liability in respect of misrepresentations made fraudulently.

42. THIRD PARTY RIGHTS

42.1 The provisions of paragraph 6.9 of Schedule 8 (Exit Management) confer benefits on persons named in such provisions other than the Parties (each such person a "**Third Party Beneficiary**") and are intended to be enforceable by any such Third Party Beneficiary by virtue of the CRTPA.

42.2 Each Related Organisation may, through the Authority acting as its agent and trustee, enforce any term of this Contract in its own name as a third party beneficiary in accordance with the CRTPA.

42.3 Subject to Clauses 42.1 and 42.2, a person who is not a Party to this Contract has no right under the CRTPA to enforce any term of this Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

42.4 No Third Party Beneficiary or Related Organisation may enforce, or take any step to enforce, any provision of this Contract without the prior written consent of the Authority, which may, if given, be given on and subject to such terms as the Authority may determine.

42.5 Any amendments or modifications to this Contract may be made, and any rights created under Clause 42.1 and 42.2 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary or Related Organisation.

43. NOTICES

43.1 Except as otherwise expressly provided within this Contract, any notices sent under this Contract must be in writing. For the purpose of this Clause 43, an e-mail is accepted as being "in writing".

43.2 Subject to Clause 43.3, the following table sets out the method by which notices may be served under this Contract and the respective deemed time and proof of service:

Manner of Delivery	Deemed time of delivery	Proof of Service
Email (Subject to Clauses 43.3 and 43.4)	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
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

43.3 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or Royal Mail Signed For™ 1st Class or other prepaid in the manner set out in the table in Clause 43.2:

43.3.1 Any Termination Notice (Clause 29 (Authority Termination Rights));

43.3.2 Any notice in respect of:

- (a) partial termination, suspension or partial suspension (Clause 32 (Partial Termination, Suspension and Partial Suspension)),
- (b) waiver (Clause 36 (Waiver and Cumulative Remedies))
- (c) Default or Authority Cause; and

43.3.3 Any Dispute Notice.

43.4 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 43.3 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed For™ 1st Class delivery (as set out in the table in Clause 43.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

43.5 This Clause 43 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under the Dispute Resolution Procedure).

43.6 For the purposes of this Clause 43, the address and email address of each Party shall be:

43.6.1 Authority – Department for Work and Pensions, Digital Commercial Team, Floor 2, Phase 2, Peel Park, Brunel Way, Blackpool, FY4 5ES

43.6.2 Supplier – FICO, 5th Floor, Cottons Centre, Hays Lane, London SE1 2QP

44. DISPUTE RESOLUTION

44.1 The Parties shall resolve Disputes arising out of or in connection with this Contract in accordance with the Dispute Resolution Procedure.

44.2 The Supplier shall continue to provide the Services in accordance with the terms of this Contract until a Dispute has been resolved.

45. GOVERNING LAW AND JURISDICTION

45.1 This Contract 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.

45.2 Subject to Clause 44 (Dispute Resolution) and Schedule 6 (Dispute Resolution Procedure) (including the Authority's right to refer the Dispute to arbitration), 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 Contract or its subject matter or formation.

46. PROVISION OF SERVICES TO RELATED ORGANISATIONS

46.1 The Authority shall be entitled to allow Related Organisations to receive the benefit of any of the Services, subject to the terms of this Contract.

46.2 The provision of any of the Services for the benefit of a Related Organisation shall be without prejudice to the terms and conditions of any existing agreement which may have been entered into by the Supplier and such Related Organisation.

46.3 Nothing in this Contract shall create or be deemed to create a contractual relationship between the Supplier and any Related Organisation. If there is a Default by the Supplier, its employees, agents or sub-contractors, any liability of the Supplier as a result of such Default shall be dealt with as between the Supplier and the Authority under the terms of this Contract, provided that if any Related Organisation suffers or incurs any losses and/or damages as a direct result of any such Default or is entitled to make a claim under Clause 46.5.1, such losses and/or damages shall be recoverable from the Supplier and such claim shall be made against the Supplier under this Contract by the Authority (and not by the Related Organisation) and shall be subject to Clause 24 (Liability) provided that:

46.3.1 Clause 24 shall apply as an overall limitation on liabilities under this Contract, whether relating to loss or damage suffered by the Related Organisations or the Authority; and

46.3.2 the Supplier shall not be liable under this Contract in respect of any loss or damage suffered by the Authority or a Related Organisation to the extent that the Authority or the other Related Organisation has already been compensated for the same loss under this Contract.

46.4 Where compliance with any obligation or responsibility of the Authority is necessary in order to enable the Supplier to supply the benefit of a Service to a Related Organisation, responsibility for compliance shall remain with the

Authority but compliance by the Related Organisation shall be deemed to be compliance by the Authority.

46.5 Other terms and conditions applicable to the provision of Services to any Related Organisation are as follows:

- 46.5.1 the Supplier shall indemnify the Related Organisation in accordance with clause 21.9 (IPR Indemnity) as if the Related Organisation was itself the Authority;
- 46.5.2 the maximum period for which the Related Organisation may enjoy the benefit of the Services shall be the duration of the Term;
- 46.5.3 to the extent that the Related Organisation receives the benefit of the Services, the terms "Authority Assets", "Authority Data", "Authority's Confidential Information", "Authority Software", "Authority System" and/or "Authority Premises" shall be deemed (where relevant) to extend to any assets, material, data, information, software, systems and/or premises belonging to, owned, licensed, controlled or occupied by of the Related Organisation; and
- 46.5.4 for the purposes of this Contract, the Services received by the Related Organisation shall be treated as though provided to the Authority and references to the Authority shall, in the context of the receipt of those Services, be deemed to include references to the Related Organisation, in particular at clauses 21.9 (IPR Indemnity) and 21.2 – 21.8 (Licences).

47. NON-EXCLUSIVITY

47.1 The Authority shall be entitled to instruct other suppliers to provide services the same as or similar to the Services.

Signed by the parties or their duly authorised representatives on the date set out below

EXECUTION

Signed by)
duly authorised for and on behalf of **The**)
Department for Work and Pension)

Date)

Signed by)
duly authorised for and on behalf of **Fair**)
Isaac Services Limited)

Date)

SCHEDULE 1: SERVICE REQUIREMENTS

1. INTRODUCTION TO AUTHORITY REQUIREMENTS

This Schedule 1 (Service Requirements) provides a description of the Services that shall be provided by Supplier to the Authority under this Contract.

Transfer

Requirement ID reference as described in the Tender	Category of the Requirement	Service Requirement Description
TRA.0010	Referral	The Supplier Solution must be able to accept new Referrals from all relevant sources e.g. benefit areas within DWP/DfC, insurance companies, other government departments
TRA.0020	Referral	The Supplier Solution must be able to accept new Referrals from all relevant interfaces (please refer to ITT interface information)
TRA.0030	Referral	The Supplier Solution must be able to capture Referral information for a new Customer Account e.g. Name, address, Date of Birth, National Insurance Number
TRA.0040	Referral	The Supplier Solution must be able to capture Referral information for a new Corporate Customer Account e.g. Company Name, type of company, company address
TRA.0050	Referral	The Supplier Solution must create an Account using the captured Referral information
TRA.0060	Referral	The Supplier Solution must be able to populate the Referral with data from external sources, based on Business Rules e.g. call to CIS for missing/additional info
TRA.0070	Referral	The Supplier Solution must only create a new Account if an Account does not exist
TRA.0080	Referral	The Supplier Solution must be able to accept personal data for Customer Account representatives e.g. Name and address of appointee, executors, next of kin
TRA.0090	Search	The Supplier Solution must be able to validate address information accurately e.g. QAS address validation
TRA.0100	Case Management	The Supplier's Solution must have an indicator where there is a legally appointed representative e.g. Appointee, Solicitor
TRA.0110	Referral	The Supplier Solution must allow a User to manually input Referral data to create an Account
TRA.0120	Case Management	The Supplier Solution must allow a User to manually amend existing data on an Account
TRA.0140	Referral	The Supplier Solution must have the ability to add new Debt(s) to the correct Account.

TRA.0150	Referral	The Supplier Solution must ensure it does not create a duplicate Debt
TRA.0160	Case Management	The Supplier Solution must support the recording of multiple Debts for an Account
TRA.0170	View	The Supplier Solution must ensure each individual Debt is shown separately
TRA.0175	View	The Supplier Solution must display the Customer aggregate Debt position
TRA.0180	Referral	The Supplier Solution must create a Unique Identifier for Account, where one does not exist
TRA.0190	Referral	The Supplier Solution must display the government reference number against a customer account where applicable e.g. NINo
TRA.0200	View	The Supplier Solution must display the Unique Identifier
TRA.0210	Referral	The Supplier Solution must associate each Debt to a pre-configured Debt Type for each Referral
TRA.0220	Referral	The Supplier Solution must create a Unique Debt Identifier for each debt
TRA.0230	Referral	The Supplier Solution must be able to identify and link a Joint Debt to both Customer Accounts
TRA.0240	View	The Supplier Solution must be able to display to a user that a debt is a Joint Debt
TRA.0250	Case Management	The Supplier Solution must be able to select the appropriate Recovery Strategy, based on Business Rules, using information available from DWP/DfC and External data sources
TRA.0260	Collections	The Supplier's Solution must be able to create and manage automated end to end recoveries based on Business Rules
TRA.0270	Collections	The Supplier Solution must determine when User intervention is required and allocate to appropriate User Permissions in based on Business Rules
TRA.0280	Collections	The Supplier Solution must support the manual creation of a recovery where the solution is not able to initiate automated recovery
TRA.0290	Collections	The Supplier Solution must be able to set up a recovery against the Customer Account
TRA.0300	Collections	The Supplier Solution must be able to set up a recovery against the individual Debt
TRA.0310	Case Management	The Supplier Solution must have the facility to process concurrent Recovery Strategies
TRA.0320	Collections	The Supplier Solution must be able to identify if a customer is employed.

TRA.0330	Case Management	The Supplier Solution must create any new account in the correct jurisdiction, subject to Business Rules e.g. NI or GB
TRA.0340	Case Management	The Supplier Solution must identify cases that move between jurisdiction, subject to Business Rules e.g. NI and GB

Recover

Requirement ID reference as described in the Tender	Category of the Requirements	Service Requirement Description
REC.0010	Case Management	The Supplier Solution must have a configurable case summary screen to view key case information
REC.0020	Case Management	The Supplier Solution must identify and display the country of residence for an Account. e.g. Northern Ireland, Scotland
REC.0040	Case Management	The Supplier Solution must have the ability to display any debt for either customer to a User when Joint Debt exists according to Business Rules
REC.0050	Case Management	The Supplier Solution must be able to link Joint Households based on Business Rules
REC.0060	Case Management	The Supplier Solution must only notify the debtor of debts held individually or jointly in their own name i.e. in joint household cases, individual debts of the partner must not be notified to the other debtor
REC.0070	Case Management	The Supplier Solution must allow a User to manually link Joint Households based on User permissions
REC.0080	Case Management	The Supplier's Solution must be able to split Joint Debt and allocate between the Customer Accounts based on Business Rules e.g. Split the debt 50:50
REC.0090	Case Management	The Supplier Solution must be able to de-link Joint Households based on Business Rules
REC.0100	Case Management	The Supplier Solution must allow a User to manually de-link Joint Households based on User Permissions
REC.0110	Case Management	The Supplier Solution must have the ability to set configurable pause periods, based on Business Rules e.g. to satisfy appeal rights
REC.0120	Workflow	The Supplier Solution must have the ability to automatically instigate the next workflow action when a pause period has ended, according to Business Rules
REC.0130	Case Management	The Supplier's Solution must be able to update an Account with new data received from internal and external sources

REC.0140	Workflow	The Supplier Solution must have the ability to determine and perform what next activity/action is required based on Business Rules on the back of new data being received
REC.0160	Case Management	The Supplier Solution must be able to monitor recovery and undertake alternative Recovery Strategies where new data is received. e.g. Where CIS notifies no longer On Benefit, solution should be able to automatically determine a new Recovery Plan and move to Off Benefit Recovery Strategy
REC.0170	Case Management	The Supplier Solution must be able to suspend recovery, based on Business Rules
REC.0180	Case Management	The Supplier Solution must be able to reinstate recovery, based on Business Rules
REC.0190	Case Management	The Supplier Solution must allow a User to manually suspend recovery, based on User Permissions and Business Rules
REC.0200	Case Management	The Supplier Solution must allow a User to manually reinstate recovery, based on User Permissions and Business Rules
REC.0210	Interface	The Supplier Solution must be able to send account information to other systems based on Business Rules e.g. CIS
REC.0230	View	The Supplier Solution must allow a User to view historical Account data. e.g. Name / Address / Contact Details / communication preferences
REC.0240	View	The Supplier Solution must allow a User to view historical Debt data. e.g. Historical payments
REC.0250	Case Management	The Supplier Solution must be able to process updates of Debt information and apply it to the correct Account e.g. Revision of Debt balance, change of Debt classification
REC.0255	Case Management	The Supplier Solution must allow a User to process updates of Debt information and apply them to the correct Account e.g. Revision of Debt balance, change of Debt classification
REC.0260	Case Management	The Supplier Solution must allow Users to override the agreed recovery rate for all debts, subject to Business Rules and User Permissions
REC.0270	Workflow	The Supplier Solution must have the ability to set review dates based on Business Rules
REC.0280	Workflow	The Supplier Solution must allow a User to set review dates based on User Permissions
REC.0290	Case Management	The Supplier Solution must support data entry from pre-configured drop down lists for standard entry selection

REC.0300	Case Management	The Supplier Solution must support "date entry" from date selection lists
REC.0310	Case Management	The Supplier Solution must support free text data entry
REC.0320	Case Management	The Supplier Solution must be able to record internal notes against an Account and prescribed note type
REC.0330	Case Management	The Supplier Solution must be able to record internal notes against a Debt and prescribed note type
REC.0340	Search	The Supplier Solution must allow a User to filter internal notes e.g. Date, note type
REC.0350	Search	The Supplier Solution must allow a User to search for an Account on pre-configured data items e.g. Unique Identifier, name, NINo, DoB, Post Code, Unique Debt Identifier, Appointee
REC.0360	SMI	The Supplier Solution must have the ability to automatically transfer liability of 100% of remaining joint and several liable debt /loan based on Business Rules.
REC.0370	RfE	The Supplier Solution must have the ability to transfer 100% of debt liability to an executor(s) of an estate based on Business Rules
REC.0380	Comms	The Supplier's Solution must be able to apply specific branding to communications based on Business Rules e.g. DfC, SMI, Child Maintenance
REC.0390	Data Analytics	The Supplier Solution must be able to utilise internal and external data to build and maintain a configurable customer Scorecard
REC.0400	Data Analytics	The Supplier Solution must be able to use the customer scorecard to profile and segment customers/debt stock. e.g. Help to make smarter collection decisions using a variety of data driven insights <ul style="list-style-type: none"> • predict defaults; • propensity to pay; • prioritise activity with scorecards and rich segmentation
REC.0405	Data Analytics	The Supplier Solution must be able to use the customer scorecard to automate new operational activity.
REC.0410	Workflow	The Supplier Solution must be able to support end-to-end case management tracking
REC.0420	Workflow	The Supplier Solution must automatically direct Work Items to the correct location based on Business Rules
REC.0430	Workflow	The Supplier Solution must enable a user to manually direct work Items to the correct location based on User Permissions
REC.0440	Workflow	The Supplier Solution must be able to distribute Work Items across teams with the same skill set

REC.0450	Workflow	The Supplier Solution must allow the manual allocation of Work Items based on User Permissions
REC.0460	Workflow	The Supplier Solution must be able to present Work Items to a user in priority order based on Business Rules and User Permissions
REC.0470	View	The Supplier Solution must enable a User to view all Work Items that have been allocated to them based on User Permissions
REC.0480	Case Management	The Supplier Solution must be able to mark a Work Item as complete when the required action has been taken
REC.0490	Workflow	The Supplier Solution must be able to escalate Work Items when they have not been actioned within specified timescales according to Business Rules
REC.0495	Workflow	The Supplier Solution must support the real time ability to bulk update existing Work Items in order to re-define priority and allocation
REC.0500	View	The Supplier Solution must display to the User previous, current and scheduled activities on each case
REC.0510	Workflow	The Supplier Solution must allow the configuration of specific work queue / business hierarchy
REC.0520	Workflow	The Supplier Solution must allow Users to be allocated to more than one work queue
REC.0530	Workflow	The Supplier Solution must be able to allocate work to Users based on working patterns. e.g. Must account for holidays and part time working patterns
REC.0540	Comms	The Supplier Solution must be able to receive inbound communications and generate scheduled activities, e.g. create Work Items on the back of receiving a customer email, based on Business Rules.
REC.0550	Comms	The Supplier Solution must be able to support the identification and verification of a caller prior to transferring to an Authority telephony agent.
REC.0560	View	The Supplier Solution must display specific Account to a User at the point where an inbound call is received.
REC.0570	View	The Supplier Solution must display the specific Account to a User at the point where an outbound call is made.
REC.0580	Comms	The Supplier Solution must be able to determine the appropriate Correspondent based on Business Rules for all outbound communications. e.g. Deal with Appointee or next of kin rather than customer or a single member of a joint household
REC.0610	Comms	The Supplier Solution must be able to record the appropriate communication channel based on customer preference and Business Rules. e.g. SMS , letter, email, self-service portal

REC.0630	Comms	The Supplier Solution must be able to create and issue communications via the appropriate communication channel based on Business Rules
REC.0635	Comms	The Supplier Solution must allow a user to create and issue communications via the appropriate communication channel based on Business Rules and User Permissions
REC.0650	Comms	The Supplier Solution must be able to record alternative language preference for external communications. e.g. Welsh
REC.0660	Comms	The Supplier Solution must be able to record customer specific accessibility needs for communications. e.g. Braille, large print
REC.0670	Comms	The Supplier Solution must be able to indicate when alternative communication preferences for communications are required e.g. alternative languages or accessibility needs
REC.0680	Comms	The Supplier Solution must allow a User to resend a communication based on User Permissions
REC.0690	Comms	The Supplier Solution must allow a User to delete communication(s) based on User Permissions e.g. Where communication has been created in error
REC.0700	View	The Supplier Solution must allow a User to view historical communication(s), within a configurable time period.
REC.0710	Comms	The Supplier Solution must be able to issue communication at the appropriate time based on Business Rules.
REC.0720	Comms	The Supplier Solution must be able to automatically suppress communications based on Business Rules
REC.0730	Comms	The Supplier Solution must allow Users to manually suppress communications based on Business Rules and User Permissions
REC.0740	Comms	The Supplier Solution must be able to automatically remove suppression of communications based on Business Rules
REC.0750	Comms	The Supplier Solution must allow Users to manually remove suppression of communications based on Business Rules and User Permissions
REC.0770	Comms	The Supplier Solution must be able to issue communications to all parties noted on the Account based on Business Rules. e.g. Joint Debt cases
REC.0780	Comms	The Supplier Solution must be able to link inbound and/or outbound correspondence with the correct Account.
REC.0790	Comms	The Supplier Solution must be able to delete stored documents in line with data retention business rules

REC.0810	Archive	The Supplier Solution must be able to retain financial records of a debt on an Account at the point the account reaches a zero balance based on a DWP configurable timeframe in line with data retention rules e.g. currently 6 years
REC.0820	Archive	The Supplier Solution must be able to archive Account information at the point the account reaches a zero balance based on a DWP configurable timeframe in line with data retention rules e.g. currently 14 months
REC.0830	Archive	The Supplier Solution must provide the ability for a User to search for an archived Account
REC.0840	Case Management	The Supplier Solution must support activity quality checking and task authorisation based on Business Rules
REC.0870	Collections	The Supplier Solution must be able to determine where a DEA is no longer applicable and notify employer to cease deductions from earnings.
REC.0880	Collections	The Supplier Solution must be able to transfer the management of a Debt to a DCA based on Business Rules.
REC.0890	Case Management	The Supplier Solution must be able to display who is currently managing the Debt. e.g. DCA
REC.0900	Collections	The Supplier Solution must be able to recall a Debt from a DCA based on Business Rules
REC.0920	Case Management	The Supplier Solution must be able to display a history of the Recovery Strategies employed to recover a given Debt
REC.0930	Collections	The Supplier Solution must be able to initiate the Civil Litigation process when required based on Business Rules
REC.0940	Case Management	The Supplier Solution must identify and display on a Customer Account where the customer is deceased
REC.1000	Comms	The Supplier Solution must provide Users with scripts, relevant to information which must be read to the customer e.g. providing legal wording for direct debits.

Repay

Requirement ID	Category	Requirement Description
PAY.0010	Payment	The Supplier Solution must be PCI DSS compliant
PAY.0020	Payment	The Supplier Solution must be able to process and account for inbound/outbound payments

PAY.0030	Payment	The Supplier Solution must support the following payment types : <ul style="list-style-type: none"> • Partial payment • Instalments – (Periodicity) • Payment in full • Schedule** ** DEA Bulk Payments
PAY.0040	Payment	The Supplier Solution must have the facility to receive payments via the following methods: <ul style="list-style-type: none"> • Direct from Bank Account • Credit Card • Debit Card • PayPal • Direct Debt • Deduction from DWP/DfC benefit system Central Payment System (CPS) Cheques • LockBox (Giro)
PAY.0050	Payment	The Supplier Solution must have the facility to send payments out via the following payment method: <ul style="list-style-type: none"> • BACS (via CPS)
PAY.0060	Payment	The Supplier Solution must have the ability to use data from other sources to inform payment affordability based on customer profile and Business Rules
PAY.0070	Payment	The Supplier Solution must have the ability to manually set payment affordability based on Business Rules and User Permissions e.g. Minimum payment allowed, maximum payment allowed
PAY.0080	Payment	The Supplier Solution must allow for agreed 'Payment Holidays'
PAY.0090	Payment	The Supplier Solution must be able to create On Benefit Recovery Plans
PAY.0100	Payment	The Supplier Solution must be able to create Off Benefit Recovery Plans
PAY.0110	Payment	The Supplier Solution must monitor, and adjust where necessary, all Recovery Plans e.g. provide corrective action or alerts if a payment is missed or new customer financial data becomes available
PAY.0120	Payment	The Supplier Solution must display a forward view of Recovery Payment(s)
PAY.0130	Payment	The Supplier Solution must be able to collect payments in accordance with Recovery Plan agreements e.g. Frequency / Payment Type / Amount

PAY.0140	Payment	The Supplier Solution must have the ability to process payments from a Non-Liable Source, e.g. Voluntary deduction from a partner's benefit, Card payment from Family member
PAY.0150	Payment	The Supplier Solution must have the flexibility to allow payment allocation rules to be created and maintained based on Business Rules e.g. <ul style="list-style-type: none"> • Order in which multiple Debt payments are allocated • Priority for which part of the Debt i.e the Debt Component the money is allocated too • When one Debt is cleared then payments must cascade to the next Debt(s) in priority order
PAY.0170	Payment	The Supplier Solution must allocate payments received, in the correct priority order, to the correct Account and Debt based on Business Rules
PAY.0175	Payment	The Supplier Solution must allocate payments received to the correct Debt Component in priority order within the debt based on Business Rules
PAY.0180	Payment	The Supplier Solution must display information about payments (Received and issued). e.g. Payment Source / Date + Time received
PAY.0190	Payment	Where there is a joint Debt, the solution must have the ability to process and record payments from either or both parties
PAY.0200	Payment	Where there is a Joint Household the solution must have the ability to process and record payments from either or both of the members of the household
PAY.0220	Payment	The Supplier Solution must allow manual adjustment to payment allocations based on User Permissions
PAY.0230	Payment	The Supplier Solution must be able to apportion household recovery to Joint Debts based on Business Rules (e.g. 50:50, 60:40 splits)
PAY.0240	Payment	The Supplier Solution must have the facility to detect when recovery of a Debt is complete to enable next steps based on Business Rules
PAY.0260	Payment	The Supplier Solution must be able to receive and allocate inbound bulk recovery payments e.g. Allocate funds from DEA or debt recovery agency files
PAY.0270	Payment	The Supplier Solution must process outbound bulk remittance files e.g. NHS Bulk Outbound Payment Breakdown Schedule
PAY.0280	Credit Balance	The Supplier Solution must be able to identify where a Corporate Account / Customer Account has a credit balance

PAY.0290	Credit Balance	The Supplier Solution must be able to allocate the credit balance to remaining Debt(s) on the Customer Account as per priority order based on Business Rules. (NB: Priority order may vary between DWP and DfC)
PAY.0300	Credit Balance	The Supplier Solution must allocate the credit balance to remaining Debt(s) on a linked Customer Account (Joint Household) as per priority order based on Business Rules. (NB: Priority order may vary between DWP and DfC)
PAY.0310	Credit Balance	The Supplier Solution must be able to refund any credit balance to the customer based on Business Rules

Account

Requirement ID	Category	Requirement Description
ACC.0010	Accounting	The Supplier Solution must hold financial transactions at an individual Debt level and maintain a financial transaction history
ACC.0020	Accounting	The Supplier Solution must be able to record an identifiable transaction for each Financial Event in the lifecycle of a Debt e.g. New debt / recovery / write-off
ACC.0030	Accounting	The Supplier Solution must be able to report on all Financial Events for the lifecycle of a Debt, based on DWP configurable reporting periods
ACC.0040	Accounting	The Supplier Solution must be able to produce configurable reports (Journals), to facilitate postings into the Authority's general ledgers to support financial accounting.
ACC.0050	Accounting	The Supplier Solution must be able to transfer journal(s) to Authority's accounting system
ACC.0060	Accounting	The Supplier Solution must be able to record and transfer Financial Events against each of the customer's Debts where a customer moves between competent authorities e.g. DWP to DfC
ACC.0070	Accounting	The Supplier Solution must be able to send payment instruction to the Authority's payment system e.g. When refund to customer has been identified
ACC.0080	Accounting	The Supplier Solution must be able to process failed payment collections e.g. Failed Direct Debits
ACC.0090	Accounting	The Supplier Solution must be able to retain any unmatched payment(s) received to allow subsequent tracing action to be performed e.g. Suspense Account
ACC.0100	Accounting	The Supplier Solution must be able to create workflow tasks for items in Suspense, so they can be worked by defined teams.
ACC.0110	Accounting	The Supplier Solution must be able to allocate monies from a suspense account to the correct Debt based on Business Rules

ACC.0120	Accounting	The Supplier solution must be able to allow manual allocation of payments received from suspense to the correct Debt
ACC.0130	Close	The Supplier Solution must allow Users to close items in suspense which cannot be mapped to an Account
ACC.0140	Accounting	The Supplier Solution must be able to capture a reason why items in suspense were closed
ACC.0150	Accounting	The Supplier Solution must allow a User to be able to search for payments in the suspense account using multiple parameters. e.g. Date, Payment Amount, Bank Account Ref
ACC.0160	Accounting	The Supplier Solution must allow a User to be able to search for payments in the suspense account using ranges (tolerances). e.g. Date Ranges between X & Y, Payment Amount between 0.05 & 0.10, Partial Bank Account Refs
ACC.0170	write off	The Supplier Solution must have the facility to be able to automatically write off Debt(s) based on Business Rules
ACC.0180	write off	The Supplier Solution must have the facility to allow a User to manually write off Debt(s) based on Business Rules and access controls
ACC.0190	Accounting	The Supplier Solution must NOT allow records to be Deleted. They can only be amended/reversed.
ACC.0200	Accounting	The Supplier Solution must support User Permission access within the financial element of the solution. e.g. Only Users with approved access can post or amend financial related transactions / events
ACC.0210	Accounting	The Supplier Solution must allow manual creation of financial transactions, based on User Permissions
ACC.0220	Accounting	The Supplier Solution must record an audit for all manual Financial Event transactions that take place detail e.g. User ID/Date Time/Reason
ACC.0230	Accounting	It is required that every transaction held within the solution be identifiable to the posting period in the GL
ACC.0240	Accounting	The Supplier Solution must return Accounts to owning business area where the Authority are acting as a Recovery Agent, based on Business Rules
ACC.0250	SMI	The Supplier Solution must be CCA compliant
ACC.0260	SMI	The Supplier Solution must calculate daily interest using the rates applicable for the period.
ACC.0270	SMI	The Supplier Solution must apply interest daily / monthly /yearly, based on Business Rules
ACC.0280	SMI	The Supplier Solution must account for Loans and Interest charges separately

ACC.0290	SMI	The Supplier Solution must be able to provide a settlement figure with a defined period e.g. Customer calls for future dated settlement
ACC.0300	SMI	The Supplier Solution must be able to suspend the calculation of interest charges based on Business Rules
ACC.0310	SMI	The Supplier Solution must be able to un-suspend calculation of interest charges based on Business Rules
ACC.0320	SMI	The Supplier Solution must be able to retrospectively calculate historical interest charges
ACC.0330	SMI	The Supplier Solution must allow for a User to manually change the Account interest rate subject to access controls
ACC.0340	SMI	The Supplier Solution must allow for Debt Account interest charges to be amended and written off based on User Permissions
ACC.0350	SMI	The Supplier Solution must be able to accept interest rate changes e.g. BoE change interest rates, we need to date drive our changes
ACC.0360	SMI	The Supplier Solution must support the configuration of multiple interest rates. e.g. different products have different rates
ACC.0370	SMI	The Supplier Solution must be able to issue bulk notifications to customers based on interest rate changes
ACC.0380	SMI	The Supplier Solution must be able to generate Annual statements to customer in accordance with CCA Regulations

Report

Requirement ID reference as described in the Tender	Category of Requirement	Requirement Description
POR.0020	Reporting	All summary level financial reports must have traceability back to transaction level data
POR.0030	Reporting	The Supplier Solution must be able to report for the different competent authorities/set of books e.g. NI, CRU
POR.0040	Reporting	The Supplier Solution must be able to report on recoveries made for other organisations e.g. Local Authority, Social Fund and Credit Unions
POR.0050	Reporting	The Supplier Solution must allow configurable MI Dashboards to be created and maintained e.g. Central area where all approved reports are published
POR.0060	Reporting	The Supplier Solution must allow User Permission access so as to control who can see what reports / data
POR.0070	Reporting	The Supplier Solution must support 'Real Time' business information

POR.0080	Reporting	The Supplier Solution must allow Users to drill down into summarised data e.g. Look at segmented data that's been grouped together to create a summarised view
POR.0090	Reporting	The Supplier Solution must enable Users access to Service Levels according to their job roles based on User Permissions
POR.0100	Reporting	The Supplier Solution must allow a user to view the current status of their individual performance against their key Service Levels
POR.0110	Reporting	The Supplier Solution must allow a manager to view the current status of their team's performance broken down into individual Users service levels
POR.0120	Reporting	The Supplier Solution must be able to support the configurable creation of standard reports
POR.0130	Reporting	The Supplier Solution must be able to support the configurable creation of ad-hoc reports
POR.0140	Reporting	The Supplier Solution must be able to generate reports against a configurable schedule of frequency e.g. Scheduled daily/Weekly/Monthly reports
POR.0150	Reporting	The Supplier Solution must be able to ingest data from all (New + Legacy) Debt systems for reporting in real time
POR.0160	Reporting	The Supplier Solution must be able to ingest data from other, internal (DWP) and Government sources in real time
POR.0170	Reporting	The Supplier Solution must be able to ingest data from external sources in real time. E.g. credit reference data
POR.0190	Reporting	The Supplier Solution must be able to perform trend analysis
POR.0200	Reporting	The Supplier Solution must be able to time stamp data
POR.0210	Reporting	The Supplier Solution must be able to report on business activities to support the ongoing evaluation of process efficiencies. e.g. Durations tasks take to complete broken down by team, user and customer segment
POR.0220	Reporting	The Supplier Solution must be able to report against debt stock
POR.0230	Reporting	The Supplier Solution must be able to report against types of debt recovery
POR.0240	Reporting	The Supplier Solution must be able to report against breakdowns of recovery
POR.0250	Reporting	The Supplier Solution must be able to report against overall recoveries
POR.0260	Reporting	The Supplier Solution must be able to report against monetary value of recoveries
POR.0270	Reporting	The Supplier Solution must be able to report against the recovery status of Accounts

POR.0280	Reporting	The Supplier Solution must be able to use data to intelligently influence workflow decisions
POR.0290	Reporting	The Supplier Solution must have the facility to provide insight on customer journeys across all stages of the debt lifecycle for ongoing evaluation
POR.0300	Reporting	The Supplier Solution must have the facility to group reports by country
POR.0310	Reporting	The Supplier Solution must have the facility to group the reports by business area
POR.0320	Reporting	The Supplier Solution must have the functionality to alert Users when reports are available.

Migration

Requirement ID reference as described in the Tender	Category of Requirement	Requirement Description
MIG.0010	Migration	The Supplier Solution must migrate all relevant data from the existing (previous) Authority Systems e.g. <ul style="list-style-type: none"> • Debt manager system • CRU IT system • Clerical Databases
MIG.0020	Migration	The Supplier Solution must allow the business flexibility on how migration is approached
MIG.0030	Migration	The Supplier Solution must be able to index archive data by reference number
MIG.0040	Migration	The Supplier Solution must be able to migrate data within timescales specified by the business
MIG.0050	Migration	The Supplier Solution must allow the User to view migrated data within timescales specified by the business
MIG.0060	Migration	The Supplier Solution must be able to undertake migration outside Authority's normal working hours
MIG.0070	Migration	The Supplier Solution must be able to bulk migrate data e.g. 'big bang' / phased
MIG.0080	Migration	The Supplier Solution must be able to indicate that the account and associated debts were migrated and show previous Unique Debt Identifiers
MIG.0100	Migration	The Supplier Solution must recognise the debt has been migrated and no longer continue to manage that debt on the previous system to avoid duplication
MIG.0110	Migration	The Supplier Solution must allow for the ongoing management of the migrated Debt

MIG.0120	Migration	The Supplier Solution must allow for specific migration data to be held against migrated cases e.g. Fields that are required now for legacy reasons but won't be required for new Debt processing
MIG.0140	Migration	The Supplier Solution must be able to manage and resolve failures during the Debt migration
MIG.0150	Migration	The Supplier Solution must be able to report on each stage of the migration and highlight any failures that require corrective action
MIG.0160	Migration	The Supplier Solution must be able to suppress trigger actions for migrated accounts e.g. Duplicate letters, Payment collections , Direct Debits, Duplicate Financial GL Updates when migrating/re-opening accounts
MIG.0180	Migration	The Supplier Solution must allow manual input of migration reference data e.g. NINo, migration indicator

Self Service

Requirement ID reference as described in the Tender	Category requirement	Service Requirement Description
SER.0010	Self Service	The Supplier Solution must be able to integrate with a self service portal via API's
SER.0020	Self Service	The Supplier Solution must allow a customer to view the total value of all monies owed via their personal account
SER.0030	Self Service	The Supplier Solution must allow a customer to view the breakdown of the monies owed via their personal account
SER.0040	Self Service	The Supplier Solution must allow a customer to view the reasons for any monies owed via their personal account
SER.0050	Self Service	The Supplier Solution must allow a customer to view any current recovery in progress via their personal account
SER.0060	Self Service	The Supplier Solution must allow a customer to view a historical record of monies owed via their personal account
SER.0070	Self Service	The Supplier Solution must allow a customer to view all payment transactions (in or out) via their personal account
SER.0080	Self Service	The Supplier Solution must allow a customer to receive notifications via their personal account
SER.0090	Self Service	The Supplier Solution must allow a customer to share documentation with the Authority via their personal account
SER.0095	Self Service	The Supplier Solution must allow a customer to submit online enquiries for processing and resolution
SER.0100	Self Service	The Supplier Solution must allow a customer to make one-off full/partial repayments of monies owed via their personal account
SER.0110	Self Service	The Supplier Solution must allow a customer to set up affordable repayment plans via their personal account

SER.0120	Self Service	The Supplier Solution must allow a Corporate Customer to view information about each case sent to them for recovery
SER.0130	Self Service	The Supplier Solution must allow a Corporate Customer to view information about all repayments of recovered monies made to the Authority
SER.0140	Self Service	The Supplier Solution must allow a Corporate Customer to communicate with the Authority electronically
SER.0150	Self Service	The Supplier Solution must allow a Corporate Customer to submit bulk payment updates to the Authority electronically
SER.0155	Self Service	The Supplier Solution must allow a Corporate Customer to submit online enquiries for processing and resolution
SER.0160	Self Service	The Supplier Solution must allow a customer to carry out the same actions as an internal user can do via an API

Table of NFRs Part A – Compliance Requirements

NFR Reference	Requirement Description
3.2 a)	<p>Administrative Configuration The Supplier Solution must support administrative configuration out-of-the-box to meet all the functional requirements specified within the ITT.</p>
3.2 b)	<p>Components The Authority’s technical operators must be able to update and configure components of the solution without impact on other unrelated solution components. Full documentation of all components of the Supplier Solution must be provided.</p>
3.2 c)	<p>Solution Hosting The Supplier Solution components must be deployable onto one of the Authority’s preferred operating system(s), which are the currently supported versions of Red Hat Enterprise Linux and Windows Server. Hosting environments will be delivered and supported by the Authority.</p>
3.2 d)	<p>Documentation A set of documentation must be provided, that is sufficiently detailed for the Authority to understand the data from a business perspective, what it means, and how to consume that data so it makes sense for subsequent reporting. This should, for instance, include database designs, (e.g. schemas logical and physical data models), installation, technical and user manuals.</p>
3.2 e)	<p>APIs Detailed API documentation, demonstrating how any APIs should be used/how they work must be provided.</p>

NFR Reference	Requirement Description
3.2 f)	<p>Security</p> <p>As the Authority adopts a 'Public Cloud First' strategy to service hosting the solution must comply with the Cloud Security Principles published by the National Cyber Security Centre. The 14 Cloud Security Principles can be read at: https://www.ncsc.gov.uk/guidance/implementing-cloud-security-principles</p>
3.2 g)	<p>Data protection and information security for Authority suppliers</p> <p>The Supplier must comply, and be able to demonstrate compliance, with the relevant policies and standards. These are listed within the link below. https://www.gov.uk/government/publications/data-protection-and-security-of-information-supplying-to-dwp</p>
3.2 h)	<p>Data Integrity</p> <p>The Supplier Solution must maintain end-to-end integrity of all data at all times. All processing whether through batch processes, real-time using API or performed by user/administrative interface must adhere to the characteristics of atomicity, consistency, isolation and durability.</p>
3.2 i)	<p>Integrity Checks</p> <p>Integrity checks must be applied at all stages of processing, where data is provided to or from other systems and integrated through the Solution components. Where integrity checks fail, mechanisms must be provided to suspend processing of dataset, record the failure, and allow administrative intervention. In all cases transactional consistency must be maintained.</p>
3.2 j)	<p>Audit Events</p> <p>The Supplier Solution components must generate time-stamped audit events for every action that is taken, whether through administrative or user interfaces. Events created through any inbound interface also need to be audited. Audit events must be output/stored in a standard format with a standard set of attributes. This standard format is Common Audit Record Format, so that events can be ingested into DWP's Audit Trail Analysis System (ATAS2)</p> <p>Note: Audit events include both successful and failed attempts to perform an action or access data. Audit logs will be exported to a central secure monitoring solution.</p>
3.2 k)	<p>Identification of Audit Events</p> <p>All audit events must include an attribute to allow identification of the user/service performing each action.</p>
3.2 l)	<p>Audit Event MI</p> <p>Data transactions must record sufficient tracking information against them such that all data, individually and in summary, can be accounted for throughout its journey through the solution.</p>

NFR Reference	Requirement Description
	This must include a timestamp when, for example, process(es) started and finished or when an update was written. In the event of error, reasons for failure must be available in sufficient detail to aid their resolution.
3.2 m)	<p>Scalability</p> <p>The Supplier Solution must have a documented scaling process that can be implemented on a cloud-hosted platform.</p> <p>Documentation must state how to scale (including support for automatic scaling) across different parts of the solution (database, application servers, web servers, etc.).</p> <p>Factors affecting the Supplier Solution’s response time sensitivity must be clearly identified.</p>
3.2 n)	<p>Capacity</p> <p>The Supplier Solution must be capable of supporting the documented number of concurrent agent user accesses, and processing the forecast business volumes while still meeting the functional, non-functional and operational requirements.</p> <p>Note: Any constraints for meeting the requirements should be identified.</p>
3.2 o)	<p>Real Time/Batch Processing</p> <p>The Supplier Solution must provide capability for the Authority’s technical support teams to schedule any necessary batch, or initiate real-time processing without affecting the functionality or availability of the live services.</p> <p>Note: Any real-time or daily batch processing could run concurrently with the service.</p> <p>There must also be an option for additional batch runs to be scheduled if required, without hindering the performance of the system.</p>
3.2 p)	<p>Non-Production</p> <p>The Supplier Solution must include provision for testing system changes through deployment of distinct non-production environment(s).</p> <p>The non-production environments that we deploy must support regular functional, regression, performance & accessibility testing using automated testing tools to inform quality management processes prior to releasing configuration changes into production.</p> <p>Please include details of any licensing requirements which would apply to non-production use.</p> <p>Note: non-production refers to all environments outside production.</p>
3.2 q)	<p>Continuous Integration</p> <p>The Supplier Solution must support a method of continuous integration which will provide the Authority with a capability to develop, test and promote configuration changes between environments.</p>
3.2 r)	<p>Backup Processes</p> <p>The Supplier Solution must support automated backup and restore procedures for all application configuration, user data and audit data.</p> <p>Note: Backup processes could be initiated with ongoing user access, API access or whilst scheduled batch and/or real-time processes may be executing.</p> <p>Transactional consistency must be maintained across the entire solution for each point-in-time backup data set.</p> <p>Backup data has the same level of security control as the original data.</p>
3.2 s)	<p>Upgrade Process</p> <p>The Supplier must provide a documented upgrade process for all future Updates, Upgrades and New Releases. This must cover all hotfix, minor and major releases. The documentation must include a reversion process should the upgrade require reverting at any point up until the upgrade becomes operational.</p>

NFR Reference	Requirement Description
3.2 t)	<p>Backward Compatibility The Supplier Solution must provide backward compatibility across all APIs for all hotfix and minor upgrade releases.</p>
3.2 u)	<p>Interfaces with Other Systems The Supplier Solution must integrate with multiple other DWP and 3rd party systems, including provision of a capability to assist with integration, ideally through the implementation of open standards Application Programming Interfaces (APIs) or 3rd party ETL (extract, transform, load) tools.</p>
3.2 v)	<p>Integration Capabilities The Supplier Solution must provide integration capabilities, with a view to providing interfaces to other DWP systems. Note: Describe out-of-the-box integration capabilities available within the solution.</p>
3.2 w)	<p>Integration with Data Sources The Supplier Solution must integrate with numerous existing data sources (as detailed in Section 9 – Interface Information). Processing of these data sources requires access to reference data that may already be stored within the Supplier Solution or is accessible from other systems.</p>
3.2 x)	<p>Role Based Access Control The solution must support Role Based Access Control (RBAC), whereby the Authority's user's capabilities within the Supplier Solution are restricted to those defined specifically to their job role(s).</p>
3.2 y)	<p>Single Sign-On Integration The Supplier Solution must integrate with the Authority's single sign-on (SSO) capabilities (federation services, directory services or API gateway) for the Authority departmental user access. The SSO Supplier Solution will authenticate the Authority's Users and provide the Supplier Solution with attributes regarding specific user's authorisation to functionality and/or data.</p>
3.2 z)	<p>Departmental User Access The Supplier Solution must support access using the Authority's standard browser supported version(s) of Microsoft Internet Explorer, for all agent user functionality.</p>
3.2 aa)	<p>Desktop Access The Supplier Solution must support user access by the Authority's Users from the standard desktop platform, which presently uses Citrix. Note: The Authority's desktop platform is based on a secure locked-down Microsoft Windows 7/Windows 10 operating system, using IE11 browser.</p>

NFR Reference	Requirement Description
3.2 ab)	<p>Accessibility</p> <p>The Authority is required by the Equality Act 2010 to ensure that our applications do not present a barrier to staff with disabilities. To do this we have adopted the European Standard EN301 549</p> <p>To demonstrate compliance with the robust requirement of the Standards, the Authority require the Solution to be tested with the assistive software solutions in use within the Authority: Dragon Naturally Speaking, JAWS, Read & Write Gold, and Zoomtext. The current versions are Dragon v14, JAWS v17, Read & Write v11.5, and Zoomtext v10.11.88. The Supplier must complete DWP accessibility standards checklist attached to the ITT.</p>
3.2 ac)	<p>GDPR</p> <p>The Supplier Solution must allow the Authority to comply with the new General Data Protection Regulation (GDPR) legislation that came into effect on 25th May 2018. .</p>

Non-Functional Requirements Part B (Information Requirements)

The Non-Functional Requirements Part B (Information Requirements) of this procurement are listed in the table below.

Table of NFRs Part B – Information Requirements

NFR Reference	Requirement Description
4.2 c)	<p>Hosting When determining the hosting method for the Supplier Solution, the Authority may consider deployment within public hyper-scale cloud providers and look to consume the provider’s services such as Database as a Service (DbaaS).</p>
4.2 d)	<p>Availability The Supplier Solution must support an availability of 99.9%. (Maximum of 8.76 hours of unscheduled downtime per year). The Supplier Solution application components need to adhere to a fault-tolerant architecture. All components must be deployable in a highly available mode and protect the end-to-end solution from faults in the underlying hosting infrastructure through built-in resilience with no single points of failure.</p>
4.2 f)	<p>Recovery Strategy (RPO) In the event of an unforeseen failure with our primary hosting platform the Solution must have a recovery strategy. This may be using the availability features of a public cloud provider or use of an alternative data centre in a private cloud deployment. In all cases the Supplier Solution must support a Recovery Point Objective (RPO) of the last committed transaction. The Supplier Solution components need to support zero data loss when deployed in accordance with the Supplier’s recommended architecture. The recovery process must ensure that the security and integrity of the data is maintained throughout the process.</p>
4.2 g)	<p>Recovery Strategy (RTO) In the event of an unforeseen failure with our primary hosting platform the Supplier Solution must have a recovery strategy. This may be using the availability features of a public cloud provider or use of an alternative data centre in a private cloud deployment. In all cases the Supplier Solution must provide a Recovery Time Objective (RTO) of 1 hour. The Supplier Solution components need to support timely service recovery when deployed in accordance with the Supplier’s recommended architecture.</p>
4.2 h)	<p>Data Archiving & Purging The system must be capable of supporting Authority’s Information Management Policy.</p>
4.2 k)	<p>Scaling Capability – UI Interaction The Authority has a requirement for the Supplier Solution to provide a maximum response time of 2.5 seconds for all agent user interface interaction, for 99.00% of the time during business hours. The timing is measured at the Supplier Solution’s boundary (i.e. client facing external interface) to the agent user interface (i.e. user’s browser or thick-client application).</p>

4.2 l)	<p>Scaling Capability – APIs The Authority has a requirement for the Solution APIs to provide a maximum response time of < 50ms, 99.00% of the time. The timing is measured at the Supplier's Solution's API service end-point prior to network egress.</p>
4.2 m)	<p>Response Time Measurement The Supplier Solution must be configurable to enable response time measurements to be captured, as required, to support the analysis of performance problems. The design must allow data collected to be of sufficient granularity to meet the needs of performance investigation. This includes the ability to report on the segmentation of elapsed times across Supplier Solution components.</p>
4.2 n)	<p>Application Management The Supplier Solution must support integration with the Authority's application management platform and IT Service Management toolset to enable information transfer and correlation in respect of service impacting events in real time or near real time. All Supplier Solution components must provide a capability to log/report on status showing details of warnings, errors, unavailability or degraded states as appropriate.</p>
4.2 o)	<p>DWP Security Standards The Solution shall comply with the Authority procurement: Security Standards and policies. https://www.gov.uk/government/publications/dwp-procurement-security-policies-and-standards</p>
4.2 p)	<p>Computer Telephony Integration (CTI) The Supplier Solution must support the Authority's standard CTI Supplier Solution, which is Genesys.</p>
4.2 q)	<p>Testing Tools The Authority's preferred testing tools are:</p> <ul style="list-style-type: none"> • CucumberJS and Selenium – Functional test automation & regression testing • mocha – Unit test automation (front-end) • Java – Unit test automation • Gitlab – Test source code repository & merge request management • Jenkins – Continuous integration tool, to monitor build pipeline • SOAPUI API – Tests to Database • Jmeter – Performance Testing • Zap – Security and Penetration testing

The Service Management Requirements of this procurement are listed in the table below:

Service Management Reference	Requirement Description
5.2 a)	<p>Error/Problem Resolution The Supplier must provide support to fix errors or problems with the Supplier Solution, so that it operates in accordance with its design and documentation.</p>

Service Management Reference	Requirement Description
5.2 b)	<p>Support and issue resolution The Supplier must support issues being reported through defined channels (e.g. telephone, email or web portal) and the Supplier must work with the Authority on reported issues through to successful resolution within the agreed service level agreement.</p>
5.2 c)	<p>Documentation The Supplier must provide all product knowledge documentation (including Administrator, Technical, Configuration, Users) to the Authority support staff, for initial troubleshooting.</p>
5.2 d)	<p>Fixes The Supplier must provide fully tested, supported and documented hotfix/patches with installation guidelines and regression test procedures.</p>
5.2 e)	<p>Contact Details The Supplier must provide a named UK based Supplier account manager for escalations.</p>
5.2 f)	<p>Root Cause Analysis The Supplier must provide root cause analysis reports, within 5 calendar days of resolving an incident related to the production solution.</p>
5.2 g)	<p>Support Times – Severity 1 & 2 The Supplier must provide UK based support 24 hours, 7 days/week, 365 days/year for Severity 1 & 2 incidents. (See Table at 5.2.1 below for severity definition)</p>
5.2 h)	<p>Support Times – Severity 3 & 4 The Supplier must provide UK based support during the Authority’s operational hours of business for Severity 3 and 4 incidents. (See para 5.2.1 for severity definition) Note: Operational hours are Monday-Saturday, 7.30am to 8pm.</p>
5.2 i)	<p>Protective Monitoring Service The Supplier must support the Authority’s Protective Monitoring Service by sharing information such as threat intelligence, vulnerabilities and less structured information, such as lessons learned reports, related to the supplied Supplier's Solution with the Security Operations Centre for situational awareness and tuning. This must be provided in an MS office readable format.</p>
5.2 j)	<p>Vulnerability Management The Supplier must provide vulnerability management for their Supplier's Solution components, and ensure the Authority is advised on mitigation requirements and/or provided with patches and/or hotfixes for all known vulnerabilities in adherence with Authority policy.</p>
5.2 k)	<p>Change Management The Supplier must provide a change request and change management process, which is fully documented and provides a mechanism for responding to the Authority’s request for changes and creating a fully-documented statement of work.</p>

Service Management Reference	Requirement Description
	This process must include provision for the Authority to request customised requirements, if the requirement is not deemed a standard core requirement.
5.2 l)	<p>Source Code</p> <p>The Supplier must provide all source code and documentation to the Authority in line with Escrow requirements:</p> <p>Any changes (customisations, configurations) made to the base products and/or live services must be documented and highlight any impact on the upgrade path (if any) ensuring that documentation is updated following change and that old documentation is archived.</p>
5.2 m)	<p>Remote Support Non-Production (Dev & Test)</p> <ul style="list-style-type: none"> • Configuration for Remote Support incidents must take place inside a designated UK development environment. • Code production for Remote Support incidents will be subject to the Authority's security analysis and risk management investigation • All VPN connectivity and setup must be agreed with the relevant Government authorities bound by the Third-Party Supplier. • All connections into the development environment over the internet are to be via an IPSec VPN. • 2-Factor Authentication will be used to authenticate the Remote Support Users. • All encryption must comply with the Authority's Cryptographic Algorithms https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691104/dwp-ss007-security-standard-use-of-cryptography.pdf • No print/screen print/copy/paste/share capabilities are to be allowed • Remote Support Users must have necessary security clearance
5.2 n)	<p>Remote Support Production</p> <p>All access to the production environment will be strictly regulated and controlled. Access to the production area will only be via Authority approved locations and devices, and any remote support Users within the production environment must have SC clearance.</p>

Incident Severity Descriptors

There is a requirement for Service Levels and Service Credits which are set out in further detail in Schedule 3 of the Contract.

1.1. Table of Management, Implementation and Support Requirements

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
7.3 a)	<p>Management</p> <p>The Authority requires the Supplier Solution to have a configuration and testing period from May 2019 to June 2021, a First Iteration Go-live date of June 2020, a Full Go-live date of July 2021 and data migration of</p>	<p>a) Supplier Plan segments shall be MS Project (2013) compatible and shall seamlessly integrate with the Implementation Plan.</p> <p>b) Supplier Plan(s) shall cover all of the implementation, training, and migration related activities which they are involved in and show resource requirements and durations for each.</p>

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
	existing and archived data between July 2021 and June 2022. Supplier shall provide comprehensive plan segments, covering the totality of their Implementation Services, training and migration related activities, products and Deliverables and which meet the Authority's implementation and migration timescales, for inclusion in the Implementation Plan.	<ul style="list-style-type: none"> c) Supplier Plan segments shall identify delivery milestones, all products and Deliverables they are responsible for and identify and map dependencies to the Implementation Plan. d) Suppliers shall confirm that their Plan segments will form the basis for their day-to-day control and that they will be regularly reviewed and updated. e) The Supplier shall propose its approach for working on a day-to-day basis with the Authority's DDSP Team, to deliver the project and Implementation Services.
7.3 b)	<p>Management The Supplier shall agree products to be delivered, the format for agreed Deliverables and the timescales for delivery with of the Implementation Services.</p>	<ul style="list-style-type: none"> a) The Supplier shall agree a list of products/Deliverables (including all software) they are required to provide to the Implementation Services. b) The Supplier provided products/deliverables (including all software) shall be delivered in a format agreed by the Parties in the Implementation Plan. c) The Supplier shall deliver products/Deliverables (including all software) within the agreed timescales.
7.3 c)	<p>Management The Supplier shall identify any Implementation, Training and Migration related risks they perceive, what assumptions are being made, any issues arising and any dependencies they have. These must be presented in a format which can be seamlessly integrated into the DDS Project Risk, Issue, Assumptions and Dependencies (RAID) Log which will be reported on at DDS project meetings.</p>	<ul style="list-style-type: none"> a) Risks shall be presented in the format of the DDS Project RAID (Risk, Issue, Assumption and Dependency) Log. b) Assumptions shall be identified, captured and be agreed in the Implementation Plan. c) Risks shall be identified, captured, have mitigation actions identified, be agreed with the project and where appropriate have costed, resourced and timescaled contingency plans identified. d) Issues shall be identified, captured, have resolution activities identified, be agreed with the project and be scheduled into the Implementation Plan. e) Risks, Issues, Assumptions and Dependencies shall be actively managed, through the Authority's DDS Project Risk Manager, throughout the Implementation, Training and Data Migration periods and the progress/effectiveness of mitigation/resolution activities shall be reported at DDS project meetings.
7.3 d)	<p>Management Supplier provided documentation.</p>	<ul style="list-style-type: none"> a) Supplier created/provided documentation shall be presented in an electronic format to be agreed by the Authority t, including any native Microsoft Office files, e.g. MS Project files.
7.3 e)	<p>Management The Authority requires the Supplier to manage and deliver their contracted activities</p>	<ul style="list-style-type: none"> a) The Supplier shall provide details of the method they intend to use to manage their Implementation, Training and Migration related activities.

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
	according to recognised best practice.	
7.3 f)	<p>Implementation The Supplier shall provide suitably qualified and experienced Resource(s) to support configuration of their proposed out-of-the-box product, to meet the required DDS functionality and to transfer the necessary skills for doing so to nominated internal Staff. Proposed resource(s) shall be eligible to work in the UK, have the necessary clearance and be available to start immediately on the Commencement Date Resource(s) shall not be swapped out without prior agreement with the DDS project and without 1 months' notice and completion of handover/knowledge transfer.</p>	<ul style="list-style-type: none"> a) Proposed resource(s) CVs shall be provided to the Authority. b) Proposed resource(s) shall have expert level functional/business and implementation knowledge of the proposed Solution. c) Proposed resource(s) shall support the Authority in configuring their out-of-the-box product to meet the required functionality. d) Proposed resource(s) shall provide support on the product and its components. e) Proposed resource(s) shall validate the system architecture (Development, Test & Production). f) Proposed resource(s) shall provide guidance on sizing of infrastructure and scaling of the product, based on the Authority's future growth. g) Proposed resource(s) shall work with the Authority's infrastructure architect to produce and validate a design which meets the Authority's future demands. h) Proposed resource(s) shall conduct Design/Configuration reviews for functional changes, including how existing processes will map into the new configuration. i) Proposed resource(s) shall provide advice on best practices for implementing the application changes. j) Proposed resource(s) shall provide advice on interfacing with external systems, both inbound and outbound. k) Proposed resource(s) shall up-skill the Authority's technical team and transfer knowledge to them, throughout the build process. l) Proposed resource(s) shall validate the end-to-end design, test and release strategy. m) Proposed resource(s) shall become part of the DDSP delivery team. They shall participate in daily stand-ups or any other project related meetings as and when required. n) Proposed resource(s) shall be eligible to work in the UK and be in possession of or be able to obtain Baseline Personnel Security Standard (BPSS) clearance, prior to starting assigned work for the Authority. o) Proposed resource(s) shall be ready to start onsite work immediately on the Commencement Date. p) Rate cards shall be provided, for any proposed resource(s) and be based on these, and the

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
		<p>functional and non-functional requirements for the Solution.</p> <p>q) Resource(s) shall not be swapped out without prior agreement with the project and without providing 1 months' notice and an agreed period of handover/knowledge transfer, the cost of which to be borne by the Supplier.</p> <p>r) Should a supplied resource not be performing as required this resource shall be swapped out with an alternative resource with the necessary skillset and security clearance. This replacement resource shall be agreed with the project and shall be swapped out within a 1 month period, including an agreed period of handover/knowledge transfer, the cost of which to be borne by the Supplier.</p> <p>s) The Supplier shall provide suggested resource levels and durations for these activities.</p>
7.3 g)	<p>Operator Training The Supplier shall provide training in the operational use of the product and transfer the necessary skills for doing so to nominated Authority Training Staff, responsible for providing training to the remaining operational staff and for providing ongoing training post implementation. The aim being to provide participants with the knowledge and skills required for planning and delivering an effective professional learning session to facilitate learning in the workplace.</p>	<p>a) The Supplier shall provide training in the operational use of the product, to nominated Authority Training Staff responsible for providing training to the remaining operational staff and for ongoing training post implementation.</p> <p>b) Training provided shall cover the full range of Solution functionality.</p> <p>c) Training provided shall cover instruction on supplier's standard training products including alternative approaches available to training potentially including a variety of classroom, on-job and self-study methods.</p> <p>d) Must allow the supplier's standard training products to be customised and used by the Authority for the purposes of training the system End Users.</p> <p>e) The Supplier shall provide support to the design of operational training, which shall be tailored to required User groups.</p> <p>f) Training materials shall be provided in a variety of formats, to be agreed with the Authority and shall include on-line, face to face and hard copy.</p> <p>g) Training materials shall be agreed, accepted and approved for use by the DDS project.</p> <p>h) Training material shall be updated as necessary, when solution upgrades and process changes take place.</p> <p>i) Training will be delivered to a group not exceeding 20 people.</p> <p>j) Proposal should describe the amount of time it takes to complete the training in hours.</p> <p>k) All training needs to be completed within 3 months of notification by the Authority.</p>

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
		l) The proposal should describe a standard method of evaluation of the training and a benchmark of achievement i.e. a participant has to achieve a certain level of learning to obtain a 'pass mark'. m) Training must be to a standard where 80% of participants have exceeded the agreed pass mark on completion of the training.
7.3 h)	Technical Training The Supplier shall, as part of their ITT response, provide a Technical Training strategy and Technical Training Plan, for training the Authority's technical staff involved in delivering the project.	a) The Supplier provided Technical Training strategy
7.3 i)	Technical Training The Supplier shall, using their product knowledge and their understanding of the configuration required from the functional and non-functional requirements, provide training on the product's configuration, to nominated Authority technical staff involved in the project delivery.	a) The Supplier shall provide training to the Authority's technical staff involved in delivering the project. The training must include how configuration shall be undertaken for all modules of the product/full solution. b) The technical training is required immediately after the contract is signed and hence the Supplier shall make arrangements to provide suitable training resources on time without impacting the project delivery timelines. c) The training will be conducted in an Authority location with the Supplier providing prebuilt hardware equipment (laptops) or virtual machines. Any additional infrastructure requirements/needs must be informed in advance with this ITT response. d) The technical training shall include a Product overview and architecture. e) The technical training shall include configuration of the application against industry standard best practices. f) The technical training shall include the data architecture. g) The technical training shall include any inbound and outbound interfaces for the out-of-the-box capability or 3 rd party ETL integration layer. h) The technical training shall include MI reporting, both out-of-the-box and with configuration. i) The technical training shall include application administration. j) Training materials shall be agreed, accepted and approved for use by the project. k) Training materials shall be provided in a variety of formats, to be agreed with the Authority and shall include on-line, face to face and hard copy. The training material could be reused by the Authority's delivery team to train new technical staff working on the project.

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
		<ul style="list-style-type: none"> l) Training material shall be updated as necessary, when solution upgrades and process changes take place. m) Training will be delivered to a group not exceeding 10 people. n) The proposal should describe the amount of time it takes to complete the training in hours. o) The proposal for training should describe a standard method of evaluation of the training and a benchmark of achievement i.e. a participant has to achieve a certain level of learning to obtain a 'pass mark'. p) Training must be to a standard where 80% of participants have exceeded the agreed pass mark on completion of the training.
7.3 j)	<p>Migration The Supplier shall, as part of their ITT submission and using their experience of migrating data sources of similar size and complexity, provide an outline Migration Plan including details of a migration approach, which meets the Authority's migration timescales.</p>	<ul style="list-style-type: none"> a) The Supplier shall provide the Authority with an approach to migration including a Migration Plan.
7.3 k)	<p>Migration The Supplier shall provide suitably qualified and experienced Resource(s) to support the migration of data from the legacy system(s) and other data sources to the DDS platform. Proposed resource(s) shall be eligible to work in the UK, have the necessary clearance and be available to start when required. Resource(s) shall not be swapped out without prior agreement with the DDS project and without 1 months' notice and completion of handover/knowledge transfer.</p>	<ul style="list-style-type: none"> a) Proposed resource(s) CVs shall be provided to the Authority, prior to commencement of the data migration phase, detailing evidence of their skills, certifications and prior migration experience, for assessment and agreement by the Authority's DDS Project Manager. b) The Supplier shall provide tools and templates for extraction, transformation and load elements, which are to be agreed with the Authority's DDS Project Manager. c) The Supplier provided tools and templates shall be best suited and represent the least risk to the Implementation Services. d) Proposed resource(s) shall support the Authority in the creation of a migration strategy, to be agreed by the Authority's DDS Project Manager, which shall be best suited and represent least risk to the Authority. e) Supplier's proposed resource(s) shall support the Authority in the creation of a migration approach, to be agreed by the Authority's DDS Project Manager. The Approach shall be best suited and represent least risk to the Authority. f) Supplier's proposed resource(s) shall support the Authority in the creation of a Plan for migrating data from the legacy system(s) and other data sources to the DDS platform. This Migration Plan shall meet the Authority's migration timescales,

Management, Implementation and Support Reference	Requirement Description	Further Detail on Requirement
		<p>best suited and represent least risk to the Authority.</p> <ul style="list-style-type: none"> g) Supplier's proposed resource(s) shall support the Authority in migrating data from the legacy system(s) and other data sources to the DDS platform. h) Supplier's proposed resource(s) shall transfer the necessary skills for migrating data from the legacy system(s) to the DDS platform, to nominated internal Staff. i) Supplier's proposed resource(s) shall be eligible to work in the UK and be in possession of or be able to obtain security check ("SC") clearance, prior to starting assigned work for the Authority. The cost of obtaining SC clearance shall be borne by the Supplier. j) Rate cards shall be provided, for any proposed resource(s) and be based on these, and the functional and non-functional requirements for the DDS Solution. k) Supplier's Personnel shall not be swapped out without prior agreement with the Authority's DDS Project Manager and without 1 months' notice and an agreed period of handover/knowledge transfer, the cost of which to be borne by the Supplier. l) Should a supplied resource not be performing as required this resource shall be swapped out with an alternative resource with the necessary skillset and security clearance. This replacement resource shall be agreed with the Authority's DDS Project Manager and shall be swapped out within a 1 month period, including an agreed period of handover/knowledge transfer, the cost of which to be borne by the Supplier. m) Supplier shall provide suggested resource levels and durations for these activities.
7.3 l)	<p>Decommissioning and Data Export The Supplier shall, at the end of the contracted period, support the migration of data from their system to whichever system is chosen by the Authority as a replacement.</p>	<ul style="list-style-type: none"> a) The Supplier shall work with the new supplier to understand the data structure of the new system and support migration activities. b) The Supplier shall export and present the Authority data in a format which can be readily be ingested by the new supplier system. c) The Supplier shall support the Authority in decommissioning the system.

Compliance and Contractual Requirements

Compliance Reference	Requirement	Requirement Description
8.1 a)	Off-shoring (including Landed Resources)	<p>In accordance with the Authority's DWP Offshoring Policy, prior written consent from the Authority must be sought where Supplier (and/or their sub-contractors) is proposing to host or access Authority Systems, services or official information outside of the United Kingdom, or to bring foreign nationals to the United Kingdom to provide services in delivery of the Contract. The Supplier must submit an application for approval.</p> <p>Where the Authority gives consent, the Supplier shall comply with any reasonable instructions notified to it by the Authority in relation to the Authority Data in question.</p> <p>DWP Offshoring Policy Authority Data must not be processed outside the UK without the prior written consent of the Authority and must at all times comply with the General Data Protection Regulation. The DWP Offshoring Policy controls apply when a contractor or sub-contractor wishes to:</p> <ul style="list-style-type: none"> • Host DWP systems, services or official information outside the UK; • Allow staff based outside the UK to have access to DWP systems, services or official information; • Bring foreign nationals (“Landed Resources”) to the UK to provide services including, but not limited to, applications development and support, testing and other similar activities. • Develop system applications outside the UK. • Send diagnostic data to an organisation outside the UK as a result of break/fix activity.
8.1 b)	Freedom of Information Act	<p>All information submitted to the Authority may need to be disclosed by the Authority in response to a request under the Freedom of Information Act 2000.</p> <p>The Authority may be required to disclose commercially sensitive information under the terms of the Act if a request is received.</p>
8.1 c)	Escrow Agreement	<p>Suppliers are required to enter into an Escrow Agreement with the Authority and Escrow Agent;</p>
8.1 d)	Draft Security Management Plan	<p>The Supplier must provide a draft Security Management Plan</p>
8.1 g)	Implementation Plan	<p>The Supplier must provide an Implementation Plan in accordance with Contract Schedule 9, consisting of;</p> <ul style="list-style-type: none"> • Technical Training Plan (para 7.3 h) refers) • Migration Plan (para 7.3 j) refers) • Customisation Plan (para 3.2 a) refers)

SCHEDULE 2: CHARGES AND INVOICING

PART A – CONTRACT CHARGES

1. PURPOSE OF THIS PART OF THE SCHEDULE

- 1.1 The purpose of this Part A of the schedule is to set out the provisions relating to the Contract Charges applicable to the Services.
- 1.2 Unless otherwise stated in this Schedule 2 (Charges and Invoicing), all Contract Charges for Implementation Services which are set out in Annex 1 and Contract Charges for Maintenance and Support Services set out in Annex 4 to this Schedule 2 shall constitute full consideration for the provision of the Services by the Supplier, unless such other amounts are agreed via the Variation Procedure.
- 1.3 The Contract Charges will be invoiced in arrears unless otherwise stated in this Schedule 2 (Charges and Invoicing). Products shall be invoiced upon acceptance from the Authority that they have been delivered in accordance with this Contract.
- 1.4 All Contract Charges set out are in British Pounds (GBP) and are exclusive of VAT.
- 1.5 All Contract Charges shall remain valid for the duration of the Initial Term and for the duration of any Extension Period (if elected by the Authority). For the avoidance of any doubt, Indexation of any Contract Charges shall not be permitted under the Contract, unless specified otherwise in this Contract.

2. IMPLEMENTATION SERVICES

- 2.1 The Authority will pay the Contract Charges for Implementation Services as set out in Annex 1 of this Schedule.
- 2.2 The Authority will pay the Milestone Payments as set out in Annex 1 of this Schedule, to the Supplier following Achievement of the applicable Milestones.
- 2.3 The Milestone Payments are based on fixed prices and the Supplier shall not be entitled to charge the Authority in excess of the fixed amount stated in paragraph 2 of Annex 1.

3. LICENCE CHARGES

- 3.1 The Parties acknowledge that the Authority has already paid the Supplier for licences under the Original Licence and no further consideration is payable by the Authority for the first 6,700,000 licences granted by the Supplier in respect of Licensed Software under this Contract. Accordingly, the Parties agree that the payment under the Original Licence shall form valid consideration for the initial 6,700,000 licences granted by the Supplier under this Contract.
- 3.2 The Authority will pay Contract Charges for additional licences in accordance with Annex 2.

4. TRAINING COURSES - FIXED PRICE CHARGES

- 4.1 All Contract Charges for Training Courses are fixed at the price set out in the table in Annex 3.
- 4.2 In the event the Authority requires training, the specific training requirements shall be set out in the Technical Training Plan agreed as part of the Implementation Plan. The Authority may also notify the Supplier in writing from

time to time of any additional training requirements it has, specifying the type of 'Training Course' required.

- 4.3 The Contract Charges for Training Courses shall only be payable by the Authority upon satisfactory completion of the relevant Training Course, as determined by the Authority (such approval not to be unreasonably withheld or delayed). The Supplier agrees that it shall not raise any invoices for Training Courses unless or until it receives written notice from the Authority that the relevant Training Course provided by the Supplier has been completed to the satisfaction of the Authority.

5. SUPPORT AND MAINTENANCE CHARGES

- 5.1 The Contract Charges for Maintenance and Support Services are set out in Annex 4 and are payable annually in advance.
- 5.2 The Authority shall provide the Supplier with a monthly report setting out the number of live and active Accounts in use in the previous month.
- 5.3 Upon written request and on reasonable notice to the Authority, the Supplier may access the Authority Premises during 'business hours' no more than once each Contract Year in order to verify the volumes of Accounts which are 'In Use'. The Parties acknowledge and agree that the Supplier shall not at be granted access to the Authority Systems or IT Environment and the Supplier shall be provided sight of the information it reasonably requires to verify the Account volumes. In no event shall the verification process described in this paragraph 5.3 take more than one Working Day to complete.

6. RATE CARD CHARGES

- 6.1 The number of Man Days required by the Supplier to provide Configuration and Migration support shall be agreed in writing in advance by the Authority and calculated in accordance with the Rate Card.
- 6.2 The Contract Charges applicable to Services provided on a day rate basis shall be calculated as the aggregate of Man Day resource consumed in that month by the Authority based on the relevant rates as set out in Annex 5 to this Schedule 2.
- 6.3 Where the Authority requires additional Services these must be agreed via the Variation Procedure and the price shall at the Authority's sole discretion, be either fixed price or calculated based on the Rate Card.
- 6.4 The resources described in Annex 5 to this Schedule 2 shall be available to Authority during Authority's regular business hours, subject to a reasonable allowance for travel time, between the dates agreed. In agreeing the day rates set out in the Rate Card, it is assumed that the Supplier resources will perform 37.5 hours per week of delivery effort excluding travel time. In providing resources for 37.5 hours a week it is assumed that the relevant resources will be working, on average, 7.5 Man Hours a day for five days a week (Monday to Friday excluding public holidays) during normal "business hours". For the avoidance of doubt travel time is not chargeable. Further it is agreed in good faith that project circumstances may require additional effort from time to time and provided such additional effort is not excessive, the daily rates above shall include such additional effort. The Supplier shall, acting reasonably, be solely responsible for determining the extent to which such additional effort is covered within the daily rates stated in the Rate Card.

- 6.5 Absences due to personal or education time will be allowed for up to four (4) weeks (160 hours) per resource per year during the Term, provided that nothing in this paragraph shall prevent the Supplier from complying with its own contractual obligations with Supplier Personnel. Any further time off required by the resource shall be subject to advance mutual agreement of the Parties. For the avoidance of doubt, any costs resulting from circumstances described in this paragraph 6.5 shall not be chargeable to the Authority and in such instances the Supplier will source appropriately skilled replacement resources and ensure a seamless transition and handover with no additional costs to the Authority. Costs resulting from resource quality issues, including handover, knowledge transfer and replacement of resources shall not be chargeable to the Authority.
- 6.6 Any observed Authority holidays will be an observed the Supplier holiday for the duration of this Contract. Requests to amend the number of resources, the duration of the engagement, or the duration that a resource is engaged, or requests for additional expertise, will be handled through the Variation Procedure and governance processes under this Contract. The Supplier shall have no obligation to perform services or provide resources outside of the scope of this Contract unless a Change Control Note, authorising additional funds, has been executed by the Parties. For the avoidance of doubt, no risks or contingencies shall apply to the provision of Services for which such Contract Charges apply.
- 6.7 The Supplier shall maintain full and accurate records of the time spent by the Supplier's Personnel in providing the Services and shall provide such records to the Authority with each relevant invoice if required by the Authority.
- 6.8 All fees and expenses (where applicable) will be invoiced monthly in arrears.
- 6.9 The day rates set out in Annex 5 to this Schedule 2 are deemed to include travel, subsistence and all other out-of-pocket expenses which are incurred by the Supplier or of any person on behalf of the Supplier in the provision of the Services. The Authority shall not be liable to reimburse or otherwise pay for any such costs.

7. PAYMENTS FOR DELAYS DUE TO AUTHORITY CAUSE

- 7.1 If the Supplier is entitled to compensation in accordance with clause 27.1.3(c) (Supplier Relief Due to Authority Cause) then (subject to clause Paragraph 7.2 below) such compensation shall consist solely of those additional costs reasonably and necessarily incurred by the Supplier to the extent that such costs are a direct result of the Authority Cause, provided that this calculation shall not operate as to put the Supplier in a better position than it would have been but for the occurrence of the Authority Cause and the Supplier has evidenced and used reasonable endeavours to mitigate such costs.
- 7.2 To the extent that:
- 7.2.1 any contributory or related breach of this Contract by the Supplier caused or resulted in the Authority Cause; and/or
 - 7.2.2 the Authority gives any advance notification that the Authority Cause is or is likely to occur,
- then the compensation amount payable under Paragraph 7.1 above shall be reduced by a fair and equitable amount.

8. SERVICE CREDITS

- 8.1 Service Credits will be made based on a percentage of Support and Maintenance Charges for the month in which the Supplier's performance failure

occurred and shall be applied in accordance with the mechanism described in Schedule 3 (Service Levels and Performance).

PART B - INVOICING

9. PURPOSE OF THIS PART OF THE SCHEDULE

- 9.1 This Part B of the schedule sets out the method by which the Supplier shall raise invoices to the Authority for payment, together with the requirements which apply to such invoices, and the payment terms thereof.

10. SUPPLIER INVOICES

- 10.1 The Supplier shall prepare and provide to the Authority for approval a draft pro forma invoice within 10 Working Days of the Commencement Date which shall include, as a minimum, the details set out in paragraph 10.4 of Part B of this Schedule together with such other information as the Authority may reasonably require. If the draft pro forma invoice is not approved by the Authority then the Supplier shall make such amendments as may be reasonably required by the Authority.
- 10.2 In respect of Maintenance and Support Services, the Supplier shall be entitled to raise an invoice in respect of any payment which falls payable to the Supplier pursuant to the Contract provided that each invoice is delivered to the Authority within 10 Working Days after the end of the period in respect of Contract Charges for Services consumed in that period.
- 10.3 In any event, all invoices must be provided to the Authority within six (6) months of completion of delivery of the relevant Services to which the invoice relates. Invoices delivered after expiry of this period shall be invalid and the Authority shall have no liability in respect of such invoices.
- 10.4 The Supplier shall invoice the Authority in respect of Services in accordance with the timescales specified for issue of invoices for the Contract Charges as detailed in Part A of this schedule.
- 10.5 The Supplier shall ensure that each invoice contains the following information:
- 10.5.1 The date of the invoice;
 - 10.5.2 A unique invoice number;
 - 10.5.3 The period(s) to which the relevant Contract Charge(s) relate;
 - 10.5.4 Details of the correct Contract reference;
 - 10.5.5 The reference number of the purchase order issued by the Authority to which it relates (if any);
 - 10.5.6 The dates between which the Services subject of each of the Contract Charges detailed on the invoice were performed;
 - 10.5.7 Such management information as is required to enable the Authority (where relevant) to re-charge the Contract Charges to individual operating divisions of the Authority or its business groups;
 - 10.5.8 Number of live licences which are In Use, attracting Support and Maintenance Charges for the period;
 - 10.5.9 Total number of licences;
 - 10.5.10 The methodology applied to calculate the Contract Charges including supporting information;
 - 10.5.11 The total Contract Charges gross and net of any applicable deductions and, separately, the amount of any disbursements properly chargeable to the Authority under the terms of the Contract, and, separately, any VAT or other sales tax payable in respect of the same;

- 10.5.12 Details of any Service Credits including the number of Service Points and the applicable Service Credit rate or similar deductions that shall apply to the Contract Charges detailed on the invoice; or details of any 'banked' Service Credits as may have been banked at the request of the Authority pursuant to paragraph 8.1 of Part A of this Schedule;
 - 10.5.13 Reference to any reports required by the Authority in respect of the Services to which the Contract 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 as are validated by the Authority in respect of the Services);
 - 10.5.14 A contact name and telephone number of a responsible person in the Supplier's finance department in the event of administrative queries;
 - 10.5.15 Any other charges which have been calculated using the Rate Card which have been agreed via the Variation Procedure; and
 - 10.5.16 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).
- 10.6 Each invoice shall at all times be accompanied by sufficient information ("Supporting Documentation") to enable the Authority to reasonably assess whether the Contract Charges detailed thereon are properly payable. Any such assessment by the Authority shall not be conclusive. The Supplier undertakes to provide to the Authority any other documentation reasonably required by the Authority from time to time to substantiate an invoice.
- 10.7 The Supplier shall submit, as soon as possible and in any case within ten (10) Working Days after the end of each period all invoices and Supporting Documentation in such format as the Authority may specify from time to time, for the Contract Charges incurred during that period. Invoices and Supporting Documentation shall be submitted to:

APinvoices-DWP-U@sscl.gse.gov.uk

CC: [REDACTED], [REDACTED], Digital Group, Department for Work and Pensions, 2 St. Peter's Square, Manchester M2 3AA.

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.

- 10.8 All Supplier invoices shall be expressed in sterling or such other currency as shall be permitted by the Authority in writing.
- 10.9 The Authority shall only regard an invoice as valid if it complies with the provisions of this Part B of this schedule. Where any invoice does not conform to the Authority's requirements set out in paragraph 10.4 of Part B of this schedule, the Authority will return the disputed invoice to the Supplier. The Supplier shall promptly issue a replacement invoice which shall comply with the same.

11. PAYMENT TERMS

- 11.1 Subject to the provisions of paragraph 10.4 of Part B of this schedule, the Authority shall make payment to the Supplier within thirty (30) days of receipt of a valid invoice by the Authority at its nominated address for invoices.

ANNEX 1 – IMPLEMENTATION SERVICES

1. The Contract Charges for Implementation Services are made up of charges for Configuration, Migration, Customisation, Training (purchased on a case by case basis upon written request by the Authority), some of which are payable on a fixed price or based on the Rate Card.
2. Details of any Authority payments, directly linked to the Achievement of Milestone, are shown below:
 - a. Customisation Milestone – a fixed price of £70,960 excluding VAT, which is payable upon the Authority issuing a Milestone Achievement Certificate.
3. The Parties acknowledge and agree that the Contract Charges for any Professional Services performed by the Supplier in connection with Customisation shall fall within the Customisation Milestone and be included in the fixed price described in paragraph 2 of this Annex 1.
4. The Parties have agreed that the Contract Charges for support provided by the Supplier in respect of Configuration and Migration shall be calculated based on the Rate Card on a time and materials basis. The estimate for the Configuration and Migration phase is £1,935,620. Further details relating to the Rate Card charges are set out in Part A of Schedule 2 and Annex 5 to this Schedule 2.

ANNEX 2 – LICENCE CHARGES

1. Details of Contract Charges for the licences granted in respect of the Licensed Software are shown below:
2. There shall be no licence fee payable by the Authority for the first 6,700,000 licences granted by the Supplier in respect of the Licensed Software. The Parties acknowledge and agree that there shall be no restrictions on the number of concurrent users of the Licensed Software.
3. In the event the Authority requires further licences over and above 6,700,000 licences, such licences shall be available to the Authority for purchase in tranches of 50,000 Accounts at any time and from time to time, at the rates set out in Table 1 of this Annex 2.
4. The purchase of such additional licences shall be the subject to the written agreement of the Parties which is to be agreed via the Variation Procedure.
5. The Parties acknowledge and agree that licences granted to the Authority for the purposes of development, customisation, integration, testing and/or configuration of the Licensed Software shall not form part of the 6,700,000 licences described in this Annex 2 or any additional licences purchased pursuant to table 1 in this Annex 2. Such licences are granted to the Authority at no additional cost and the Supplier hereby grants to the Authority a non-exclusive, royalty-free, perpetual, licence to use the Licensed Software for the purposes of development, customisation, integration, testing and/or configuration. The Parties further agree that Support and Maintenance Charges shall not apply to any such licences.
6. Maintenance and Support Services for additional licences shall be charged at £0.1016 for live and active Accounts which are In Use in accordance with the provisions in Annex 4.

Table 1

Additional licences	
Number of additional Accounts (in tranches of 50,000)	Supplemental License Fee per Account
50,000	£0.67

ANNEX 3 – TRAINING SERVICES - FIXED PRICE CHARGES

1. All Contract Charges for Training Courses set out in the table below are quoted exclusive of VAT. The prices quoted are fixed and inclusive of all expenses including travel, accommodation, subsistence and any incidental or related expenses.

Training Class	Course Name	Qty	Duration (days)	Max. Delegates	Type	Product	Day Rate	Course Total Price
Technical	Debt Manager Solution Overview	1	2	12	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Agent Desktop	1	1	12	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution System Administration	1	1.5	12	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Workflow Management	1	1.5	12	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Rules	1	1	12	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Letter Configuration	1	0.5	12	eLearning	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Database Overview	1	0.5	12	eLearning	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Bulk Data Loader (BDL) Technical	1	1	12	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Solution Technical Class	1	4	6	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Technical	Debt Manager Automated Communications	1	2		Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
Operator	Debt Manager Solution Train the Trainer (TTT)	1	3	6	Instructor Led (Client Site)	410-TRNG-00	£[REDACTED]	£[REDACTED]
						Total		£58,600.00

ANNEX 4 – SUPPORT AND MAINTENANCE CHARGES

1. The Contract Charges for Maintenance and Support Services are calculated at £0.1016 for each live active Account "In Use" (**Support and Maintenance Charges**). The Supplier shall be entitled to increase the Support and Maintenance Charges in line with the Consumer Price Index on the fifth anniversary of the Commencement Date on providing the Authority with at least 90 days' notice prior written notice.

2. The Authority shall only be liable to pay Support and Maintenance Charges for Accounts that are actually In Use and not for the total number of licences granted by the Supplier under the Contract. The Authority shall have at least 3,100,000 live active Accounts In Use during the first year of the Term. A true-up will be made annually to determine the actual volume of non-zero debtor Accounts "In Use", exceeding the agreed annual active Accounts that are In Use. The verification of the volume of Accounts in Use, reported pursuant to Clause 5.3 of Part A of Schedule 2 (Charges & Invoicing), together with any projection by the Authority of its anticipated additional use during the following 12 month period of the Term, shall be used to calculate the Support and Maintenance Charges for the following year. The same procedure (as outlined above) shall be used to set the Support and Maintenance Charges for each successive year of the Term. In no event will the Support and Maintenance Charges reduce from one year to another during the Term. The Supplier shall notify the Authority of any additional Support and Maintenance Charges payable by the Authority in accordance with the Contract, providing supporting documentary evidence.

3. In determining the Account volumes, the Parties acknowledge and agree the following:
 - a. there shall be no restriction on the volume of separate debts per debtor (single or joint) that apply to an Account;
 - b. Customers or Corporate Customers having debt volumes with a zero balance are not treated as having an Account which is 'In Use' for the purposes of this Contract;
 - c. archived Accounts or Customers or Corporate Customers having debts which have been archived shall not be treated as having an Account which is In Use for the purposes of this Contract;
 - d. any Accounts created for the purposes of developing, customising, integrating, testing or configuration of the Licensed Software shall not be treated as a live active Account,

and therefore, no Support and Maintenance Charges shall be payable in respect of these Accounts.

ANNEX 5 – RATE CARD CHARGES

1. Details of Rate Card charges are shown below. The rates shown in the Rate Card are inclusive of all expenses including travel, accommodation, subsistence and any incidental or related expenses.

Supplier Rate Card

Professional Services Rate Card

Role	Day-rate GBP
Manager (Project Manager)	[REDACTED]
Senior Consultant (SC) - Senior Functional Debt Manager Consultant	[REDACTED]
Lead Consultant (FC1-LEAD) - Lead Functional Debt Manager Consultant	[REDACTED]
Consultant II (FC2)	[REDACTED]
Lead Consultant (TC1-LEAD) - Lead Technical Debt Manager Consultant	[REDACTED]
Lead Consultant (TC2-DM6 MIG) - Lead Technical Debt Manager Consultant	[REDACTED]
Lead Consultant (FC3-DM6 MIG) - Lead Functional Debt Manager Consultant	[REDACTED]
Consultant II (IC) - Technical Installation Debt Manager Consultant	[REDACTED]
Senior Consultant (QA) - Senior Quality Assurance Consultant	[REDACTED]
Senior Programmer (GDC LEAD DEV) - Lead Offshore Developer	[REDACTED]
Programmer (GDC DEV & QA) - Offshore Developer	[REDACTED]

SCHEDULE 3: SERVICE LEVELS AND PERFORMANCE

1. DEFINITIONS

1.1 In this Schedule 3, the following definitions shall apply:

“Available”

The ICT Environment and/or the Services shall be Available when:

- (a) End Users are able to access and utilise all the functions of the Supplier System and/or the Services; and
- (b) The Supplier System is able to process the Authority Data and to provide any required reports within the timescales set out in the Schedule 1 (Services Requirements) (as measured on a 24 x 7 basis); and
- (c) All performance indicators other than 'Service Availability' are above the Service Threshold.

“End User”

Any person authorised by the Authority to use the ICT Environment and/or the Services.

“Help Desk”

The single point of contact help desk set up and operated by the Supplier for the purposes of this Contract.

“Non-Available”

In relation to the ICT Environment or the Services, that the ICT Environment or the Services are not Available.

“Performance Monitoring Report”

A report to the Authority Representative which summarises the performance by the Supplier against each of the Service Levels, further described in paragraph 6.2 of Part B.

“Performance Review Meeting”

The regular meetings between the Supplier and the Authority to manage and review the Supplier's performance under this Contract, as further described in paragraph 6.5 of Part B.

“Repeat SL Failure”

A Service Level Failure occurring in respect of the same Service Level in any two consecutive Service Periods, the second and any subsequent such Service Level Failure shall be a “Repeat SL Failure”.

“Service Downtime”

Any period of time during which any of the Services are not Available

“Support Response Time”

Measurement of Support response times will be based on the time taken for a support operative to respond to an incident.

The Supplier shall monitor the Support response times by severity level and shall provide the results of such monitoring to the Authority in accordance with the provisions of Part B of this Schedule.

“Fix Time”

The “Fix Time” of a Service Incident is the period from the time that the Service Incident has been reported to the Supplier to the point of its Resolution and “Resolution” means in relation to a Service Incident either:

- (a) The root cause of the Service Incident has been removed and the Services are being provided in accordance with the Services Requirement set out in Schedule and the Service Levels; or
- (b) The Authority has been provided with a workaround in relation to the Service Incident deemed acceptable by the Authority.

Fix Times for Severity 3 Service Incidents and Severity 4 Service Incidents shall be measured in Operational Hours.

Non-exhaustive example:

- If the Operational Hours for a fault are 07:30 - 20:00 hours, then the clock stops measuring Fix Time at 20:00 in the evening and restarts at 07:30 the following day.

Fix Times for Severity 1 Service Incidents and Severity 2 Service Incidents shall be measured 24 x 7.

The Supplier shall measure Fix Times, by severity level, as part of its service management responsibilities and report periodically to the Authority on Fix Times as part of the Performance Monitoring Report.

“Operational Hours”

In relation to any Service, the hours for which that Service is to be operational as set out in Schedule 1 (Services Requirement)

“Service Incident”

A reported occurrence of a failure to deliver any part of the Services in accordance with the Authority requirements in Schedule 1 or the performance indicators as per Annex 2.

“Service Period”

A measurement period shall be 1 month.

PART A: PERFORMANCE INDICATORS AND SERVICE CREDITS

2. PERFORMANCE INDICATORS

- 2.1 Annex 1 sets out the Service Levels which the Parties have agreed shall be used to measure the performance of the Services by the Supplier.
- 2.2 The Supplier shall monitor its performance against each Service Level and shall send the Authority a report detailing the level of service actually achieved in accordance with Part B.
- 2.3 Service Points, and therefore Service Credits, shall accrue for any Service Level Failure and shall be calculated in accordance with Paragraphs 3, 4 and 5.
- 2.4 A Critical Service Level Failure occurs when the Supplier performs at a standard below the Service Threshold, detailed in the table comprising Annex 1 of this Schedule 3, for any Service Levels, for any Service Period.

3. SERVICE POINTS

- 3.1 If the level of performance of the Supplier during a Service Period achieves the target performance level (as further described in table 1 and please see the worked example below) in respect of a Service Level, no Service Points shall accrue to the Supplier in respect of that Service Level.
- 3.2 If the level of performance of the Supplier during a Service Period is below the target performance level in respect of a Service Level, Service Points shall accrue to the Supplier in respect of that Service Level as set out in Annex 1.

3.3 The number of Service Points that shall accrue to the Supplier in respect of a Service Level Failure shall be the applicable number as set out in Annex 1 depending on whether the Service Level Failure is a Minor SL Failure, a Serious SL Failure or a Severe SL Failure, unless the Service Level Failure is a Repeat SL Failure when the provisions of Paragraph 4 shall apply.

4. REPEAT SL FAILURES AND RELATED SERVICE FAILURES

Repeat SL Failures

4.1 If a Service Level Failure occurs in respect of the same Service Level in any two consecutive Service Periods, the second and any subsequent such Service Level Failure shall be a “Repeat SL Failure”.

4.2 The number of Service Points that shall accrue to the Supplier in respect of a Service Level Failure that is a Repeat SL Failure shall be calculated as follows:

SP = P x 2

where:

SP = the number of Service Points that shall accrue for the Repeat SL Failure; and

P = the applicable number of Service Points for that Service Level Failure as set out in Annex 1 depending on whether the Repeat SL Failure is a Minor SL Failure, a Serious SL Failure, a Severe SL Failure or a failure to meet the Service Threshold.

Table 1

Support Response Levels	Service Points
Target Performance Level: 100%	0
Minor SL Failure: 98.0% - 99.9%	1
Serious SL Failure: 97.0% - 97.9%	2
Severe SL Failure: 96.0% - 96.9%	3

Service Threshold: below 96%	4
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Worked example based on the Service Points regime described above for Support Response Time:

Example 1:

If the Supplier achieves Support Response Time of 98.5% in a given Service Period, it will incur a Minor SL Failure for Support Response Time in that Service Period and accordingly accrue 1 Service Point. If, in the next Service Period, it achieves Support Response Time of 96.5%, it will incur a Severe SL Failure and accordingly accrue 3 Service Points, but as the failure is a Repeat SL Failure, this amount is doubled and so the Supplier will incur 6 Service Points for the failure (i.e. $SP = 3 \times 2$). If in the next Service Period it achieves Support Response Time of 96.5%, the Supplier will again incur 6 Service Points.

Example 2:

If the Supplier achieves Support Response Time of 96.5% in a given Service Period, it will incur a Severe SL Failure for Support Response Time in that Service Period and accordingly accrue 3 Service Points. If, in the next Service Period, it achieves Support Response Time of 98.5%, it will incur a Minor SL Failure and accordingly accrue 1 Service Point, but as the failure is a Repeat SL Failure, this amount is doubled and so the Supplier will incur 2 Service Points for the failure (i.e. $SP = 1 \times 2$). If in the next Service Period it achieves Support Response Time of 96.5%, the Supplier will incur 6 Service Points.

Related Service Level Failures

- 4.3 If any specific Service Levels refer to both Support Response Time and Fix Time, the Support Response Time achieved by the Supplier for any period of time during a Service Period during which the relevant Service or element of a Service is determined to be Non-Available shall not be taken into account in calculating the average Support Response Times over the course of that Service Period. Accordingly, the Supplier shall not incur any Service Points for failure to meet Support Response

Times in circumstances where such failure is a result of, and the Supplier has already incurred Service Points for, the response not being made.

5. SERVICE CREDITS

5.1 Service Credits shall be calculated by reference to the number of Service Points accrued in any one **Service Period** pursuant to the provisions of Schedule 2 (Charges and Invoicing).

5.2 For each Service Period:

5.2.1 The Service Points accrued shall be converted to a percentage deduction from the Support and Maintenance Charges for the relevant Service Period on the basis of one point equating to a 5% deduction in the Support and Maintenance Charges; and

5.2.2 The total Service Credits applicable for the Service Period shall be calculated in accordance with the following formula:

$$\mathbf{SC = TSP \times X \times AC}$$

where:

SC = the total Service Credits for the relevant Service Period;

TSP = the total Service Points that have accrued for the relevant Service Period;

X = 5%; and

AC = the total Support and Maintenance Charges payable for the relevant Service Period (prior to deduction of applicable Service Credits).

5.3 The liability of the Supplier in respect of Service Credits shall be subject to a limit of 100% of the Support and Maintenance Charges for each period.

5.4 Service Credits are a reduction of the Support and Maintenance Charges payable in respect of the relevant Services to reflect the reduced value of the Services actually received and are stated exclusive of VAT.

5.5 Service Credits shall be shown as a deduction from the amount due from the Authority to the Supplier in the invoice for the Service Period immediately succeeding the Service Period to which they relate.

- 5.6 The Authority shall use the Performance Monitoring Reports provided pursuant to Part B, among other things, to verify the calculation and accuracy of the Service Credits (if any) applicable to each Service Period.

PART B: PERFORMANCE MONITORING

6. PERFORMANCE MONITORING AND PERFORMANCE REVIEW

6.1 Within 10 Working Days of the end of each Service Period, the Supplier shall provide:

6.1.1 A report to the Authority Representative which summarises the performance by the Supplier against each of the Performance Indicators as more particularly described in Paragraph 6.2 (the "Performance Monitoring Report"); and

6.1.2 A report to the Authority's senior responsible officer which summarises the Supplier's performance over the relevant Service Period as more particularly described in Paragraph 6.3 (the "Balanced Scorecard Report").

Performance Monitoring Report

6.2 The Performance Monitoring Report shall be in such format as agreed between the Parties from time to time and contain, as a minimum, the following information:

Information in respect of the Service Period just ended

6.2.1 For each Service Level, the actual performance achieved over the Service Period, and that achieved over the previous 3 Service Periods;

6.2.2 A summary of all Service Level Failures that occurred during the Service Period;

6.2.3 The severity level of each Service Level Failure which occurred during the Service Period and fell below the relevant service threshold set out in Table 1;

6.2.4 Which Service Level Failures remain outstanding and progress in resolving them;

6.2.5 For any Material SL Failures occurring during the Service Period, the cause of the relevant Service Level Failure and the action being taken to reduce the likelihood of recurrence;

- 6.2.6 The status of any outstanding Rectification Plan processes, including:
 - (a) whether or not a Rectification Plan has been agreed; and
 - (b) where a Rectification Plan has been agreed, a summary of the Supplier's progress in implementing that Rectification Plan.
- 6.2.7 For any Repeat SL Failures, actions taken to resolve the underlying cause and prevent recurrence;
- 6.2.8 The number of Service Points awarded in respect of each Service Level Failure;
- 6.2.9 The Service Credits to be applied, indicating the Service Level Failure(s) to which the Service Credits relate;
- 6.2.10 Relevant particulars of any aspects of the Supplier's performance which fail to meet the requirements of this Contract;
- 6.2.11 Such other details as the Authority may reasonably require from time to time; and

Information in respect of previous Service Periods

- 6.2.12 A rolling total of the number of Service Failures that have occurred over the past six Service Periods;
- 6.2.13 The amount of Service Credits that have been incurred by the Supplier over the past six Service Periods;

Balanced Scorecard Report

- 6.3 The Balanced Scorecard Report shall be presented in the form of a dashboard and, as a minimum, shall contain a high level summary of the Supplier's performance over the relevant Service Period, including details of the following:
 - 6.3.1 Financial indicators;
 - 6.3.2 The Target Performance Levels achieved;
 - 6.3.3 Behavioural indicators;
 - 6.3.4 Performance against its obligation to pay its Sub-contractors within 30

days of receipt of an undisputed invoice.

- 6.4 The Performance Monitoring Report and the Balanced Scorecard Report shall be reviewed and their contents agreed by the Parties at the next Performance Review Meeting held in accordance with Paragraph 6.5.
- 6.5 The Parties shall attend meetings on a monthly basis (unless otherwise agreed) to review the Performance Monitoring Reports and the Balanced Scorecard Reports. The Performance Review Meetings shall (unless otherwise agreed):
 - 6.5.1 Take place within 5 Working Days of the Performance Monitoring Report being issued by the Supplier;
 - 6.5.2 Take place at such location and time (within normal business hours) as the Authority shall reasonably require (unless otherwise agreed in advance); and
 - 6.5.3 Be attended by the Supplier Representative and the Authority Representative.
- 6.6 The Authority shall be entitled to raise any additional questions and/or request any further information from the Supplier regarding any Service Level Failure and/or Service Failure.

7. PERFORMANCE RECORDS

- 7.1 The Supplier shall keep appropriate documents and records (including Help Desk records, staff records, timesheets, training programmes, staff training records, goods received documentation, supplier accreditation records, complaints received etc.) in relation to the Services being delivered. Without prejudice to the generality of the foregoing, the Supplier shall maintain accurate records of call histories for a minimum of 12 months and provide prompt access to such records to the Authority upon the Authority's request. The records and documents of the Supplier shall be available for inspection by the Authority and/or its nominee at any time and the Authority and/or its nominee may make copies of any such records and documents.
- 7.2 In addition to the requirement in Paragraph 2.1 to maintain appropriate documents and

records, the Supplier shall provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the level of the performance of the Supplier and the calculations of the amount of Service Credits for any specified period.

- 7.3 The Supplier shall ensure that the Performance Monitoring Report, the Balanced Scorecard Report and any variations or amendments thereto, any reports and summaries produced in accordance with this Schedule and any other document or record reasonably required by the Authority are available to the Authority on-line and are capable of being printed.

8. PERFORMANCE VERIFICATION

- 8.1 The Authority reserves the right to verify the Supplier's performance under this Contract against the Service Levels.

ANNEX 1: SERVICE LEVELS

9. SERVICE LEVELS

9.1 The Service Levels that shall apply to the Maintenance and Support Services are set out below:

Service Level No.	Service Level Title	Definition	Frequency of Measurement	Severity Levels	Service Points
SLA1	Support Response Times	See Paragraph 1 Definitions	Monthly	<p>Target Performance Level: 100% of the time, which will be assessed against the service levels set out in the severity table in Annex 2.</p> <p>Minor SL Failure: 98.0% - 99.9%</p> <p>Serious SL Failure: 97.0% - 97.9%</p> <p>Severe SL Failure: 96.0% - 96.9%</p>	<p>[0]</p> <p>[1]</p> <p>[2]</p> <p>[3]</p>
SLA2	Fix Times	See Paragraph 1 Definitions	Monthly	<p>100% of the time, assessed against the service levels set out in the severity table in Annex 2.</p> <p>Minor SL Failure: 98% - 99.9%</p> <p>Serious SL Failure: 97% - 97.9%</p> <p>Severe SL Failure:</p>	<p>[0]</p> <p>[1]</p> <p>[2]</p> <p>[3]</p>

				96% - 96.9%	
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ANNEX 2 – INCIDENT SEVERITY DESCRIPTIONS

Severity	Description, Response & Resolution/Fix Times
1 (Critical)	<p>Solution is unavailable or unusable resulting in major disruption to production use by the Authority.</p> <p>Support Response Time: within 15 minutes of the incident being logged, updates at 30 minute intervals or as per mutual written agreement of the Parties. A severity 1 incident must be called in via telephone.</p> <p>Fix Time: Supplier shall advise the Authority on a workaround where possible. Target Fix Time with continuous Supplier effort within 4 hours of a software defect being confirmed by the Supplier.</p>
2 (High)	<p>a) A major feature or component of the production Solution is unavailable or unusable resulting in significant impact on production use.</p> <p>b) non-production solution unavailable or unusable resulting in major disruption to development/configuration programmes.</p> <p>Supplier Response Time: within 30 minutes of the incident being logged, updates at 1 hour intervals or as per mutual written agreement of the Parties. A severity 2 incident must be called in via telephone.</p> <p>Fix Time: Target Fix Time with continuous Supplier effort within 16 hours of a software defect being confirmed by the Supplier.</p>
3 (Medium)	<p>a) A failure of a non-critical functional component, remaining components still usable of the production Solution.</p> <p>b) A major feature or component of any non-production Solution is unavailable or unusable resulting in significant disruption to development/configuration programmes.</p> <p>Supplier Response Time: within 4 hours of the incident being logged, updates at 4 hour intervals in business hours, or as per mutual written agreement of the Parties.</p> <p>Fix Time: for software defects to be corrected in next release, with a suitable workaround (where possible) provided by the Supplier within 72 hours (excluding weekends) of the incident being reported. The Authority shall be entitled to request an upgrade of any severity 3 incident that relates to production environment of the Solution to a severity 2 incident on providing written notice to the Supplier. Upon receipt of such notice, the Supplier shall, if mutually agreed, comply with the Support Response Times and Fix Times for severity 2 incidents in respect of that production incident and the relevant Service Levels and Service Points for that severity 2 incident shall apply.</p>
4 (Low)	<p>Failure of a non-critical functional component of any non-production Solution. General questions regarding Solution functionality or issues that do not impact capabilities/functionality of the Solution.</p> <p>Supplier Response Time: within 7 hours of the incident being logged, updates at 12 hour intervals, in business hours, or as per mutual written agreement of the Parties.</p>

Severity	Description, Response & Resolution/Fix Times
	Fix Time: for software defects to be considered for correction in next release, with a suitable workaround provided by the Supplier (where possible) within 72 hours (excluding weekends) of the incident being reported.

SCHEDULE 4: SUPPLIER SOLUTION

PART A: SUPPLIER SOLUTION/TENDER

The Parties acknowledge and agree that the incorporation of the Supplier's Solution and Tender into this Contract does not operate to transfer any risk to the Authority that the Supplier's Solution or Tender is complete or will meet the Authority's 'Service Requirements' which are set out in Schedule 1. The Supplier shall remain fully liable in respect of ensuring that its Solution and delivery of the Services meets the Service Requirements. The Parties agree that the Supplier's Solution shall at all times during the Term meet the Authority's Service Requirements. The Parties acknowledge and agree that the Service Requirements as set out in Schedule 1 are capable of being delivered independently of the CCS Services. The Parties acknowledge that the functionality provided by the CCS Services described in this Schedule 4 shall only apply if the Authority exercises its rights in clause 6.1.8 of the Contract.

The Supplier Solution includes the following:

- A. The Authority's Accessibility Standards Checklist;
- B. The Supplier's response to the ITT Attachment 2- qualitative questionnaire;
- C. The Supplier's response to the Revised Requirements Description; and
- D. The Supplier's responses to clarifications raised by the Authority.

PART A: The Authority's Accessibility Standards Checklist

PART B: The Supplier's response to the ITT Attachment 2- qualitative questionnaire

PART C: The Supplier's response to the Revised Requirements Description

PART D: Responses to Clarifications

	Questions/Comments from the Authority	Supplier Response
11	Can the Supplier confirm that the software reporting module is within the Solution being delivered to the Authority?	The 80+ standard debt manager reports are within the Solution being delivered. They are developed using SSRS and run through SSRS.
12	Can the Supplier confirm if the build and configuration of dashboards is within the Deliverables in the Solution?	The build and configuration of dashboards (other than those within the standard reports) would be the responsibility of the Authority with the assistance of the Supplier.
14	Can the Supplier confirm if the generic integration facilities and configuration are within the scope of the Deliverables for the Solution which is to be licensed to the Authority?	The standard Solution integration facilities which are integral to the product (Bulk Data Loader, Configuration Data Loader and Web services) are within the scope of the Deliverables. These require data to be supplied in the BDL format XML files. FICO will support any configuration required to load these files.
31	The Authority has noticed within the repay tab of the requirements that PAY.0050 hasn't been marked A-D. Please can the Supplier confirm its response?	The Supplier confirms the correct response to Requirement ID PAY.0050 within the Requirements Workbook is (A).

<p>33</p>	<p>Debt Manager integration functionality is standard product's capability using Bulk Data Loader (BDL). But later on in the Third Party Software section Kettle is proposed as an optional ETL tool.</p> <ul style="list-style-type: none"> • Why does the Authority need 'Kettle' when 'BDL' could be used for interfacing and data integration? • Is there a choice to use only Kettle and not use BDL? • If there is a cost for BDL, is it included in the Supplier's pricing? 	<p>1) Kettle is not required. It is a suggested ETL tool by the Supplier, other ETL tools can utilised for data transformation. The standard ETLs of the Solution require a run-time version of Kettle which is bundled with the debt manager Software. The Authority are free to choose any ETL development tool to develop any conversion required to get data to the required XML format.</p> <p>2) BDL is functionality in-built in the debt manager product. It is not a development tool. It is a series of processes that validate the Supplier standard XML and orchestrates the debt manager Web services to update the data into the debt manager database. Kettle is an ETL development tool.</p> <p>3) No. It is recommended that all updates into the debt manager database are made through new business, payments or BDL as this ensures the integrity of the database. Kettle should only be used to create ETLs to convert the Authority format data into the standard Supplier BDL XML format.</p> <p>4) BDL is functionality which is part of the debt manager package Solution and is not subject to any costs in addition to the Solution licence fees.</p>
<p>38</p>	<p>In one of the clarification responses the Authority says - "The 80+ standard Debt Manager Reports are within the solution being delivered. The Supplier has developed this using SSRS and run through SSRS."</p> <p>The clarification question relates to reporting:</p> <ul style="list-style-type: none"> • What do you mean by 'standard reports'? • Please classify these report types or provide high level detail? 	<p>Yes, the reports are out-of-the-box and the Authority provides SSRS infrastructure for these report to deploy and run. Please see the attached document for a list of report types.</p>

SCHEDULE 5: CHANGE CONTROL NOTE

<p>This Change Control Note (“CCN”) is made by and between:</p>	
(1)	<p>[Fair Isaac Services Limited]a company registered in England and Wales under company number []and whose registered office is at []("Supplier")</p>
(2)	<p>[Department for Work and Pensions] of [Caxton house,] (the "Authority").</p> <p>pursuant to, and subject to, the terms and conditions of the Agreement for the Authority(the "Agreement") between the Parties. The terms of the Agreement shall apply to this CCN except to the extent expressly excluded or modified by the terms of this CCN.</p>
CCN Reference No	
CCN Issue No	
Title of Change	
CCN Originator	
Date of Request	
Response Required by:	[insert date that a Response is Required from the Authority/Supplier]
Reason for Change	
[insert details]	
Full Details of Change	
[insert details]	
Impact Assessment and Variation Pricing/Changes to Charges	
[insert details]	
Implementation Plans	
[insert any implementation plans required to effect the change]	
Timetable for Testing and Implementation	
[insert details]	
Amendments Required to the Terms and Conditions and/ or Schedules	
[insert details]	
Evidence to support change in costs/price	
[insert details]	
Schedule of Payments	
[insert details]	
Other Issues	

Agreed for and on behalf of the Authority		Agreed for and on behalf of Supplier	
Signature:		Signature:	
Title:		Title:	
Date:		Date:	
Rejected	Y/N	Rejected	Y/N
Reason for Rejection ;		Reason for Rejection ;	
Actions;		Actions;	

SCHEDULE 6: DISPUTE RESOLUTION PROCEDURE

1. DEFINITIONS

1.1 In this Schedule 6, the following definitions shall apply:

"CEDR"	the Centre for Effective Dispute Resolution of International Dispute Resolution Centre, 70 Fleet Street, London, EC4Y 1EU;
"Counter Notice"	has the meaning given to it in paragraph 6.2 of this Schedule;
"Expert"	the person appointed by the Parties in accordance with paragraph 5 of this Schedule
"Mediation Notice"	has the meaning given to it in paragraph 3.2 of this Schedule; and
"Mediator"	the independent third party appointed in accordance with paragraph 4 of this Schedule.

2. INTRODUCTION

2.1 If a Dispute arises then:

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

2.1.2 If such attempts are not successful within a reasonable time either Party may give to the other a Dispute Notice.

2.2 The Dispute Notice shall set out:

2.2.1 The material particulars of the Dispute;

2.2.2 The reasons why the Party serving the Dispute Notice believes that the Dispute has arisen;

2.2.3 The names and contact details of the Parties' respective escalation points; and

2.2.4 If the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable as set out in paragraph 2.5 of this Schedule, the reason why.

2.3 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 the referral of the Dispute to the Dispute Resolution Procedure.

2.4 Subject to paragraph 3.2 of this Schedule, the Parties shall seek to resolve Disputes:

2.4.1 First by commercial negotiation (as prescribed in paragraph 3 of this Schedule);

2.4.2 Then by mediation (as prescribed in paragraph 4 of this Schedule); and

- 2.4.3 Lastly by recourse to arbitration (as prescribed in paragraph 6 of this Schedule) or litigation (in accordance with Clause 45 of this Contract (Governing Law and Jurisdiction)).

Specific issues shall be referred to Expert Determination (as prescribed in paragraph 5 of this Schedule) where specified under the provisions of this Contract and may also be referred to Expert Determination where otherwise appropriate as specified in paragraph 5 of this Schedule.

- 2.5 In exceptional circumstances where the use of the times in this Schedule would be 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 of the Expedited Dispute Timetable within five (5) Working Days of the issue of the Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Authority.
- 2.6 If the use of the Expedited Dispute Timetable is determined in accordance with paragraph 2.5 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:
- 2.6.1 In paragraph 3.2.3, ten (10) Working Days;
- 2.6.2 In paragraph 4.2, ten (10) Working Days;
- 2.6.3 In paragraph 5.2, five (5) Working Days; and
- 2.6.4 In paragraph 6.2, ten (10) Working Days.
- 2.7 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. Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension.

3. COMMERCIAL NEGOTIATIONS

- 3.1 Following the service of a Dispute Notice, the Authority and the Supplier shall use reasonable endeavours to resolve the Dispute as soon as possible, by discussion between the Parties' respective escalation points as set out in paragraph 3.3 below.
- 3.2 If:
- 3.2.1 Either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiations, will not result in an appropriate solution;
- 3.2.2 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 negotiations in accordance with this paragraph; or
- 3.2.3 The Parties have not settled the Dispute in accordance with paragraph 3.1 of this Schedule within thirty (30) Working Days of service of the Dispute Notice,

Either Party may serve a written notice to proceed to mediation (a “**Mediation Notice**”) in accordance with paragraph 4 of this Schedule.

Escalation Points:

Authority	Supplier
[REDACTED]DWP	[REDACTED]
Commercial Team	FICO
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

4. MEDIATION

- 4.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with CEDR's Model Mediation Agreement which shall be deemed to be incorporated by reference into this Contract.
- 4.2 If the Parties are unable to agree on the joint appointment of a Mediator within thirty (30) Working Days from service of the Mediation Notice then either Party may apply to CEDR to nominate the Mediator.
- 4.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if the 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.
- 4.4 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 Variation Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

5. EXPERT DETERMINATION

- 5.1 If a Dispute relates to any aspect of the technology underlying the provision of the Services or otherwise relates to an ICT technical, financial technical or other aspect of a technical nature (as the Parties may agree) and the Dispute has not been resolved by discussion or mediation, then either Party may request (which request will not be unreasonably withheld or delayed) by written notice to the other that the Dispute is referred to an Expert for determination.
- 5.2 The Expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within ten (10) Working Days, or if the person appointed is unable or

unwilling to act, the Expert shall be appointed on the instructions of the President of the British Computer Society (or any other association that has replaced the British Computer Society).

6. ARBITRATION

- 6.1 The Authority may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of paragraph 6.4 of this Schedule.
- 6.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Authority of its intentions and the Authority shall have fifteen (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 6.4 of this Schedule or be subject to the jurisdiction of the courts in accordance with Clause 45 of this Contract (Governing Law and Jurisdiction). The Supplier shall not commence any court proceedings or arbitration until the expiry of such fifteen (15) Working Day period.
- 6.3 If:
- 6.3.1 The Counter Notice requires the Dispute to be referred to arbitration, the provisions of paragraph 6.4 of this Schedule shall apply;
- 6.3.2 The Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts in accordance with Clause 45 of this Contract (Governing Law and Jurisdiction), the Dispute shall be so referred to the courts and the Supplier shall not commence arbitration proceedings;
- 6.3.3 The Authority does not serve a Counter Notice within the fifteen (15) Working Days period referred to in paragraph 6.2 of this Schedule, the Supplier may either commence arbitration proceedings in accordance with paragraph 6.4 of this Schedule or commence court proceedings in the courts in accordance with Clause 45 of this Contract (Governing Law and Jurisdiction) which shall (in those circumstances) have exclusive jurisdiction.
- 6.4 In the event that any arbitration proceedings are commenced pursuant to paragraphs 6.1 to 6.3 of this Schedule, the Parties hereby confirm that:
- 6.4.1 All disputes, issues or claims arising out of or in connection with this Contract (including as to its existence, validity or performance) shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration ("LCIA") (subject to paragraphs 6.4.5, 6.4.6 and 6.4.7 of this Schedule);
- 6.4.2 The arbitration shall be administered by the LCIA;
- 6.4.3 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;

- 6.4.4 If the Parties fail to agree the appointment of the arbitrator within ten (10) 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;
- 6.4.5 The chair of the arbitral tribunal shall be British;
- 6.4.6 The arbitration proceedings shall take place in London and in the English language; and
- 6.4.7 The seat of the arbitration shall be London.

7. URGENT RELIEF

- 7.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:
 - 7.1.1 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
 - 7.1.2 Where compliance with paragraph 2.1 of this Schedule and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

SCHEDULE 7: RELATED ORGANISATIONS

For the purposes of this Contract, the Related Organisations which shall receive the benefit of the Services as at the Commencement Date are:

1. The Department for Communities (Northern Ireland).
2. BPDTS Ltd (a wholly-owned subsidiary of DWP).
3. Such other departments located on the Authority Premises.

SCHEDULE 8: EXIT MANAGEMENT

1. DEFINITIONS

In this Schedule 8, the following definitions shall apply:

- “Emergency Exit”** any termination of this Contract which is a:
- (a) termination of the whole or part of this Contract in accordance with Clauses 29-32 (Termination Rights), 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 Clauses 29-32 (Termination Rights); or
 - (c) wrongful termination or repudiation of this Contract by either Party;
- “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 this Contract which occurs: pursuant to Clauses 29-32 (Termination Rights) 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 as a result of the expiry of the Initial Term or any Extension Period;
“Registers”	the register and configuration database referred to in Paragraphs 2.1(a) and 2.1(b);
“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 6.2(c).

2. OBLIGATIONS DURING THE TERM TO FACILITATE EXIT

2.1 During the Term, the Supplier shall:

- (a) create and maintain a register of all:
 - (i) Assets, detailing their:
 - (A) make, model and asset number;
 - (B) ownership and status as either Exclusive Assets or Non- Exclusive Assets;
 - (C) Net Book Value;
 - (D) condition and physical location; and
 - (E) use (including technical specifications); and
 - (ii) 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;
- (b) 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;

- (c) agree the format of the Registers with the Authority as part of the process of agreeing the Exit Plan; and
 - (d) 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 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 Commencement 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

- 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:
- (a) details of the Service(s), Software and all its components;
 - (b) a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;
 - (c) an inventory of Authority Data in the Supplier's possession or control;
 - (d) details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;
 - (e) a list of on-going and/or threatened disputes in relation to the provision of the Services;
 - (f) 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
 - (g) 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:
- (a) 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 such proposed material changes; and
 - (b) 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:
 - (a) prepare an informed offer for those Services; and
 - (b) not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

4. EXIT PLAN

- 4.1 The Supplier shall, within 3 months after the Commencement Date, deliver to the Authority an Exit Plan which:
 - (a) sets out the Supplier's proposed methodology for achieving an orderly transition of the Services from the Supplier to the Authority and/or its Replacement Supplier on the expiry or termination of this Contract;
 - (b) complies with the requirements set out in Paragraph 4.2; and
 - (c) is otherwise reasonably satisfactory to the Authority.
- 4.2 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.
- 4.3 The Exit Plan shall set out, as a minimum:
 - (a) how the Exit Information is obtained;
 - (b) 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 assistance as the Authority shall require to enable the Authority or its sub-contractors to provide the Services;
 - (c) the management structure to be employed during both transfer and cessation of the Services in an Ordinary Exit and an Emergency Exit;
 - (d) the management structure to be employed during the Termination Assistance Period;
 - (e) 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;
 - (f) 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);
 - (g) 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);
 - (h) a timetable and critical issues for providing the Termination Services;
 - (i) 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;

- (j) how the Termination Services would be provided (if required) during the Termination Assistance Period;
 - (k) procedures to deal with requests made by the Authority and/or a Replacement Supplier for staffing information (if relevant); and
 - (l) 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.
- 4.4 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.
- 4.5 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) 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 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

- 4.6 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.
- 4.7 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).

5. TERMINATION SERVICES

Notification of Requirements for Termination Services

- 5.1 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:
- (a) the date from which Termination Services are required;
 - (b) the nature of the Termination Services required; and
 - (c) the period during which it is anticipated that Termination Services will be required, which shall continue no longer than 24 months after the date that the Supplier ceases to provide the Services.

- 5.2 The Authority shall have an option to extend the period of assistance beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than 6 months after the date the Supplier ceases to provide the Services or, if applicable, beyond the end of the Termination Assistance Period 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. The Authority shall have 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

- 5.3 Throughout the Termination Assistance Period, or such shorter period as the Authority may require, the Supplier shall:
- (a) continue to provide the Services (as applicable) and, if required by the Authority pursuant to Paragraph 5.1, provide the Termination Services;
 - (b) 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 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;
 - (c) use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in Paragraph 5.3(b) without additional costs to the Authority;
 - (d) 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 5.5; and
 - (e) at the Authority's request and on reasonable notice, deliver up-to-date Registers to the Authority.
- 5.4 Without prejudice to the Supplier's obligations under Paragraph 5.3(c), if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 5.3(b) 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.
- 5.5 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

- 5.6 The Supplier shall comply with all of its obligations contained in the Exit Plan.
- 5.7 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), the Supplier shall:
- (a) cease to use the Authority Data;
 - (b) 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);
 - (c) 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;

- (d) return to the Authority such of the following as is in the Supplier's possession or control:
 - (i) all copies of the Authority Software and any other software licensed by the Authority to the Supplier under this Contract;
 - (ii) all materials created by the Supplier under this Contract in which the IPRs are owned by the Authority;
 - (iii) any parts of the IT Environment and any other equipment which belongs to the Authority; and
 - (iv) any items that have been on-charged to the Authority, such as consumables;
- (e) vacate any Authority Premises;
- (f) provide access during normal working hours to the Authority and/or the Replacement Supplier for up to 12 months after expiry or termination to:
 - (i) such information relating to the Services as remains in the possession or control of the Supplier; and
 - (ii) 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 5.7(f)(ii).

5.8 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), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party 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.

5.9 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Authority to the Supplier in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.

6. ASSETS, SUB-CONTRACTS AND SOFTWARE

6.1 Following notice of termination of this Contract and during the Termination Assistance Period, the Supplier shall not, without the Authority's prior written consent:

- (a) 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;
- (b) (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Assets or acquire any new Assets; or
- (c) terminate, enter into or vary any licence for software in connection with the Services.

6.2 Within 20 Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to Paragraph 5.3(e), the Authority shall provide written notice to the Supplier setting out:

- (a) which, if any, of the Transferable Assets the Authority requires to be transferred to the Authority and/or the Replacement Supplier ("Transferring Assets"); which, if any, of:
 - (i) the Exclusive Assets that are not Transferable Assets; and
 - (ii) the Non-Exclusive Assets,

the Authority and/or the Replacement Supplier requires the continued use of; and

- (b) 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.
- 6.3 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:
- (a) 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
 - (b) 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.
- 6.4 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.
- 6.5 Where the Supplier is notified in accordance with Paragraph 6.2(b) 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:
- (a) procure a non-exclusive, perpetual, royalty-free licence (or licence on such 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
 - (b) procure a suitable alternative to such assets and the Authority or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.
- 6.6 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.
- 6.7 The Authority shall:
- (a) accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and
 - (b) 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.
- 6.8 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.
- 6.9 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 6.6 in relation to any matters arising prior to the date of assignment or novation of such Sub-contract.

7. SUPPLIER PERSONNEL

- 7.1 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.
- 7.2 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.
- 7.3 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 employed by the Supplier on the Services, regardless of when such notice takes effect.
- 7.4 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.

8. CHARGES

- 8.1 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.
- 8.2 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.
- 8.3 Except as otherwise expressly specified in this Contract, 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.

9. APPORTIONMENTS

- 9.1 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:
- (a) the amounts shall be annualised and divided by 365 to reach a daily rate;
 - (b) 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 of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and

- (c) the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.
- 9.2 Each Party shall pay (and/or the Authority shall procure that the Replacement Supplier shall pay) any monies due under Paragraph 9.1 as soon as reasonably practicable.

ANNEX 1: SCOPE OF THE TERMINATION SERVICES

1. 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:
- (a) ceasing all non-critical Software changes (except where agreed in writing with the Authority);
 - (b) notifying the Sub-contractors of procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;
 - (c) 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;
 - (d) 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;
 - (e) providing details of work volumes and staffing requirements over the 12 month period immediately prior to the commencement of the Termination Services;
 - (f) 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;
 - (g) providing the Authority with any problem logs which have not previously been provided to the Authority;
 - (h) 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;
 - (i) 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;
 - (j) reviewing all Software libraries used in connection with the Services and providing details of these to the Authority and/or the Replacement Supplier;
 - (k) 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;
 - (l) assisting in establishing naming conventions for any new production site;
 - (m) analysing and providing information about capacity and performance requirements, processor requirements and bandwidth requirements, and known planned requirements for capacity growth across these areas;
 - (n) generating a computer listing of the Source Code of FICO® Debt Manager™ solution in a form and on media reasonably requested by the Authority;
 - (o) agreeing with the Authority a handover plan for all of the Supplier's responsibilities as set out in the Security Management Plan;

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- (p) 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;
 - (q) assisting with the loading, testing and implementation of the production databases;
 - (r) assisting in the execution of a parallel operation until the effective date of expiry or termination of this Contract;
 - (s) in respect of the maintenance and support of the Supplier System, providing historical performance data for the previous 7 years;
 - (t) 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);
 - (u) providing an information pack listing and describing the Services for use by the Authority in the procurement of the Replacement Services;
 - (v) answering all reasonable questions from the Authority and/or the Replacement Supplier regarding the Services;
 - (w) 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;
 - (x) 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:
 - (i) to information and documentation relating to the Transferring Services that is in the possession or control of the Supplier or its Sub- contractors (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
 - (ii) 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
 - (y) knowledge transfer services, including:
 - (i) 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;
 - (ii) 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; and
 - (iii) 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.
- 1.2 The Supplier shall:
- (a) provide a documented plan relating to the training matters referred to in Paragraph 1.1(k) for agreement by the Authority at the time of termination or expiry of this Contract;

- (b) co-operate fully in the execution of the handover plan agreed pursuant to Paragraph 1.1(o), providing skills and expertise of a suitable standard; and
 - (c) fully co-operate in the execution of the Authority Database migration plan agreed pursuant to Paragraph 1.1(w), 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.
- 1.4 The information which the Supplier shall provide to the Authority and/or the Replacement Supplier pursuant to Paragraph 1.1(y) shall include:
- (a) copies of up-to-date procedures and operations manuals;
 - (b) product information;
 - (c) agreements with third party suppliers of goods and services which are to be transferred to the Authority and/or the Replacement Supplier;
 - (d) 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;
 - (e) 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;
 - (f) details of physical and logical security processes and tools which will be available to the Authority; and
 - (g) any relevant interface information.
- 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:
- (a) any such agent or personnel (including employees, consultants and suppliers) having access to any Sites pursuant to this Paragraph 1.5 shall:
 - (i) sign a confidentiality undertaking in favour of the Supplier (in such form as the Supplier shall reasonably require); and
 - (ii) 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
 - (b) the Authority and/or the Replacement Supplier shall pay the reasonable, proven and proper costs of the Supplier incurred in facilitating such access.

SCHEDULE 9: IMPLEMENTATION AND TESTING

PART A: IMPLEMENTATION

1. THE PURPOSE OF THIS SCHEDULE IS

- 1.1 To describe the requirements, activities and outcomes to be performed by the Supplier to ensure smooth commencement of the Services with effect from the Commencement Date and ensuring the timely and effective commencement of the Maintenance and Support Services from the Maintenance and Support Services Commencement Date;
- 1.2 Define a process for the preparation and agreement of the detailed Implementation Plans for Technical Training, for any Customisation required to deliver the Services and for migration of data from the current to the Supplier system;
- 1.3 To identify the Milestones (and associated Deliverables); and
- 1.4 To provide an overview of Testing of the Service and Deliverables related to Customisation.

2. OUTLINE PLANS

- 2.1 The Supplier provided a number of Plans as part of its Tender, which are attached at Annex 1 of this Schedule 9.
- 2.2 All changes to these Plans shall be subject to the Variation Procedure provided that the Supplier shall not attempt to postpone any of the Milestones using the Variation Procedure or otherwise (except in accordance with Clause 27 (Authority Cause)).

3. APPROVAL OF THE DETAILED PLANS

- 3.1 The Supplier shall submit to the Authority a draft of the detailed Implementation Plans for Technical Training and any Customisation of the out-of-the-box product, needed to meet the full requirement of the ITT, for approval within fifteen (15) Working Days of the Commencement Date.
- 3.2 The Supplier shall ensure that the draft detailed Implementation Plans:
 - 3.2.1 Incorporates all of the Milestones and Milestone Dates set out in the Plans submitted in its response to the ITT;
 - 3.2.2 Includes (as a minimum) the Supplier's proposed Deliverables, timescales and activities and Testing in respect of each of the Milestones;
 - 3.2.3 Clearly outlines all the steps required to implement the Milestones and/or any other implementation activity to be achieved (including roles, responsibilities and resources of the Parties and of third parties) together with a plan for the rest of the programme, in conformity with the Authority's

- requirements as set out in Schedule 1 (Service Requirements);
- 3.2.4 Is produced using a software tool as specified, or agreed by the Authority;
 - 3.2.5 Sets out all proposed approval/closure criteria for all Milestones;
 - 3.2.6 Includes a Risk, Issues and Assumptions Log which identifies and explains any underpinning issues, assumptions and risks associated with the detailed Implementation Plans;
 - 3.2.7 Sets out a list of Authority Responsibilities;
 - 3.2.8 Sets out full details of all migration and transition activity that need to be completed; along with details of any additional governance arrangements which will be applied during the implementation phase;
 - 3.2.9 Includes details of how the Supplier will co-ordinate and implement activity and knowledge transfer from the Authority's existing operational and service management teams (including Authority third parties and the incumbent Supplier) and training for the Authority and its Users; and
 - 3.2.10 Includes a test plan for Customisation Milestones (and where applicable, each Deliverable within that Milestone)
- 3.3 The Authority shall have the right to require the Supplier to include any reasonable changes or provisions in the detailed Implementation Plans before they are submitted to the Authority in accordance with clause 5 (Implementation Plans) and under this Schedule.
- 3.4 Following receipt of the draft detailed Implementation Plans from the Supplier, the Authority shall:
- 3.4.1 Review and comment on the draft detailed Implementation Plans as soon as reasonably practicable; and
 - 3.4.2 Notify the Supplier in writing that it approves or rejects the draft detailed Implementation Plans no later than fifteen (15) Working Days after the date on which the draft detailed Implementation Plans are first delivered to the Authority.
- 3.5 If the Authority rejects the draft detailed Implementation Plans:
- 3.5.1 The Authority shall inform the Supplier in writing of its reasons for its rejection; and
 - 3.5.2 The Supplier shall then revise the draft detailed Implementation Plans (taking reasonable account of the Authority's comments) and shall re-submit revised draft detailed Implementation Plans to the Authority for the Authority's approval within ten (10) Working Days of the date of the Authority's notice of rejection. The provisions of Paragraph 3.4

and this Paragraph 3.5 shall apply again to any resubmitted draft detailed Implementation Plans, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

- 3.6 If the Authority approves the draft detailed Implementation Plans, they shall replace the Outline Implementation Plans from the date of the Authority's notice of approval.

4. UPDATES TO AND MAINTENANCE OF THE DETAILED IMPLEMENTATION PLANS

- 4.1 After approval of the detailed Implementation Plans in accordance with paragraph 3 of this Schedule, they shall be maintained and updated on a weekly basis by the Supplier as may be necessary to reflect the then current state of the implementation of the Services.
- 4.2 Save for any amendments which are of a type identified and notified by the Authority (at the Authority's discretion) to the Supplier in writing as not requiring approval, any material amendments to the detailed Implementation Plans shall be subject to the Variation Procedure (and for the avoidance of doubt any amendments to elements of the detailed Implementation Plans which reflect the contents of the Outline Implementation Plans shall be deemed to be material amendments) provided that in no circumstances shall the Supplier alter or attempt to alter any Milestone Date except in accordance with clause 27 (Supplier Relief Due to Authority Cause).
- 4.3 Until such time as the updated detailed Implementation Plans are approved by the Authority, the detailed Implementation Plans then existing (that is to say prior to the update) shall apply.
- 4.4 In addition to maintaining and updating the detailed Implementation Plans in accordance with this schedule, the Supplier shall submit updated detailed Implementation Plans within twenty (20) Working Days of receiving notification from the Authority, or such longer period as the Parties may agree (provided that any failure to agree such longer period shall be referred to the Dispute Resolution Procedure), of being advised by the Authority of an event reasonably identified by the Authority as requiring revised detailed Implementation Plans.
- 4.5 Any such revised detailed Implementation Plans shall be submitted by the Supplier for approval in accordance with the procedure set out in this paragraph 4.
- 4.6 The Parties shall consider and review the detailed Implementation Plans and progress towards its successful implementation at the Monthly Service Review meetings held in accordance with Schedule 10 (Governance) and at such shorter frequency as may be required in respect of any governance arrangements that are established for the purposes of Implementation in accordance with paragraph 3.2.8 of this Schedule. In preparation for such meetings, the

current detailed Implementation Plans shall be provided by the Supplier to the Authority not less than five Working Days in advance of each meeting of those Boards.

5. MILESTONES AND MILESTONE DATES

- 5.1 The Supplier shall perform its obligations so as to Achieve each Milestone by the Milestone Date and comply with the Implementation Plans.
- 5.2 The following milestones have specific achievement criteria:
 - 5.2.1 'Customisation Milestone' – Achieved on successful completion, test and Authority acceptance of all customisation work identified in the Supplier Customisation Plan.
 - 5.2.2 'Technical Training Milestone' – Achieved on successful completion and Authority acceptance of all technical training identified within the Supplier Technical Training Plan.
 - 5.2.3 'Configuration Milestone' – Achieved on successful completion and Authority acceptance of all Supplier Configuration activity, within the Authority Implementation Plan.
 - 5.2.4 'Operational Training Milestone' – Achieved on successful delivery and Authority acceptance of Training of Authority Operational Trainers.
 - 5.2.5 'Migration Milestone' - Achieved on successful completion of Supplier identified migration activity, within the Authority Implementation Plan.
- 5.3 Changes to the Milestones and activities set out in the Implementation Plans after they have been Approved shall only be made in accordance with the Variation Procedure and provided that the Supplier shall not attempt to postpone any of the Milestones or activities using the Variation Procedure or otherwise (except in accordance with clause 27 (Supplier Relief Due to Authority Cause)) or where advised by the Authority of an event reasonably identified by the Authority as requiring revised detailed Implementation Plans.
- 5.4 Where specified by the Authority in the Implementation Plans, time in relation to compliance with a date, Milestone Date or period shall be of the essence and failure of the Supplier to comply with such date, Milestone Date or period shall be a material Default unless the Parties expressly agree otherwise.

6 ISSUE OF MILESTONE ACHIEVEMENT CERTIFICATE

- 6.1 The Authority shall issue a Milestone Achievement Certificate in respect of a given Milestone as soon as is reasonably practicable following:
 - 6.1.1 The successful completion of all Tests in respect of all Deliverables related to that Milestone; and

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- 6.1.2 Performance by the Supplier to the reasonable satisfaction of the Authority of any other tasks identified in the Implementation Plans as associated with that Milestone (which may include the submission of a Deliverable that is not due to be Tested, such as the production of Documentation).
- 6.2 If a Milestone is not Achieved, the Authority shall promptly issue a report to the Supplier setting out:
 - 6.2.1 The issues in relation to the Test;
 - 6.2.2 Any other reasons for the relevant Milestone not being Achieved.
- 6.3 Provided there are no Test issues which would, in the reasonable opinion of the Authority, adversely affect the provision of the Services, the Authority shall issue a Milestone Achievement Certificate.

ANNEX 1: OUTLINE IMPLEMENTATION PLANS (see SCHEDULE 4: Supplier SOLUTION – TRANSITION DELIVERY)

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ANNEX 2: MILESTONE ACHIEVEMENT CERTIFICATE

To: **Fair Isaac Services Limited**
From: [Department for Work and Pensions]
[insert Date dd/mm/yyyy]

Dear Sirs,

MILESTONE ACHIEVEMENT CERTIFICATE

Milestone:

[Guidance Note to Authority: Insert description of the relevant Milestones]

We refer to the agreement ("**Contract**") relating to the provision of the Services between the **Department for Work and Pensions ("Authority")** and Fair Isaac Services Limited ("**Supplier**") dated **[insert Commencement Date dd/mm/yyyy]**.

The definitions for terms capitalised in this certificate are set out in this Contract.

[We confirm that all the Deliverables relating to Milestone [number] have been tested successfully in accordance with the Testing Plan relevant to this Milestone]

[*Guidance Note: delete as appropriate]

Yours faithfully
[insert Name]
[insert Position]
acting on behalf of [insert name of Authority]

SCHEDULE 10: GOVERNANCE

1. DEFINITIONS

In this Schedule 10, the following definitions shall apply:

“Board Member”	the initial persons appointed by the Authority and Supplier to the Boards as set out in Annex 1 and any replacements from time to time agreed by the Parties in accordance with Paragraph 3.3;
“Boards”	the Service Management Board, Programme Board, Change Management Board, Technical Board and Risk Management Board and “Board” shall mean any of them;
“Change Management Board”	the body described in Paragraph 6;
“Project Managers”	the individuals appointed as such by the Authority and the Supplier in accordance with Paragraph 1; and
“Service Management Board”	the body described in Paragraph 4; and

2. MANAGEMENT OF THE SERVICES

- 2.1 The Supplier and the Authority shall each appoint a project manager for the purposes of this Contract through whom the Services shall be managed at a day- to-day.
- 2.2 Both Parties shall ensure that appropriate resource is made available on a regular basis such that the aims, objectives and specific provisions of this Contract can be fully realised.

3. BOARDS

Establishment and structure of the Boards

- 3.1 The Boards shall be established by the Authority for the purposes of this Contract on which both the Supplier and the Authority shall be represented.
- 3.2 In relation to each Board, the:
 - (a) Authority Board Members;
 - (b) Supplier Board Members;
 - (c) frequency that the Board shall meet (unless otherwise agreed between the Parties);
 - (d) location of the Board's meetings; and
 - (e) planned start date by which the Board shall be established,shall be as set out in Annex 1.
- 3.3 In the event that either Party wishes to replace any of its appointed Board Members, that Party shall notify the other in writing of the proposed change as soon as possible and in any case before such change takes place. Notwithstanding the foregoing it is intended that each Authority Board Member has at all times a counterpart Supplier Board Member of equivalent seniority and expertise.

Board meetings

- 3.4 Each Party shall ensure that its Board Members shall make all reasonable efforts to attend Board meetings at which that Board Member's attendance is required. If any Board Member is not able to attend a Board meeting, that person shall use all reasonable endeavours to ensure that:
 - (a) a delegate attends the relevant Board meeting in his/her place who (wherever possible) is properly briefed and prepared; and

(b) that he/she is debriefed by such delegate after the Board Meeting.

3.5 A chairperson shall be appointed by the Authority for each Board as identified in Annex 1. The chairperson shall be responsible for:

- (a) scheduling Board meetings;
- (b) setting the agenda for Board meetings and circulating to all attendees in advance of such meeting;
- (c) chairing the Board meetings;
- (d) monitoring the progress of any follow up tasks and activities agreed to be carried out following Board meetings;
- (e) ensuring that minutes for Board meetings are recorded and disseminated electronically to the appropriate persons and to all Board meeting participants within seven Working Days after the Board meeting; and
- (f) facilitating the process or procedure by which any decision agreed at any Board meeting is given effect in the appropriate manner.

3.6 Board meetings shall be quorate as long as at least two representatives from each Party are present.

3.7 The Parties shall ensure, as far as reasonably practicable, that all Boards shall as soon as reasonably practicable resolve the issues and achieve the objectives placed before them. Each Party shall endeavour to ensure that Board Members are empowered to make relevant decisions or have access to empowered individuals for decisions to be made to achieve this.

4. ROLE OF THE SERVICE MANAGEMENT BOARD

4.1 The Service Management Board shall be responsible for the executive management of the Services and shall:

- (a) be accountable to the Programme Board for comprehensive oversight of the Services and for the senior management of the operational relationship between the Parties;
- (b) report to the Programme Board on significant issues requiring decision and resolution by the Programme Board and on progress against the high level Implementation Plans;
- (c) receive reports from the Project Managers on matters such as issues relating to delivery of existing Services and performance against Performance Indicators, progress against the Implementation Plans and possible future developments;
- (d) review and report to the Programme Board on service management, co- ordination of individual projects and any integration issues;

- (e) deal with the prioritisation of resources and the appointment of Project Managers on behalf of the Parties;
- (f) consider and resolve Disputes (including Disputes as to the cause of a Delay or the performance of the Services) in the first instance and if necessary escalate the Dispute to the Programme Board; and
- (g) develop operational/supplier relationship and develop and propose the relationship development strategy and ensure the implementation of the same.

5. ROLE OF THE PROGRAMME BOARD

5.1 The Programme Board shall:

- (a) provide senior level guidance, leadership and strategy for the overall delivery of the Services;
- (b) be the point of escalation from the Change Management Board, the Technical Board and the Service Management Board; and
- (c) carry out the specific obligations attributed to it in Paragraph 5.2.

5.2 The Programme Board shall:

- (a) ensure that this Contract is operated throughout the Term in a manner which optimises the value for money and operational benefit derived by the Authority and the commercial benefit derived by the Supplier;
- (b) receive and review reports from the Service Management Board and review reports on technology, service and other developments that offer potential for improving the benefit that either Party is receiving, in particular value for money;
- (c) determine business strategy and provide guidance on policy matters which may impact on the implementation of the Services or on any Optional Services; and
- (d) authorise the commissioning and initiation of, and assess opportunities for, Optional Services; and
- (e) provide guidance and authorisation to the Change Management Board on relevant changes.

6. ROLE OF THE CHANGE MANAGEMENT BOARD

6.1 The Change Management Board shall assess the impact and approve or reject all change requests. Changes which will have a significant impact on the Services shall be escalated to the Programme Board.

6.2 The Change Management Board shall:

- (a) analyse and record the impact of all Changes, specifically whether the proposed Change:

- (i) has an impact on other areas or aspects of this Contract and/or other documentation relating to the Services;
 - (ii) has an impact on the ability of the Authority to meet its agreed business needs within agreed time-scales;
 - (iii) will raise any risks or issues relating to the proposed Change; and
 - (iv) will provide value for money in consideration of any changes to the Financial Model, future Charges and/or Performance Indicators and Target Performance Levels;
- (b) provide recommendations, seek guidance and authorisation from the Programme Board as required; and
 - (c) approve or reject (close) all proposed Changes.

7. CONTRACT MANAGEMENT MECHANISMS

7.1 Both Parties shall pro-actively manage risks attributed to them under the terms of this Contract.

7.2 The Supplier shall develop, operate, maintain and amend, as agreed with the Authority, processes for:

- (a) the identification and management of risks;
- (b) the identification and management of issues; and
- (c) monitoring and controlling project plans.

7.3 Any identified risk shall be raised by the Supplier and submitted for review by the assessment and review by the Authority.

8. ANNUAL REVIEW

8.1 An annual review meeting shall be held throughout the Term on a date to be agreed between the Parties.

8.2 The meetings shall be attended by the Supplier and Authority roles identified below, along with any other persons considered by the Authority necessary for the review:

- (a) Supplier Account Manager;
- (b) Supplier Technical Support Lead;
- (c) Authority DWP Digital Deputy Director;
- (d) Authority DMS Programme Manager;
- (e) Authority Product Owners;

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- (f) Authority DMS Service Management Lead;
- (g) Authority DWP Software Asset Manager;
- (h) Authority DWP Commercials;
- (i) Authority DWP Finance.

ANNEX 1: BOARD REPRESENTATION AND STRUCTURE

SERVICE MANAGEMENT BOARD REPRESENTATION AND STRUCTURE

Authority Members of Service Management Board	[Commercials] [Chairperson] FED Digital Deputy Director DDSP Project Manager DWP Digital Project Manager DMS Service Management Lead DWP Digital Software Asset Management DWP Finance
Supplier Members of Service Management Board	Account Manager Technical Support Lead
Start Date for Service Management Board meetings	To be confirmed by the Authority
Frequency of Service Management Board meetings	Monthly
Location of Service Management Board meetings	Manchester/Blackpool

CHANGE MANAGEMENT BOARD REPRESENTATION AND STRUCTURE

Authority Members of Change Management Board	To be confirmed by the Authority [Chairperson]
Supplier Members of Change Management Board	FED Digital Deputy Director DDSP Project Manager DMS Digital Project Manager

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Start Date for Change Management Board meetings	To be confirmed by the Authority
Frequency of Change Management Board meetings	Monthly
Location of Change Management Board meetings	Manchester/Blackpool

SCHEDULE 11: REPORTS AND RECORDS PROVISION

1. TRANSPARENCY REPORTS

- 1.1 Within three (3) months of the Commencement Date the Supplier shall provide to the Authority for its approval (such approval not to be unreasonably withheld or delayed) draft reports in accordance with Annex 1 (once approved, the "Transparency Reports").
- 1.2 If the Authority rejects any draft Transparency Report, the Supplier shall submit a revised version of the relevant report for further approval by the Authority within five (5) days of receipt of any notice of rejection, taking account of any recommendations for revision and improvement to the report provided by the Authority. If the Parties fail to agree on a draft Transparency Report the Authority shall determine what should be included.
- 1.3 The Supplier shall provide accurate and up-to-date versions of each Transparency Report to the Authority at the frequency referred to in Annex 1.
- 1.4 Any disagreement in connection with the preparation and/or approval of Transparency Reports, other than under paragraph 1.2 above in relation to the contents of a Transparency Report, shall be treated as a Dispute.
- 1.5 The requirements for Transparency Reports are in addition to any other reporting requirements in this Contract .

2. OTHER REPORTS

- 2.1 The Authority may require any or all of the following reports:
 - (a) delay reports;
 - (b) reports relating to Testing and tests carried out under Schedule 16 (Security Management);
 - (c) reports which the Supplier is required to supply as part of the Management Information;
 - (d) annual reports on the Insurances;
 - (e) security reports; and
 - (f) Force Majeure Event reports.

3. RECORDS

- 3.1 The Supplier shall retain and maintain all the records (including superseded records) referred to in Paragraph 1 and Annex 1 (together "Records"):
 - (a) in accordance with the requirements of The National Archives and Good Industry Practice;

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- (b) in chronological order;
 - (c) in a form that is capable of audit; and

 - (d) at its own expense.
- 3.2 The Supplier shall make the Records available for inspection to the Authority on request, subject to the Authority giving reasonable notice.
- 3.3 Where Records are retained in electronic form, the original metadata shall be preserved together with all subsequent metadata in a format reasonably accessible to the Authority.
- 3.4 The Supplier shall, during the Term and a period of at least 7 years following the expiry or termination of this Contract, maintain or cause to be maintained complete and accurate documents and records in relation to the provision of the Services including but not limited to all Records.
- 3.5 Records that contain financial information shall be retained and maintained in safe storage by the Supplier for a period of at least 7 years after the expiry or termination of this Contract.
- 3.6 Without prejudice to the foregoing, the Supplier shall provide the Authority:
- (a) as soon as they are available, and in any event within 60 Working Days after the end of the first 6 months of each financial year of the Supplier during the Term, a copy, certified as a true copy by an authorised representative of the Supplier, of its un-audited interim accounts and, if applicable, of consolidated un-audited interim accounts of the Supplier and its Affiliates which would (if the Supplier were listed on the London Stock Exchange (whether or not it is)) be required to be sent to shareholders as at the end of and for each such 6 month period; and
 - (b) as soon as they shall have been sent to its shareholders in order to be laid before an annual general meeting of the Supplier, but not later than 130 Working Days after the end of each accounting reference period of the Supplier part or all of which falls during the Term, the Supplier's audited accounts and if applicable, of the consolidated audited accounts of the Supplier and its Affiliates in respect of that period together with copies of all related directors' and auditors' reports and all other notices/circulars to shareholders.

ANNEX 1: TRANSPARENCY REPORTS

TITLE	CONTENT	FORMAT	FREQUENCY
<i>(Performance)</i>			
<i>(Charges)</i>			
<i>(Major sub-contractors)</i>			
<i>(Technical)</i>	<ul style="list-style-type: none"> • Software vulnerabilities • Software patches (security & bug fixes) • Version upgrade & new features 	Web Content/MS Office	As identified
<i>(Performance management)</i>	Service Performance Report: <ul style="list-style-type: none"> • Support Case volume • Support Case List • Root Cause Analysis • Supplier Performance • Service Level 	Microsoft PowerPoint	Monthly

ANNEX 2: RECORDS TO BE KEPT BY THE SUPPLIER

The records to be kept by the Supplier are:

1. This Contract, its Schedules and all amendments to such documents.
2. All other documents which this Contract expressly requires to be prepared.
3. Records relating to the appointment and succession of the Supplier Representative and each member of the Key Personnel.
4. Notices, reports and other documentation submitted by any Expert.
5. All operation, training and maintenance manuals prepared by the Supplier for the purpose of maintaining the provision of the Services and the underlying IT Environment and Supplier Equipment.
6. Documents prepared by the Supplier or received by the Supplier from a third party relating to a Force Majeure Event.
7. All formal notices, reports or submissions made by the Supplier to the Authority Representative in connection with the provision of the Services.
8. All certificates, licences, registrations or warranties in each case obtained by the Supplier in relation to the provision of the Services.
9. Documents prepared by the Supplier in support of claims for the Charges.
10. Documents submitted by the Supplier pursuant to the Change Control Procedure.
11. Documents submitted by the Supplier pursuant to invocation by it or the Authority of the Dispute Resolution Procedure.
12. Documents evidencing any change in ownership or any interest in any or all of the shares in the Supplier and/or the Guarantor, where such change may cause a change of Control; and including documents detailing the identity of the persons changing such ownership or interest.
13. Invoices and records related to VAT sought to be recovered by the Supplier.
14. Financial records, including audited and un-audited accounts of the Guarantor and the Supplier.
15. Records required to be retained by the Supplier by Law, including in relation to health and safety matters and health and safety files and all consents.
16. All documents relating to the insurances to be maintained under this Contract and any claims made in respect of them.
17. All journals and audit trail data referred to in Schedule 16 (*Security Management Plan*).
18. All other records, notices or certificates required to be produced and/or maintained by the Supplier pursuant to this Contract.

SCHEDULE 12: AUTHORITY RESPONSIBILITIES

1. INTRODUCTION

- 1.1 The responsibilities of the Authority set out in this Schedule shall constitute the Authority Responsibilities under this Contract. Any obligations of the Authority in Schedule 1 (Services Description) and Schedule 4 (Supplier Solution) shall not be Authority Responsibilities and the Authority shall have no obligation to perform any such obligations unless they are specifically stated to be "Authority Responsibilities" and cross referenced in the table in Paragraph 3.
- 1.2 The responsibilities specified within this Schedule shall be provided to the Supplier free of charge, unless otherwise agreed between the Parties.

2. GENERAL OBLIGATIONS

- 2.1 The Authority shall:
- (a) perform those obligations of the Authority which are set out in the Clauses of this Contract and the Paragraphs of the Schedules (except Schedule 1 (Services Description) and Schedule 4 (Supplier Solution));
 - (b) use its reasonable endeavours to provide the Supplier with access to appropriate members of the Authority's staff, as such access is reasonably requested by the Supplier in order for the Supplier to discharge its obligations throughout the Term and the Termination Assistance Period;
 - (c) provide sufficient and suitably qualified staff to fulfil the Authority's roles and duties under this Contract as defined in the Plans;
 - (d) use its reasonable endeavours to provide such documentation, data and/or other information that the Supplier reasonably requests that is necessary to perform its obligations under the terms of this Contract provided that such documentation, data and/or information is available to the Authority and is authorised for release by the Authority; and
 - (e) procure for the Supplier such agreed access and use of the Authority Premises (as a licensee only) and facilities (including relevant IT systems) as is reasonably required for the Supplier to comply with its obligations under this Contract, such access to be provided during the Authority's normal working hours on each Working Day or as otherwise agreed by the Authority (such agreement not to be unreasonably withheld or delayed).

3. SPECIFIC OBLIGATIONS

3.1 The Authority shall, in relation to this Contract perform the Authority's responsibilities identified as such in this Contract the details of which are set out below:

Document	Location (Paragraph)
None applicable	

SCHEDULE 13: STANDARDS

1. CONTRACT STANDARDS

1.1 The Supplier shall at all times during the Term comply with the Standards including but not limited to the following:

Service Management Standards

- (a) BS EN ISO 9001:2015 “Quality Management System” standard or equivalent
- (b) ITIL v3 2011 “IT Service Management”
- (c) ISO/IEC 20000:2011 Parts 1-4 “ITSM Specification for Service Management”.
- (d) ISO 10007 “Quality management systems – Guidelines for configuration management”
- (e) ISO 22301 - “Societal Security — Business continuity management systems — Requirements” and ISO 22313 - “Societal Security — Business continuity management systems — Guidance”

Environmental Standards

- (a) BS EN ISO 14001 Environmental Management System standard or equivalent
- (b) Directive 2012/19/EU on Waste Electrical and Electronic Equipment (or equivalent) and Directive 2011/65/EU on the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (or equivalent)

Portfolio, Programme and Project Management Standards

- (a) PRINCE2 and MSP methodologies. ISO 21500:2012 “Guidance on project management”. ISO/IEC/IEEE 16326-2009 “Systems and Software Engineering—Life Cycle Processes—Project Management” or equivalent methodology including APM and Agile.

Infrastructure Safety Standards

- (a) BS EN 60950-1:2006+A12:2011 or subsequent replacements for hardware
- (b) BS EN 60065:2002+A12:20011 or subsequent replacements for audio, video and similar electronic apparatus
- (c) BS EN 60825-1:2007 or subsequent replacement for laser printers or scanners using lasers
- (d) BS EN 41003:2009 or subsequent or subsequent replacements for apparatus for connection to any telecommunications network

Accessible IT Standards

- (a) the World Wide Web Consortium (W3C) Web Accessibility Initiative (WAI) Web Content Accessibility Guidelines (WCAG) 2.0 Conformance Level AA
- (b) EN 301 549 – Accessible requirements suitable for public procurement of ICT products and services in Europe

Information Technology Standards

- (a) <https://www.gov.uk/government/publications/open-standards-principles>
- (b) Government Open Data Standards - <https://www.gov.uk/government/publications/open-standards-for-government>
- (c) Technology Code of Practice - <https://www.gov.uk/government/publications/technology-code-of-practice/technology-code-of-practice>
- (d) <https://www.gov.uk/public-services-network#psn-standards>
- (e) <https://www.gov.uk/government/publications/greening-government-ict-strategy>
- (f) <https://www.gov.uk/government/publications/open-source-open-standards-and-re-use-government-action-plan>
- (g) Government Security Policy Framework - <https://www.gov.uk/government/publications/security-policy-framework>

Architecture and Design Standards

- (a) COBIT 5 and TOGAF 9.1 Architecture Framework and Standards.
- (b) [BS 7000-1:2008 “Design management systems. Guide to managing innovation”](#)
- (c) [BS 7000-3:1994 “Design management systems. Guide to managing service design”](#)

Connectivity Standards

- (a) GSi v4.1 (although no new connections are being accepted by GSi after 12/12).
- (b) PCI DSS V3.2 (Card payment network)
- (c) e-Government Interoperability Framework (e-GIF v6.1, 18/31/2005)
- (d) e-GIF Technical Standards Catalogue (v6.2, 2/9/2005)
- (e) e-Government Metadata Standard (e-GMS v3.1, 29/8/2008)
- (f) Information Age Government Security Framework or equivalent

Information Security Management Standards

- (a) ISO 27001 Information Security Management standard or equivalent

Manual of Protective Security Standards

- (a) Manual of Protective Security (MPS) or equivalent

Cyber Essentials Scheme

- (a) Cyber Essentials Scheme Basic Certificate and/or Cyber Essentials Scheme Plus Certificate - <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

Miscellaneous

- (a) Off-payroll working in the public sector: reform of the intermediaries legislation (IR35) - <https://www.gov.uk/government/publications/off-payroll-working-in-the-public-sector-reform-of-the-intermediaries-legislation-technical-note>
- (b) The Suppliers shall comply with the Governments supplier standard for digital and technology service providers when it is published. A draft of the standard was published for consultation in September 2016 and the consultation closed in December 2016. The final standard is expected to be published in 2017 - <https://www.gov.uk/government/consultations/supplier-standard-for-digital-and-technology-service-providers>

SCHEDULE 14: INSURANCE REQUIREMENTS

1. OBLIGATION TO MAINTAIN INSURANCES

- 1.1 Without prejudice to its obligations to the Authority under this Contract including its indemnity obligations, the Supplier shall for the periods specified in this Schedule 14 take out and maintain, or procure the taking out and maintenance of the insurances as set out in Annex 1 (Required Insurances) and any other insurances as may be required by applicable Law (together the "Insurances"). The Supplier shall ensure that each of the Insurances is effective no later than the Commencement Date.
- 1.2 The Insurances shall be maintained in accordance with Good Industry Practice and (so far as is reasonably practicable) on terms no less favourable than those generally available to a prudent contractor in respect of risks insured in the international insurance market from time to time.
- 1.3 The Insurances shall be taken out and maintained with insurers who are of good financial standing and of good repute in the international insurance market.
- 1.4 The Supplier shall use reasonable endeavours to ensure that the public liability policy contains an indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Services and for which the Supplier is legally liable.

2. GENERAL OBLIGATIONS

- 2.1 Without limiting the other provisions of this Contract the Supplier shall:
- 2.2 Take or procure the taking of all reasonable risk management and risk control measures in relation to the Services as it would be reasonable to expect of a prudent contractor acting in accordance with Good Industry Practice, including the investigation and reports of relevant claims to insurers;
- 2.3 Promptly notify the insurers in writing of any relevant material fact under any Insurances of which the Supplier is or becomes aware; and
- 2.4 Hold all policies in respect of the Insurances and cause any insurance broker effecting the Insurances to hold any insurance slips and other evidence of placing cover representing any of the Insurances to which it is a party.

3. FAILURE TO INSURE

3.1 The Supplier shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Insurances.

4. EVIDENCE OF POLICIES

4.1 The Supplier shall, by the Commencement Date, and within fifteen (15) Working Days after the renewal of each of the Insurances, provide evidence, in a form satisfactory to the Authority, that the Insurances are in force and effect and meet in full the requirements of this Contract. Receipt of such evidence by the Authority shall not in itself constitute acceptance by the Authority or relieve the Supplier of any of its liabilities and obligations under this Contract.

5. AGGREGATE LIMIT OF INDEMNITY

5.1 Where the minimum limit of indemnity required in relation to any of the Insurances is specified as being "in the aggregate";

5.2 If a claim or claims which do not relate to this Contract are notified to the insurers which, given the nature of the allegations and/or the quantum claimed by the third party(ies), is likely to result in a claim or claims being paid by the insurers which could reduce the level of cover available below that minimum, the Supplier shall immediately submit to the Authority;

5.2.1 Details of the policy concerned; and

5.2.2 Its proposed solution for maintaining the minimum limit of indemnity specified; and

5.3 If and to the extent that the level of insurance cover available falls below that minimum because a claim or claims which do not relate to this Contract are paid by insurers, the Supplier shall:

5.3.1 Ensure that the insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified for claims relating to this Contract; or

5.3.2 If the Supplier is or has reason to believe that it will be unable to ensure that insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified, immediately submit to the Authority full details of the policy concerned and its proposed solution for maintaining the minimum limit of indemnity specified.

6. CANCELLATION

6.1 The Supplier shall notify the Authority in writing at least five (5) Working Days prior to the cancellation, suspension, termination or non-renewal of any of the Insurances.

7. INSURANCE CLAIMS

- 7.1 The Supplier shall promptly notify to insurers any matter arising from, or in relation to, the Services and/or this Contract for which it may be entitled to claim under any of the Insurances. In the event that the Authority receives a claim relating to or arising out of the Services or this Contract, the Supplier shall co-operate with the Authority and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.
- 7.2 Except where the Authority is the claimant party, the Supplier shall give the Authority notice within twenty (20) Working Days after any insurance claim in excess of twenty thousand pounds (£20,000) relating to or arising out of the provision of the Services or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Authority) full details of the incident giving rise to the claim.
- 7.3 Where any Insurance requires payment of a premium, the Supplier shall be liable for and shall promptly pay such premium.
- 7.4 Where any Insurance is subject to an excess or deductible below which the indemnity from insurers is excluded, the Supplier shall be liable for such excess or deductible. The Supplier shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Insurances whether under the terms of this Contract or otherwise.

ANNEX 1: REQUIRED INSURANCES

PART A: THIRD PARTY PUBLIC LIABILITY INSURANCE

1. INSURED

1.1 The Supplier

2. INTEREST

2.1 To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

2.1.1 Death or bodily injury to or sickness, illness or disease contracted by any person;

2.1.2 Loss of or damage to property;

2.2 Happening during the period of insurance (as specified in Paragraph 5 of this Annex 1 to this Schedule 14) and arising out of or in connection with the provision of the Services and in connection with this Contract.

3. LIMIT OF INDEMNITY

3.1 Not less than five million pounds £5,000,000 in respect of any one occurrence, the number of occurrences being unlimited, but one million pounds (£1,000,000) any one occurrence and in the aggregate per annum in respect of products and pollution liability.

4. PERIOD OF INSURANCE

4.1 From the Commencement Date for the Term and renewable on an annual basis unless agreed otherwise by the Authority in writing.

5. COVER FEATURES AND EXTENSIONS

5.1 Indemnity to principals clause.

6. PRINCIPAL EXCLUSIONS

6.1 War and related perils.

6.2 Nuclear and radioactive risks.

6.3 Liability for death, illness, disease or bodily injury sustained by employees of the Insured during the course of their employment.

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- 6.4 Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
- 6.5 Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.
- 6.6 Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.
- 6.7 Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- 6.8 Liability arising from seepage and pollution unless caused by a sudden, unintended and unexpected occurrence.

PART B: PROFESSIONAL INDEMNITY INSURANCE

1. INSURED

1.1 The Supplier

2. INTEREST

2.1 To indemnify the Insured for all sums which the Insured shall become legally liable to pay (including claimants' costs and expenses) as a result of claims first made against the Insured during the Period of Insurance by reason of any negligent act, error and/or omission arising from or in connection with the provision of the Services.

3. LIMIT OF INDEMNITY

3.1 Not less than five million pounds £5,000,000 in respect of any one claim and in the aggregate per annum.

4. PERIOD OF INSURANCE

4.1 From the date of this Contract and renewable on an annual basis unless agreed otherwise by the Authority in writing (a) throughout the Term or until earlier termination of this Contract and (b) for a period of 6 years thereafter.

5. COVER FEATURES AND EXTENSIONS

5.1 Retroactive cover to apply to any claims made policy wording in respect of this Contract or retroactive date to be no later than the Commencement Date.

6. PRINCIPAL EXCLUSIONS

6.1 War and related perils

6.2 Nuclear and radioactive risks

PART C: UNITED KINGDOM COMPULSORY INSURANCES

1. GENERAL

- 1.1 The Supplier shall meet its insurance obligations under applicable Law in full, including, UK employers' liability insurance of £5,000,000 for the purposes of this Contract.

SCHEDULE 15: COMMERCIALLY SENSITIVE INFORMATION

1. REQUIREMENTS

- 1.1 The Supplier has identified the information which it reasonably believes is genuinely commercially-sensitive and which it believes the disclosure of which would be contrary to the public interest and therefore exempt from disclosure under section 43 of the FOIA. Such information is listed below in Table 1. Where possible, the Supplier has sought to identify the duration after which the Information will cease to fall into the category of “commercially-sensitive”. For the avoidance of doubt, the Authority will use the information below when determining whether information falls to be disclosed under the FOIA and/or Transparency provisions.
- 1.2 All commercially sensitive information provided by the Supplier to the Authority (or to its permitted auditors) will be treated as confidential in accordance with the Authority’s obligations under this Contract.

Table 1

Number	Date	Item Description and Reason for Sensitivity	Duration of Sensitivity
Worksheet in DDSP ITTPricing Model v6.0a	01/11/2018	Commercial Information: Including but not exclusive to License, Maintenance and Professional Service costs.	Indefinite

SCHEDULE 16: SECURITY MANAGEMENT

1. DEFINITIONS

In this Schedule 16, the following definitions shall apply:

- "Breach of Security"** the occurrence of:
- (a) any unauthorised access to or use of the Services, the Authority Premises, the Sites, the Supplier System, the Authority System (to the extent that it is under the control of the Supplier) and/ or any IT, information or data (including the Confidential Information and the Authority Data) used by the Authority and/ or the Supplier in connection with this Contract; and/or
 - (b) the loss, corruption and/ or unauthorised disclosure of any information or data (including the Confidential Information and the Authority Data), including any copies of such information or data, used by the Authority and/ or the Supplier in connection with this Contract,
- in either case as more particularly set out in the Security requirements in Schedule 1 (Services Description) and the Baseline Security Requirements;
- "CHECK Scheme"** the scheme for penetration testing of data

processing systems operated by the Communications-Electronics Security Group;

"ISMS"

the information security management system and processes developed by the Supplier in accordance with Paragraph 3 as updated from time to time in accordance with this Schedule;

"Security Policy Framework"

the Security Policy Framework published by the Cabinet Office as updated from time to time including any details notified by the Authority to the Supplier; and

"Security Tests"

tests carried out where relevant in accordance with the CHECK Scheme or to an equivalent standard to validate the ISMS and security of all relevant processes, systems, incident response plans, patches to vulnerabilities and mitigations to Breaches of Security.

2. INTRODUCTION

- 2.1 The Parties acknowledge that the purpose of the ISMS and Security Management Plan are to ensure a good organisational approach to security under which the specific requirements of this Contract will be met.
- 2.2 The Parties shall each appoint a member of the Programme Board to be responsible for security. The initial member of the Programme Board appointed by the Supplier for such purpose shall be the person named as such in Part B of Schedule 19 (Supplier Personnel) and the provisions of Clause 17.3 to 17.6, with regard to Key Personnel, shall apply in relation to such person.
- 2.3 The Authority shall clearly articulate its high level security requirements so that the Supplier can ensure that the ISMS, security related activities and any mitigations are driven by these fundamental needs.
- 2.4 Both Parties shall provide a reasonable level of access to any members of their personnel for the purposes of designing, implementing and managing security.

- 2.5 The Supplier shall use as a minimum Good Industry Practice in the day to day operation of any system holding, transferring or processing Authority Data and any system that could directly or indirectly have an impact on that information, and shall ensure that Authority Data remains under the effective control of the Supplier at all times.
- 2.6 The Supplier shall ensure the up-to-date maintenance of a security policy relating to the operation of its own organisation and systems and on request
- 2.7 The Authority and the Supplier acknowledge that information security risks are shared between the Parties and that a compromise of either the Supplier or the Authority's security provisions represents an unacceptable risk to the Authority requiring immediate communication and co-operation between the Parties.

3. ISMS

- 3.1 By the date specified in the Implementation Plans the Supplier shall develop and submit to the Authority for the Authority's approval in accordance with Paragraph 4.4 an ISMS (information security management system) for the purposes of this Contract, which:
 - (a) shall have been tested in accordance with Schedule 9 (*Implementation and Testing*); and
 - (b) shall comply with the requirements of Paragraphs 3.3 to 3.5.
- 3.2 The Supplier acknowledges that the Authority places great emphasis on the reliability of the Services and confidentiality, integrity and availability of information and consequently on the security provided by the ISMS and that it shall be responsible for the effective performance of the ISMS.
- 3.3 The ISMS shall:
 - (a) unless otherwise specified by the Authority in writing, be developed to protect all aspects of the Services and all processes associated with the delivery of the Services, including the Authority Premises, the Sites, the Supplier System, the Authority System (to the extent that it is under the control of the Supplier) and any IT, information and data (including the Authority Confidential Information and the Authority Data) to the extent used by the Authority or the Supplier in connection with this Contract;
 - (b) meet the relevant standards in ISO/IEC 27001 and ISO/IEC 27002 in accordance with Paragraph 7; and
 - (c) at all times provide a level of security which:
 - (i) is in accordance with Law and this Contract;
 - (ii) as a minimum demonstrates Good Industry Practice;
 - (iii) complies with the Baseline Security Requirements;
 - (iv) addresses issues of incompatibility with the Supplier's own organisational security policies;
 - (v) meets any specific security threats of immediate relevance to the Services and/or Authority Data;

- (vi) complies with the security requirements as set out in Schedule 1 (Services Description);
 - (vii) complies with the Authority's IT policies; and
 - (viii) is in accordance with the Security Policy Framework.
- (d) document the security incident management processes and incident response plans;
- (e) document the vulnerability management policy including processes for identification of system vulnerabilities and assessment of the potential impact on the Services of any new threat, vulnerability or exploitation technique of which the Supplier becomes aware, prioritisation of security patches, testing of security patches, application of security patches, a process for Authority approvals of exceptions, and the reporting and audit mechanism detailing the efficacy of the patching policy; and
- (f) be certified by (or by a person with the direct delegated authority of) a Supplier's main board representative, being the Chief Security Officer, Chief Information Officer, Chief Technical Officer or Chief Financial Officer (or equivalent as agreed in writing by the Authority in advance of issue of the relevant Security Management Plan).
- 3.4 Subject to Clause 22 (Security and Protection of Information) the references to standards, guidance and policies set out in Paragraph 3.3 shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such standards, guidance and policies, as notified to the Supplier from time to time.
- 3.5 In the event that the Supplier becomes aware of any inconsistency in the provisions of the standards, guidance and policies set out in Paragraph 3.3, the Supplier shall immediately notify the Authority Representative of such inconsistency and the Authority Representative shall, as soon as practicable, notify the Supplier which provision the Supplier shall comply with.
- 3.6 If the ISMS submitted to the Authority pursuant to Paragraph 3.1 is approved by the Authority, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Schedule. If the ISMS is not approved by the Authority, the Supplier shall amend it within 10 Working Days of a notice of non-approval from the Authority and re-submit it to the Authority for approval. The Parties shall use all reasonable endeavours to ensure that the approval process takes as little time as possible and in any event no longer than 15 Working Days (or such other period as the Parties may agree in writing) from the date of its first submission to the Authority. If the Authority does not approve the ISMS following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No approval to be given by the Authority pursuant to this Paragraph 3 may be unreasonably withheld or delayed. However any failure to approve the ISMS on the grounds that it does not comply with any of the requirements set out in Paragraphs 3.3 to 3.5 shall be deemed to be reasonable.
- 3.7 Approval by the Authority of the ISMS pursuant to Paragraph 3.6 or of any change to the ISMS shall not relieve the Supplier of its obligations under this Schedule.

4. SECURITY MANAGEMENT PLAN

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- 4.1 Within 20 Working Days after the Commencement Date, the Supplier shall prepare and submit to the Authority for approval in accordance with Paragraph 4.3 a fully developed, complete and up-to-date Security Management Plan which shall comply with the requirements of Paragraph 4.2.
- 4.2 The Security Management Plan shall:
- (a) be based on the initial Security Management Plan set out in Annex 2;
 - (b) comply with the Baseline Security Requirements;
 - (c) identify the necessary delegated organisational roles defined for those responsible for ensuring this Schedule is complied with by the Supplier;
 - (d) detail the process for managing any security risks from Sub-contractors and third parties authorised by the Authority with access to the Services, processes associated with the delivery of the Services, the Authority Premises, the Sites, the Supplier System, the Authority System (to extent that it is under the control of the Supplier) and any IT, Information and data (including the Authority Confidential Information and the Authority Data) and any system that could directly or indirectly have an impact on that Information, data and/or the Services;
 - (e) unless otherwise specified by the Authority in writing, be developed to protect all aspects of the Services and all processes associated with the delivery of the Services, including the Authority Premises, the Sites, the Supplier System, the Authority System (to the extent that it is under the control of the Supplier) and any IT, Information and data (including the Authority Confidential Information and the Authority Data) to the extent used by the Authority or the Supplier in connection with this Contract or in connection with any system that could directly or indirectly have an impact on that Information, data and/or the Services;
 - (f) set out the security measures to be implemented and maintained by the Supplier in relation to all aspects of the Services and all processes associated with the delivery of the Services and at all times comply with and specify security measures and procedures which are sufficient to ensure that the Services comply with the provisions of this Schedule (including the requirements set out in Paragraph 3.4);
 - (g) demonstrate that the Supplier Solution has minimised the Authority and Supplier effort required to comply with this Schedule through consideration of available, appropriate and practicable pan-government accredited services (for example, 'platform as a service' offerings from the G-Cloud catalogue);
 - (h) set out the plans for transiting all security arrangements and responsibilities from those in place at the Commencement Date to those incorporated in the ISMS at the date set out in Schedule 9 (Implementation and Testing) for the Supplier to meet the full obligations of the security requirements set out in Schedule 1 (Services Description) and this Schedule;
 - (i) set out the scope of the Authority System that is under the control of the Supplier;

- (j) be structured in accordance with ISO/IEC 27001 and 150/IEC 27002, cross referencing if necessary to other Schedules which cover specific areas included within those standards;
- (k) be written in plain English in language which is readily comprehensible to the staff of the Supplier and the Authority engaged in the Services and shall reference only documents which are in the possession of the Parties or whose location is otherwise specified in this Schedule; and
- (l) be in accordance with the Security Policy Framework.

4.3 If the Security Management Plan submitted to the Authority pursuant to Paragraph 4.1 is approved by the Authority, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Schedule. If the Security Management Plan is not approved by the Authority, the Supplier shall amend it within 10 Working Days of a notice of non-approval from the Authority and re-submit it to the Authority for approval. The Parties shall use all reasonable endeavours to ensure that the approval process takes as little time as possible and in any event no longer than 15 Working Days (or such other period as the Parties may agree in writing) from the date of its first submission to the Authority. If the Authority does not approve the Security Management Plan following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No approval to be given by the Authority pursuant to this Paragraph 4.3 may be unreasonably withheld or delayed. However any failure to approve the Security Management Plan on the grounds that it does not comply with the requirements set out in Paragraph 4.2 shall be deemed to be reasonable.

4.4 Approval by the Authority of the Security Management Plan pursuant to Paragraph 4.3 or of any change or amendment to the Security Management Plan shall not relieve the Supplier of its obligations under this Schedule.

5. AMENDMENT AND REVISION OF THE ISMS AND SECURITY MANAGEMENT PLAN

5.1 The ISMS and Security Management Plan shall be fully reviewed and updated by the Supplier at least annually to reflect:

- (a) emerging changes in Good Industry Practice;
- (b) any change or proposed change to the IT Environment, the Services and/or associated processes;
- (c) any new perceived or changed security threats; and
- (d) any reasonable change in requirement requested by the Authority.

5.2 The Supplier shall provide the Authority with the results of such reviews as soon as reasonably practicable after their completion and amend the ISMS and Security Management Plan at no additional cost to the Authority. The results of the review shall include, without limitation:

- (a) suggested improvements to the effectiveness of the ISMS;
- (b) updates to the risk assessments;
- (c) proposed modifications to respond to events that may impact on the ISMS including the security incident management process, incident

response plans and general procedures and controls that affect information security; and

(d) suggested improvements in measuring the effectiveness of controls.

5.3 Subject to Paragraph 5.4, any change which the Supplier proposes to make to the ISMS or Security Management Plan (as a result of a review carried out pursuant to Paragraph 5.1, an Authority request, a change to Schedule 1 (Services Description) or otherwise) shall be subject to the Change Control Procedure and shall not be implemented until approved in writing by the Authority.

5.4 The Authority may, where it is reasonable to do so, approve and require changes or amendments to the ISMS or Security Management Plan to be implemented on timescales faster than set out in the Change Control Procedure but, without prejudice to their effectiveness, all such changes and amendments shall thereafter be subject to the Change Control Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Contract.

6. SECURITY TESTING

6.1 The Supplier shall conduct relevant Security Tests from time to time (and at least annually across the scope of the ISMS) and additionally after significant architectural changes to the IT Environment or after any change or amendment to the ISMS, (including security incident management processes and incident response plans) or the Security Management Plan. Security Tests shall be designed and implemented by the Supplier so as to minimise the impact on the delivery of the Services and the date, timing, content and conduct of such Security Tests shall be agreed in advance with the Authority. Subject to compliance by the Supplier with the foregoing requirements, if any Security Tests adversely affect the Supplier's ability to deliver the Services so as to meet the Target Performance Levels, the Supplier shall be granted relief against any resultant under-performance for the period of the Security Tests.

6.2 The Authority shall be entitled to send a representative to witness the conduct of the Security Tests. The Supplier shall provide the Authority with the results of such tests (in a form approved by the Authority in advance) as soon as practicable after completion of each Security Test.

6.3 Without prejudice to any other right of audit or access granted to the Authority pursuant to this Contract, the Authority and/ or its authorised representatives shall be entitled, at any time upon giving reasonable notice to the Supplier, to carry out such tests (including penetration tests) as it may deem necessary in relation to the ISMS and the Supplier's compliance with the ISMS and the Security Management Plan. The Authority may notify the Supplier of the results of such tests after completion of each such test. If any such Authority test adversely affects the Supplier's ability to deliver the Services so as to meet the Target Performance Levels, the Supplier shall be granted relief against any resultant under-performance for the period of the Authority test.

6.4 Where any Security Test carried out pursuant to Paragraphs 6.2 or 6.3 reveals any actual or potential Breach of Security or weaknesses (including un-patched vulnerabilities, poor configuration and/or incorrect system management), the Supplier shall promptly notify the Authority of any changes to the ISMS and to the Security Management Plan (and the implementation thereof) which the Supplier proposes to make in order to correct such failure or weakness. Subject to the Authority's prior written approval, the Supplier shall implement such changes to the ISMS and the Security Management Plan and repeat the relevant Security Tests in accordance with the timetable agreed with the Authority or, otherwise, as soon as reasonably possible. For the avoidance of doubt, where the change to the ISMS or Security Management Plan is to

address a non-compliance with the Baseline Security Requirements or security requirements (as set out in Schedule 1 (Services Description)) or the requirements of this Schedule, the change to the ISMS or Security Management Plan shall be at no cost to the Authority.

- 6.5 If any repeat Security Test carried out pursuant to Paragraph 6.4 reveals an actual or potential Breach of Security exploiting the same root cause failure, such circumstance shall constitute a material Default for the purposes of Clause 26 (Authority Remedies for Default).

7. ISMS COMPLIANCE

- 7.1 The Authority shall be entitled to carry out such security audits as it may reasonably deem necessary in order to ensure that the ISMS maintains compliance with the principles and practices of ISO 27001, the specific security requirements set out in Schedule 1 (Services Description) and the Baseline Security Requirements.
- 7.2 If, on the basis of evidence provided by such audits, it is the Authority's reasonable opinion that compliance with the principles and practices of ISO/IEC 27001, the specific security requirements set out in Schedule 1 (Services Description) and/or the Baseline Security Requirements is not being achieved by the Supplier, then the Authority shall notify the Supplier of the same and give the Supplier a reasonable time (having regard to the extent and criticality of any non-compliance and any other relevant circumstances) to implement any necessary remedy. If the Supplier does not become compliant within the required time then the Authority shall have the right to obtain an independent audit against these standards in whole or in part.
- 7.3 If, as a result of any such independent audit as described in Paragraph 7.2 the Supplier is found to be non-compliant with the principles and practices of ISO/ IEC 27001, the specific security requirements set out in Schedule 1 (Services Description) and/or the Baseline Security Requirements then the Supplier shall, at its own expense, undertake those actions required in order to achieve the necessary compliance and shall reimburse in full the costs incurred by the Authority in obtaining such audit.

8. BREACH OF SECURITY

- 8.1 Either Party shall notify the other in accordance with the agreed security incident management process as defined by the ISMS upon becoming aware of any Breach of Security or attempted Breach of Security.
- 8.2 Without prejudice to the security incident management process, upon becoming aware of any of the circumstances referred to in Paragraph 8.1, the Supplier shall:
- (a) immediately take all reasonable steps (which shall include any action or changes reasonably required by the Authority) necessary to:
 - (i) minimise the extent of actual or potential harm caused by any Breach of Security;
 - (ii) remedy such Breach of Security to the extent possible and protect the integrity of the IT Environment to the extent within its control against any such Breach of Security or attempted Breach of Security;

- (iii) apply a tested mitigation against any such Breach of Security or attempted Breach of Security and, provided that reasonable testing has been undertaken by the Supplier, if the mitigation adversely affects the Supplier's ability to deliver the Services so as to meet the Target Performance Levels, the Supplier shall be granted relief against any resultant under-performance for such period as the Authority, acting reasonably, may specify by written notice to the Supplier;
 - (iv) prevent a further Breach of Security or attempted Breach of
 - (v) supply any requested data to the Authority or the Computer Emergency Response Team for UK Government ("GovCertUK") on the Authority's request within 2 Working Days and without charge (where such requests are reasonably related to a possible incident or compromise); and
- (b) as soon as reasonably practicable provide to the Authority full details (using the reporting mechanism defined by the ISMS) of the Breach of Security or attempted Breach of Security, including a root cause analysis where required by the Authority.

8.3 In the event that any action is taken in response to a Breach of Security or potential or attempted Breach of Security that demonstrates non-compliance of the ISMS with the Baseline Security Requirements or security requirements (as set out in Schedule 1 (Services Description)) or the requirements of this Schedule, then any required change to the ISMS shall be at no cost to the Authority.

9. VULNERABILITIES AND CORRECTIVE ACTION

- 9.1 The Authority and the Supplier acknowledge that from time to time vulnerabilities in the IT Environment will be discovered which unless mitigated will present an unacceptable risk to the Authority's information.
- 9.2 The severity of threat vulnerabilities for Supplier Software and Third Party Software shall be categorised by the Supplier as 'Critical', 'Important' and 'Other' by aligning these categories to the vulnerability scoring according to the agreed method in the ISMS and using the appropriate vulnerability scoring systems including:
- (a) the 'National Vulnerability Database' 'Vulnerability Severity Ratings': 'High', 'Medium' and 'Low' respectively (these in turn are aligned to CVSS scores as set out by NIST <http://nvd.nist.gov/cvss.cfm>); and
 - (b) Microsoft's 'Security Bulletin Severity Rating System' ratings 'Critical', 'Important', and the two remaining levels ('Moderate' and 'Low') respectively.
- 9.3 The Supplier shall procure the application of security patches to vulnerabilities within a maximum period from the public release of such patches with those vulnerabilities categorised as 'Critical' within 14 days of release, 'Important' within 30 days of release and all 'Other' within 60 Working Days of release, except where:
- (a) the Supplier can demonstrate that a vulnerability is not exploitable within the context of any Service (e.g. because it resides in a software component which is not running in the service) provided vulnerabilities which the Supplier asserts cannot be exploited within the context of a Service must be remedied by the Supplier within the above timescales if the vulnerability becomes exploitable within the context of the Service;

- (b) the application of a 'Critical' or 'Important' security patch adversely affects the Supplier's ability to deliver the Services in which case the Supplier shall be granted an extension to such timescales of 5 days, provided the Supplier had followed and continues to follow the security patch test plan agreed with the Authority; or
- (c) the Authority agrees a different maximum period after a case-by-case consultation with the Supplier under the processes defined in the ISMS.

9.4 The Supplier Solution and Implementation Plans shall include provisions for major upgrades of all Supplier Software and Third Party Software to be upgraded within 6 months of the release of the latest version, such that it is no more than one major version level below the latest release (normally codified as running software no older than the 'n-1 version') throughout the Term unless:

- (a) where upgrading such Supplier Software and Third Party Software reduces the level of mitigations for known threats, vulnerabilities or exploitation techniques, provided always that such upgrade is made within 12 months of release of the latest version ; or
- (b) is agreed with the Authority in writing.

9.5 The Supplier shall:

- (a) implement a mechanism for receiving, analysing and acting upon threat information supplied by GovCertUK, or any other competent Central Government Body;
- (b) ensure that the IT Environment (to the extent that the IT Environment is within the control of the Supplier) is monitored to facilitate the detection of anomalous behavior that would be indicative of system compromise; ensure it is knowledgeable about the latest trends in threat, vulnerability and exploitation that are relevant to the IT Environment by actively monitoring the threat landscape during the Term;
- (c) pro-actively scan the IT Environment (to the extent that the IT Environment is within the control of the Supplier) for vulnerable components and address discovered vulnerabilities through the processes described in the ISMS as developed under Paragraph 3.3(e);
- (d) from the date specified in the Security Management Plan (and before the first Operational Service Commencement Date) provide a report to the Authority within 5 Working Days of the end of each month detailing both patched and outstanding vulnerabilities in the IT Environment (to the extent that the IT Environment is within the control of the Supplier) and any elapsed time between the public release date of patches and either time of application or for outstanding vulnerabilities the time of issue of such report;
- (e) propose interim mitigation measures to vulnerabilities in the IT Environment known to be exploitable where a security patch is not immediately available;
- (f) remove or disable any extraneous interfaces, services or capabilities that are not needed for the provision of the Services (in order to reduce the attack surface of the Supplier Solution and IT Environment); and
- (g) inform the Authority when it becomes aware of any new threat, vulnerability or exploitation technique that has the potential to affect the security of the IT Environment and provide initial indications of possible mitigations.

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- 9.6 If the Supplier is unlikely to be able to mitigate the vulnerability within the timescales under Paragraph 9, the Supplier shall immediately notify the Authority.
- 9.7 A failure to comply with Paragraph 9.3 shall constitute a Notifiable Default, and the Supplier shall comply with the Rectification Plan Process.

ANNEX 1: BASELINE SECURITY REQUIREMENTS

1. HIGHER CLASSIFICATIONS

- 1.1 The Supplier shall not handle Authority information classified SECRET or TOP SECRET except if there is a specific requirement and in this case prior to receipt of such information the Supplier shall seek additional specific guidance from the Authority.

2. END USER DEVICES

- 2.1 When Authority data resides on a mobile, removable or physically uncontrolled device it must be stored encrypted using a product or system component which has been formally assured through a recognised certification process of the UK Government Communications Electronics Security Group ("CESG") to at least Foundation Grade, for example, under the CESG Commercial Product Assurance scheme ("CPA").
- 2.2 Devices used to access or manage Authority data and services must be under the management authority of Authority or Supplier and have a minimum set of security policy configuration enforced. These devices must be placed into a 'known good' state prior to being provisioned into the management authority of the Authority. Unless otherwise agreed with the Authority in writing, all Supplier devices are expected to meet the set of security requirements set out in the CESG End User Devices Platform Security Guidance (<https://www.gov.uk/government/collections/end-user-devices-security-guidance>)
- 2.3 Where the guidance highlights shortcomings in a particular platform the Supplier may wish to use, then these should be discussed with the Authority and a joint decision shall be taken on whether the residual risks are acceptable. Where the Supplier wishes to deviate from the CESG guidance, then this should be agreed in writing on a case by case basis with the Authority.

3. DATA PROCESSING, STORAGE, MANAGEMENT AND DESTRUCTION

- 3.1 The Supplier and Authority recognise the need for the Authority's information to be safeguarded under the UK Data Protection regime or a similar regime. To that end, the Supplier must be able to state to the Authority the physical locations in which data may be stored, processed and managed from, and what legal and regulatory frameworks Authority information will be subject to at all times.
- 3.2 The Supplier shall agree any change in location of data storage, processing and administration with the Authority in advance where the proposed location is outside the UK. Such approval shall not be unreasonably withheld or delayed unless specified otherwise in this Contract and provided that storage, processing and management of any Authority information is only carried out offshore within:
 - (a) the European Economic Area (EEA);
 - (b) in the US if the Supplier and/or any relevant Subcontractor are registered under the US-EU Privacy Shield agreement; or
 - (c) in another country or territory outside the EEA if that country or territory ensures an adequate level of protection by reason of its domestic law or of the international commitments it has entered into which have been defined as adequate by the EU Commission.

3.3 The Supplier shall:

- (a) provide the Authority with all Authority Data on demand in an agreed open format;
- (b) have documented processes to guarantee availability of Authority Data in the event of the Supplier ceasing to trade;
- (c) securely destroy all media that has held Authority Data at the end of life of that media in line with Good Industry Practice; and
- (d) securely erase any or all Authority Data held by the Supplier when requested to do so by the Authority.

4. NETWORKING

- 4.1 The Authority requires that any Authority Data transmitted over any public network (including the Internet, mobile networks or un-protected enterprise network) or to a mobile device must be encrypted using a product or system component which has been formally assured through a certification process recognised by CESG, to at least Foundation Grade, for example, under CPA or through the use of pan government accredited encrypted networking services via the Public Sector Network ("PSN") framework (which makes use of Foundation Grade certified products).
- 4.2 The Authority requires that the configuration and use of all networking equipment to provide the Services, including those that are located in secure physical locations, are at least compliant with Good Industry Practice.

5. SECURITY ARCHITECTURES

- 5.1 The Supplier shall apply the 'principle of least privilege' (the practice of limiting systems, processes and user access to the minimum possible level) to the design and configuration of IT systems which will process or store Authority Information.
- 5.2 When designing and configuring the IT Environment (to the extent that the IT Environment is within the control of the Supplier) the Supplier shall follow Good Industry Practice and seek guidance from recognised security professionals with the appropriate skills and/ or a CESG Certified Professional certification (<http://www.cesg.gov.uk/awarenesstraining/IA-certification/Pages/index.aspx>).
- 5.3 For all bespoke or complex components of the Supplier Solution.

6. PERSONNEL SECURITY

- 6.1 Supplier Personnel shall be subject to pre-employment checks that include, as a minimum: employment history for at least the last three years, identity, unspent criminal convictions and right to work (including nationality and immigration status).
- 6.2 The Supplier shall agree on a case by case basis Supplier Personnel roles which require specific government clearances (such as 'SC') including system administrators with privileged access to IT systems which store or process Authority Data.
- 6.3 The Supplier shall prevent Supplier Personnel who are unable to obtain the required security clearances from accessing systems which store, process, or are used to manage Authority Data except where agreed with the Authority in writing.

- 6.4 All Supplier Personnel that have the ability to access Authority Data or systems holding Authority Data shall undergo regular training on secure information management principles. Unless otherwise agreed with the Authority in writing, this training must be undertaken annually.
- 6.5 Where the Supplier or Sub-Contractors grants increased IT privileges or access rights to Supplier Personnel, those Supplier Personnel shall be granted only those permissions necessary for them to carry out their duties. When staff no longer need elevated privileges or leave the organisation, their access rights shall be revoked within 1 Working Day.

7. IDENTITY, AUTHENTICATION AND ACCESS CONTROL

- 7.1 The Supplier shall operate an access control regime to ensure all Users and administrators of the Supplier Solution are uniquely identified and authenticated when accessing or administering the Services. Applying the 'principle of least privilege', Users and administrators shall be allowed access only to those parts of the Supplier Solution they require. The Supplier shall retain an audit record of accesses.

8. AUDIT AND MONITORING

- 8.1 The Supplier shall collect audit records which relate to security events in the systems or that would support the analysis of potential and actual compromises. In order to facilitate effective monitoring and forensic readiness such Supplier audit records should (as a minimum) include:
 - (a) Logs to facilitate the identification of the specific asset which makes every outbound request external to the IT Environment (to the extent that the IT Environment is within the control of the Supplier). To the extent the design of the Supplier Solution and Services allows such logs shall include those from DHCP servers, HTTP/HTTPS proxy servers, firewalls and routers.
 - (b) Security events generated in the IT Environment (to the extent that the IT Environment is within the control of the Supplier) and shall include: privileged account logon and logoff events, the start and termination of remote access sessions, security alerts from desktops and server operating systems and security alerts from third party security software.
- 8.2 The Supplier and the Authority shall work together to establish any additional audit and monitoring requirements for the IT Environment.
- 8.3 The Supplier shall retain audit records collected in compliance with Paragraph 8.1 for a period of at least 6 months.

ANNEX 2: SECURITY MANAGEMENT PLAN

SCHEDULE 17: SOFTWARE AND KEY-SUBCONTRACTORS

PART 1: SOFTWARE

Supplier Software

SFTWARE	SUPPLIER (IF AN AFFILIATE OF THE SUPPLIER)	PURPOSE	NUMBER OF LICENCES	DESCRIPTION AND FURTHER DETAILS
FICO® Debt Manager™ solution Premium	N/A	DEBT COLLECTION AND RECOVERIES	6,700,000	PLEASE REFER TO DDSP ITT ATTACHMENT 2 – VERSION 1.2 (12 TH SEPTEMBER 18)
FICO® Customer Communication Services	N/A	DEBT COLLECTION AND RECOVERIES	N/A	PLEASE REFER TO DDSP ITT ATTACHMENT 2 – VERSION 1.2 (12 TH SEPTEMBER 18)

Third Party Software

SFTWARE	SUPPLIER	PURPOSE	NUMBER OF LICENCES	DESCRIPTION AND FURTHER DETAILS
N/A				

PART 2: KEY SUBCONTRACTORS

1. In accordance with Clause 18.2.1 (Appointment of Key Sub-contractors), the Supplier is entitled to sub-contract its obligations under this Contract to the Key Sub-contractors listed in the table below.
2. The Parties agree that they will update this Schedule periodically to record any Key Sub-contractors appointed by the Supplier with the consent of the Authority after the Commencement Date for the purposes of the delivery of the Services.

Key Sub-contractor name and address (if not the same as the registered office)	Registered office and company number	Related product/Service description	Key Sub-contract price expressed as a percentage of total projected Contract Charges over the Term	Key role in delivery of the Services
Not applicable - Supplier will not be using any subcontractors as part of the proposed engagement.				

SCHEDULE 18: FINANCIAL DISTRESS

1. DEFINITIONS

In this Schedule, the following definitions shall apply:

- “**Credit Rating Level**” a credit rating level as specified in Annex 1;
- “**Credit Rating Threshold**” the minimum Credit Rating Level for the Supplier as set out in Annex 1 and for each Key Sub-contractor as set out in Schedule 17 (*Software and Key-Subcontractors*); and
- “**Rating Agency**” means the ratings agency Dun and Bradstreet

2. CREDIT RATING AND DUTY TO NOTIFY

- 2.1 The Supplier warrants and represents to the Authority for the benefit of the Authority that as at the Commencement Date the long term credit ratings issued for the Supplier by the Rating Agency is as set out in Annex 1 or better.
- 2.2 The Supplier shall provide to the Authority the credit rating issued for the Supplier by the Rating Agency each anniversary of the Commencement Date during the Term.
- 2.3 The Supplier shall promptly notify (or shall procure that its auditors promptly notify) the Authority in writing if there is any downgrade in the credit rating issued by the Rating Agency for the Supplier (and in any event within 5 Working Days of the occurrence of the downgrade).
- 2.4 If there is any downgrade credit rating issued by any Rating Agency for the Supplier, the Supplier shall ensure that the Supplier’s auditors or Guarantor’s auditors (as the case may be) thereafter provide the Authority within 10 Working Days of the end of each Contract Year and within 10 Working Days of written request by the Authority (such requests not to exceed 4 in any Contract Year) with written calculations of the quick ratio for the Supplier or the Guarantor (as the case may be) as at the end of each Contract Year or such other date as may be requested by the Authority. For these purposes the “quick ratio” on any date means:

$$\frac{A + B + C}{D}$$

where:

- A** is the value at the relevant date of all cash in hand and at the bank of the Supplier;
- B** is the value of all marketable securities held by the Supplier determined using closing prices on the Working Day preceding the relevant date;
- C** is the value at the relevant date of all account receivables of the Supplier; and
- D** is the value at the relevant date of the current liabilities of the Supplier;

2.4 The Supplier shall:

2.4.1 Regularly monitor the credit ratings of the Supplier and each Key Sub-contractor with the Rating Agency and

2.4.2 Promptly notify (or shall procure that its auditors promptly notify) the Authority in writing following the occurrence of a Financial Distress Event or Key Sub-contractor Financial Distress Event or any fact, circumstance or matter which could cause a Financial Distress Event or a Key Sub-contractor Financial Distress Event (and in any event, ensure that such notification is made within 10 Working Days of the date on which the Supplier first becomes aware of the Financial Distress Event, the Key Sub-contractor Financial Distress Event or the fact, circumstance or matter which could cause a Financial Distress Event or a Key Sub-contractor Financial Distress Event).

2.5 For the purposes of determining whether a Financial Distress Event has occurred pursuant to the provisions of Paragraph 3.1.1 the credit rating of the Supplier or relevant Key Sub-contractor (as the case may be) shall be deemed to have dropped below the applicable Credit Rating Threshold if the Rating Agency has rated the Supplier or relevant Key Sub-contractor (as the case may be) at or below the Credit Rating Threshold.

3. CONSEQUENCES OF A FINANCIAL DISTRESS EVENT

3.1 In the event of:

- 3.1.1 The credit rating of the Supplier or any Key Sub-contractor dropping below the applicable Credit Rating Threshold;
- 3.1.2 The Supplier or any Key Sub-contractor issuing a profits warning to a stock exchange or making any other public announcement, in each case about a material deterioration in its financial position or prospects;
- 3.1.3 There being a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety of the Supplier or any Key Sub-contractor;
- 3.1.4 The Supplier or any Key Sub-contractor committing a material breach of covenant to its lenders;
- 3.1.5 A Key Sub-contractor notifying the Authority that the Supplier has not satisfied any material sums properly due under a specified invoice and not subject to a genuine dispute; or
- 3.1.6 Any of the following:

- (a) commencement of any litigation against the Supplier or any Key Sub-contractor with respect to financial indebtedness greater than £5m or obligations under a service contract with a total contract value greater than £5m;
- (b) non-payment by the Supplier or any Key Sub-contractor of any financial indebtedness;
- (c) any financial indebtedness of the Supplier or any Key Sub-contractor becoming due as a result of an event of default; or
- (d) the cancellation or suspension of any financial indebtedness in respect of the Supplier or any Key Sub-contractor,

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

Then, immediately upon notification of the Financial Distress Event (or if the Authority becomes aware of the Financial Distress Event without notification and brings the event to the attention of the Supplier), the Supplier shall have the obligations and the Authority shall have the rights and remedies as set out in Paragraphs 3.3 to 3.6.

- 3.2 In the event of a late or non-payment of a Key Sub-contractor pursuant to Paragraph 3.1.5 the Authority shall not exercise any of its rights or remedies under Paragraph 3.3 without first giving the Supplier 10 Working Days to:
 - 3.2.1 Rectify such late or non-payment; or
 - 3.2.2 Demonstrate to the Authority's reasonable satisfaction that there is a valid reason for late or non-payment.

- 3.3 The Supplier shall (and shall procure that any relevant Key Sub-contractor shall):
- 3.3.1 At the request of the Authority, meet the Authority as soon as reasonably practicable (and in any event within 3 Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as the Authority may permit and notify to the Supplier in writing) to review the effect of the Financial Distress Event on the continued performance and delivery of the Services in accordance with this Contract; and
 - 3.3.2 Where the Authority reasonably believes (taking into account the discussions and any representations made under Paragraph 3.3.1) that the Financial Distress Event could impact on the continued performance and delivery of the Services in accordance with this Contract:
 - (a) submit to the Authority for its approval, a draft Financial Distress Service Continuity Plan as soon as reasonably practicable (and in any event, within 10 Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as the Authority may permit and notify to the Supplier in writing); and
 - (b) provide such financial information relating to the Supplier or the Guarantor as the Authority may reasonably require.
- 3.4 The Authority shall not withhold its approval of a draft Financial Distress Service Continuity Plan unreasonably. If the Authority does not approve the draft Financial Distress Service Continuity Plan, it shall inform the Supplier of its reasons and the Supplier shall take those reasons into account in the preparation of a further draft Financial Distress Service Continuity Plan, which shall be resubmitted to the Authority within 5 Working Days of the rejection of the first draft. This process shall be repeated until the Financial Distress Service Continuity Plan is approved by the Authority or referred to the Dispute Resolution Procedure under Paragraph 3.5.
- 3.5 If the Authority considers that the draft Financial Distress Service Continuity Plan is insufficiently detailed to be properly evaluated, will take too long to complete or will not ensure the continued performance of the Supplier's obligations in accordance with the Contract, then it may either agree a further time period for the development and agreement of the Financial Distress Service Continuity Plan or escalate any issues with the draft Financial Distress Service Continuity Plan using the Dispute Resolution Procedure.
- 3.6 Following approval of the Financial Distress Service Continuity Plan by the Authority, the Supplier shall:
- 3.6.1 On a regular basis (which shall not be less than monthly), review the Financial Distress Service Continuity Plan and assess whether it remains adequate and up to date to ensure the continued performance and delivery of the Services in accordance with this Contract;

- 3.6.2 Where the Financial Distress Service Continuity Plan is not adequate or up to date in accordance with Paragraph 3.6.1 submit an updated Financial Distress Service Continuity Plan to the Authority for its approval, and the provisions of Paragraphs 3.4 and 3.5 shall apply to the review and approval process for the updated Financial Distress Service Continuity Plan; and
- 3.6.3 Comply with the Financial Distress Service Continuity Plan (including any updated Financial Distress Service Continuity Plan).
- 3.7 Where the Supplier reasonably believes that the relevant Financial Distress Event under Paragraph 3.1 (or the circumstance or matter which has caused or otherwise led to it) no longer exists, it shall notify the Authority and the Parties may agree that the Supplier shall be relieved of its obligations under Paragraph 3.6.

4. TERMINATION RIGHTS

- 4.1 The Authority shall be entitled to terminate this Contract under Clause 29.2.1(e) (Termination by the Authority) if:
 - 4.1.1 The Supplier fails to notify the Authority of a Financial Distress Event in accordance with Paragraph 2.4.2
 - 4.1.2 The Parties fail to agree a Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with Paragraphs 3.3 to 3.5; and/or
 - 4.1.3 The Supplier fails to comply with the terms of the Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with Paragraph 3.6.3.

5. PRIMACY OF CREDIT RATINGS

- 5.1 Without prejudice to the Supplier terms of the Financial Distress Service Continuity Plan (or any update), if, following the occurrence of a Financial Distress Event pursuant to any of Paragraphs 3.1.2 to 3.1.6 the Rating Agency reviews and reports subsequently that the credit ratings do not drop below the relevant Credit Rating Threshold, then:
 - 5.1.1 The Supplier shall be relieved automatically of its obligations under Paragraphs 3.3 to 3.6; and
 - 5.1.2 The Authority shall not be entitled to require the Supplier to provide financial information in accordance with Paragraph 3.3.2(b)

ANNEX 1: Credit Ratings And credit rating thresholds

Entity	Credit Rating Level (long term)	Credit Rating Threshold
Fair Isaac Limited	4A 1	Any rating where the 'Risk Indicator' (second number listed) is 3.

For explanatory purposes:

The scores and ratings are from the Rating Agency and help identify if organisations are likely to fail or pay late.

The rating described above is made up of two parts and presented as a financial strength number and risk identifier.

- Financial strength - Based on tangible net worth from the latest financial accounts
- Risk indicator - Derived from the Rating Agency failure score but also takes into account expert rules and overrides

Financial Strength: The following table shows the relationship between the financial strength indicator and an organisation's tangible net worth:

Table 1

Attached in word document titled: *Credit Rating Tables (FINAL)*

Risk Indicator - to generate the risk indicator the Rating Agency failure score is combined with expert rules.

The following table shows the relationship between the risk indicator and level of risk, and provides a guide to interpretation:

Table 2

Attached in word document titled: *Credit Rating Tables (FINAL)*

SCHEDULE 19: SUPPLIER PERSONNEL

PART A: EMPLOYMENT EXIT PROVISIONS

- 1 During the period of 12 months preceding the Expiry Date or after the Authority has given notice to terminate the Contract, and within 28 days of being so requested by the Authority, the Supplier shall (to the extent it is permitted to do so under applicable Data Protection Legislation) fully and accurately disclose to the Authority all information relating to staff engaged in providing the Services, including but not limited to, the following:
 - 1.1 The total number of staff assigned for the purposes of TUPE to the Services; and
 - 1.2 For each person identified under paragraph 1.1 above details of: the activities they perform, their ages, dates of commencement of employment, place of work, notice period, redundancy payment entitlement, salary, benefits, pension entitlements, employment status, identity of employer, working arrangements, outstanding liabilities, sickness absence, copies of all relevant employment contracts and related documents, and all information required to be provided pursuant to regulation 11 of TUPE or as reasonably requested by the Authority.
- 2 The Supplier warrants the accuracy of the information provided pursuant to paragraph 1.2 above and shall notify the Authority of any changes to the amended information as soon as reasonably practicable. The Supplier shall permit the Authority to use and disclose the information for the purposes of informing any prospective Replacement Supplier.
- 3 In the 12 months prior to the Expiry Date the Supplier shall not change the identity and number of staff assigned to the Services (unless reasonably requested by the Authority) or their terms and conditions, other than in the ordinary course of business.
- 4 The Supplier will co-operate with the re-tendering of the Contract by allowing the Replacement Supplier to communicate with and meet the affected employees and/or their representatives.
- 5 The Supplier shall indemnify the Authority and/or any Replacement Supplier and/or Replacement Sub-Contractor for all loss arising from:
 - 5.1 Its failure to comply with the provisions of this paragraph;
 - 5.2 Any claim by any Transferring Supplier Employees or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employees which arises or is alleged to arise from any act or omission of the Supplier or any Sub-contractor whether occurring before or after the Service Transfer Date; and

- 5.3 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.
- 6 The provisions of this paragraph shall apply during the continuance of the Contract and indefinitely after its termination.
- 7 Notwithstanding any other provisions in this Contract, for the purposes of paragraphs 1 to 7 the relevant third party shall be able to enforce its rights under this clause but their consent shall not be required to vary or terminate these clauses as the Authority and Supplier may agree.

PART B: KEY PERSONNEL

Key Role	Name of Key Personnel	Responsibilities/ Authorities	Phase of the project during which they will be a member of Key Personnel	Minimum period in Key Role
None				

SCHEDULE 20: DEED OF GUARANTEE

THIS DEED OF GUARANTEE is made the day of 20[]

BETWEEN:

- (1) Fair Isaac Corporation, a Delaware company whose principal office is at Metro Plaza, 181 Metro Drive, Suite 600, San Jose, CA 95110 USA (**“Guarantor”**); in favour of
- (2) [*Insert the name of the public sector Party to the Guaranteed Agreement*] whose principal office is at [Department for Work & Pensions] (**“Beneficiary”**)

WHEREAS:

- (A) It is a condition of the Beneficiary entering into the Guaranteed Agreement that the Guarantor executes and delivers this Deed of Guarantee to the Beneficiary.
- (B) The Guarantor has agreed, in consideration of the Beneficiary entering into the Guaranteed Agreement with the Supplier, to guarantee all of the Supplier's obligations under the Guaranteed Agreement.
- (C) It is the intention of the Parties that this document be executed and take effect as a deed.

Now in consideration of the Beneficiary entering into the Guaranteed Agreement, the Guarantor hereby agrees with the Beneficiary as follows:

1 Definitions and Interpretation

In this Deed of Guarantee:

- 1.1 Unless defined elsewhere in this Deed of Guarantee or the context requires otherwise, defined terms shall have the

same meaning as they have for the purposes of the Guaranteed Agreement;

1.2 The words and phrases below shall have the following meanings:

- (a) “**Guaranteed Agreement**” means the [*insert details of main contract*] made between the Beneficiary and the Supplier on [*insert date*]; and
- (b) “**Guaranteed Obligations**” means all obligations and liabilities of the Supplier to the Beneficiary under the Guaranteed Agreement together with all obligations owed by the Supplier to the Beneficiary that are supplemental to, incurred under, ancillary to or calculated by reference to the Guaranteed Agreement.

1.3 References to this Deed of Guarantee and any provisions of this Deed of Guarantee or to any other document or agreement (including to the Guaranteed Agreement) are to be construed as references to this Deed of Guarantee, those provisions or that document or agreement in force for the time being and as amended, varied, restated, supplemented, substituted or novated from time to time;

1.4 Unless the context otherwise requires, words importing the singular are to include the plural and vice versa;

1.5 References to a person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect;

1.6 The words “other” and “otherwise” are not to be construed as confining the meaning of any following words to the class of thing previously stated where a wider construction is possible;

1.7 Unless the context otherwise requires, reference to a gender includes the other gender and the neuter;

1.8 Unless the context otherwise requires, references to an Act of Parliament, statutory provision or statutory instrument include a reference to that Act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;

1.9 Unless the context otherwise requires, any phrase introduced by the words “including”, “includes”, “in particular”, “for example” or similar, shall be construed as illustrative and without limitation to the generality of the related general words;

1.10 References to Clauses and Schedules are, unless otherwise provided, references to Clauses of and Schedules to this Deed of Guarantee; and

1.11 References to liability are to include any liability whether actual, contingent, present or future.

2 **Guarantee and indemnity**

- 2.1 The Guarantor irrevocably and unconditionally guarantees and undertakes to the Beneficiary to procure that the Supplier duly and punctually performs all of the Guaranteed Obligations now or hereafter due, owing or incurred by the Supplier to the Beneficiary.
- 2.2 The Guarantor irrevocably and unconditionally undertakes upon demand to pay to the Beneficiary all monies and liabilities which are now or at any time hereafter shall have become payable by the Supplier to the Beneficiary under or in connection with the Guaranteed Agreement or in respect of the Guaranteed Obligations as if it were a primary obligor.
- 2.3 If at any time the Supplier shall fail to perform any of the Guaranteed Obligations, the Guarantor, as primary obligor, irrevocably and unconditionally undertakes to the Beneficiary that, upon first demand by the Beneficiary it shall, at the cost and expense of the Guarantor:
 - (a) fully, punctually and specifically perform such Guaranteed Obligations as if it were itself a direct and primary obligor to the Beneficiary in respect of the Guaranteed Obligations and liable as if the Guaranteed Agreement had been entered into directly by the Guarantor and the Beneficiary; and
 - (b) as a separate and independent obligation and liability, indemnify and keep the Beneficiary indemnified against all losses, damages, costs and expenses (including VAT thereon, and including, without limitation, all court costs and all legal fees on a solicitor and own client basis, together with any disbursements,) of whatever nature which may result or which such Beneficiary may suffer, incur or sustain arising in any way whatsoever out of a failure by the Supplier to perform the Guaranteed Obligations save that, subject to the other provisions of this Deed of Guarantee, this shall not be construed as imposing greater obligations or liabilities on the Guarantor than are purported to be imposed on the Supplier under the Guaranteed Agreement.
- 2.4 As a separate and independent obligation and liability from its obligations and liabilities under Clauses 2.1 to 2.3 above, the Guarantor as a primary obligor irrevocably and unconditionally undertakes to indemnify and keep the Beneficiary indemnified on demand against all losses, damages, costs and expenses (including VAT thereon, and including, without limitation, all legal costs and expenses), of whatever nature, whether arising under statute, contract or at common law, which such Beneficiary may suffer or incur if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal as if the obligation guaranteed had not become unenforceable, invalid or illegal provided that the Guarantor's liability shall be no greater than the Supplier's liability would have been if the obligation guaranteed had not become unenforceable, invalid or illegal.

3 Obligation to enter into a new contract

If the Guaranteed Agreement is terminated for any reason, whether by the Beneficiary or the Supplier, or if the Guaranteed Agreement is disclaimed by a liquidator of the Supplier or the obligations of the Supplier are declared to be void or voidable for any reason, then the Guarantor will, at the request of the Beneficiary enter into a contract with the Beneficiary in terms mutatis mutandis the same as the Guaranteed Agreement and the obligations of the Guarantor under such substitute agreement shall be the same as if the Guarantor had been original obligor under the Guaranteed Agreement or under an agreement entered into on the same terms and at the same time as the Guaranteed Agreement with the Beneficiary.

4 Demands and Notices

4.1 Any demand or notice served by the Beneficiary on the Guarantor under this Deed of Guarantee shall be in writing, addressed to:

- (a) [Address of the Guarantor in England and Wales]
- (b) [Facsimile Number]
- (c) For the Attention of [insert details]

or such other address in England and Wales or facsimile number as the Guarantor has from time to time notified to the Beneficiary in writing in accordance with the terms of this Deed of Guarantee as being an address or facsimile number for the receipt of such demands or notices.

4.2 Any notice or demand served on the Guarantor or the Beneficiary under this Deed of Guarantee shall be deemed to have been served:

- (a) if delivered by hand, at the time of delivery; or
- (b) if posted, at 10.00 a.m. on the second Working Day after it was put into the post; or
- (c) if sent by facsimile, at the time of despatch, if despatched before 5.00 p.m. on any Working Day, and in any other case at 10.00 a.m. on the next Working Day.

4.3 In proving service of a notice or demand on the Guarantor or the Beneficiary it shall be sufficient to prove that delivery was made, or that the envelope containing the notice or demand was properly addressed and posted as a prepaid first class recorded delivery letter, or that the facsimile message was properly addressed and despatched, as the case may be.

4.4 Any notice purported to be served on the Beneficiary under this Deed of Guarantee shall only be valid when received in writing by the Beneficiary.

5 Beneficiary's protections

- 5.1 The Guarantor shall not be discharged or released from this Deed of Guarantee by any arrangement made between the Supplier and the Beneficiary (whether or not such arrangement is made with or without the assent of the Guarantor) or by any amendment to or termination of the Guaranteed Agreement or by any forbearance or indulgence whether as to payment, time, performance or otherwise granted by the Beneficiary in relation thereto (whether or not such amendment, termination, forbearance or indulgence is made with or without the assent of the Guarantor) or by the Beneficiary doing (or omitting to do) any other matter or thing which but for this provision might exonerate the Guarantor.
- 5.2 This Deed of Guarantee shall be a continuing security for the Guaranteed Obligations and accordingly:
- (a) it shall not be discharged, reduced or otherwise affected by any partial performance (except to the extent of such partial performance) by the Supplier of the Guaranteed Obligations or by any omission or delay on the part of the Beneficiary in exercising its rights under this Deed of Guarantee;
 - (b) it shall not be affected by any dissolution, amalgamation, reconstruction, reorganisation, change in status, function, control or ownership, insolvency, liquidation, administration, appointment of a receiver, voluntary arrangement, any legal limitation or other incapacity, of the Supplier, the Beneficiary, the Guarantor or any other person;
 - (c) if, for any reason, any of the Guaranteed Obligations shall prove to have been or shall become void or unenforceable against the Supplier for any reason whatsoever, the Guarantor shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Guarantor were principal debtor in respect thereof; and
 - (d) the rights of the Beneficiary against the Guarantor under this Deed of Guarantee are in addition to, shall not be affected by and shall not prejudice, any other security, guarantee, indemnity or other rights or remedies available to the Beneficiary.
- 5.3 The Beneficiary shall be entitled to exercise its rights and to make demands on the Guarantor under this Deed of Guarantee as often as it wishes and the making of a demand (whether effective, partial or defective) in respect of the breach by the Supplier of any Guaranteed Obligation shall not preclude the Beneficiary from making a further demand in respect of the same or some other default in respect of the same Guaranteed Obligation.
- 5.4 The Beneficiary shall not be obliged before taking steps to enforce this Deed of Guarantee against the Guarantor to obtain judgment against the Supplier or the Guarantor or any third party in any court, or to make or file any claim in a bankruptcy or liquidation of the Supplier or any third party, or to take any action whatsoever against the Supplier or

the Guarantor or any third party or to resort to any other security or guarantee or other means of payment. No action (or inaction) by the Beneficiary in respect of any such security, guarantee or other means of payment shall prejudice or affect the liability of the Guarantor hereunder.

- 5.5 The Beneficiary's rights under this Deed of Guarantee are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Beneficiary deems expedient.
- 5.6 Any waiver by the Beneficiary of any terms of this Deed of Guarantee, or of any Guaranteed Obligations shall only be effective if given in writing and then only for the purpose and upon the terms and conditions, if any, on which it is given.
- 5.7 Any release, discharge or settlement between the Guarantor and the Beneficiary shall be conditional upon no security, disposition or payment to the Beneficiary by the Guarantor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Beneficiary shall be entitled to enforce this Deed of Guarantee subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made. The Beneficiary shall be entitled to retain this security after as well as before the payment, discharge or satisfaction of all monies, obligations and liabilities that are or may become due owing or incurred to the Beneficiary from the Guarantor for such period as the Beneficiary may determine.

6 Guarantor intent

Without prejudice to the generality of Clause 5 (Beneficiary's protections), the Guarantor expressly confirms that it intends that this Deed of Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the Guaranteed Agreement and any associated fees, costs and/or expenses.

7 Rights of subrogation

The Guarantor shall, at any time when there is any default in the performance of any of the Guaranteed Obligations by the Supplier and/or any default by the Guarantor in the performance of any of its obligations under this Deed of Guarantee, exercise any rights it may have:

- 7.1 Of subrogation and indemnity;
- 7.2 To take the benefit of, share in or enforce any security or other guarantee or indemnity for the Supplier's obligations; and
- 7.3 To prove in the liquidation or insolvency of the Supplier,

only in accordance with the Beneficiary's written instructions and shall hold any amount recovered as a result of the exercise of such rights up to such amount as the Beneficiary determines in its sole discretion represents the amount of the Guarantor's liabilities under this Deed of Guarantee (the "**Guarantee Estimate Amount**") on trust for the Beneficiary and pay the same to the Beneficiary on first demand. The Guarantor may retain for its own account or otherwise deal with any such amounts recovered in excess of the Guarantee Estimate Amount as the Guarantor may determine in its sole discretion. The Guarantor hereby confirms that it has not taken any security from the Supplier (other than cross-indemnities or other security taken in the ordinary course of its financial arrangements with its Affiliates) and agrees not to do take any further security until Beneficiary receives all moneys payable hereunder and will hold any security taken in breach of this Clause on trust for the Beneficiary.

8 Deferral of rights

- 8.1 Until all amounts which may be or become payable by the Supplier under or in connection with the Guaranteed Agreement have been irrevocably paid in full, the Guarantor agrees that, without the prior written consent of the Beneficiary, it will not:
- (a) claim any contribution from any other guarantor of the Supplier's obligations under the Guaranteed Agreement; or
 - (b) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Beneficiary under the Guaranteed Agreement or of any other guarantee or security taken pursuant to, or in connection with, the Guaranteed Agreement.
- 8.2 Until all amounts which may be or become payable by the Supplier under or in connection with the Guaranteed Agreement have been irrevocably paid in full, the Guarantor agrees that, without the prior written consent of the Beneficiary, it will not following the occurrence of a Financial Distress Event or Supplier Termination Event:
- (a) exercise any rights it may have to be indemnified by the Supplier;
 - (b) demand or accept repayment in whole or in part of any indebtedness now or hereafter due from the Supplier; or
 - (c) claim any set-off or counterclaim against the Supplier.
- 8.3 If the Guarantor receives any payment or other benefit or exercises any set off or counterclaim or otherwise acts in breach of this Clause 8, anything so received and any benefit derived directly or indirectly by the Guarantor therefrom shall be held on trust for the Beneficiary and applied in or towards discharge of its obligations to the Beneficiary under this Deed of Guarantee.

9 Representations and warranties

The Guarantor hereby represents and warrants to the Beneficiary that:

- 9.1 The Guarantor is duly incorporated and is a validly existing company under the laws of its place of incorporation, has the capacity to sue or be sued in its own name and has power to carry on its business as now being conducted and to own its property and other assets;
- 9.2 The Guarantor has full power and authority to execute, deliver and perform its obligations under this Deed of Guarantee and no limitation on the powers of the Guarantor will be exceeded as a result of the Guarantor entering into this Deed of Guarantee;
- 9.3 The execution and delivery by the Guarantor of this Deed of Guarantee and the performance by the Guarantor of its obligations under this Deed of Guarantee including, without limitation entry into and performance of a contract pursuant to Clause 3) have been duly authorised by all necessary corporate action and do not contravene or conflict with:
 - (a) the Guarantor's memorandum and articles of association or other equivalent constitutional documents;
 - (b) any existing law, statute, rule or regulation or any judgment, decree or permit to which the Guarantor is subject; or
 - (c) the terms of any agreement or other document to which the Guarantor is a Party or which is binding upon it or any of its assets;
- 9.4 All governmental and other authorisations, approvals, licences and consents, required or desirable, to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed of Guarantee, and to make this Deed of Guarantee admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect; and
- 9.5 This Deed of Guarantee is the legal valid and binding obligation of the Guarantor and is enforceable against the Guarantor in accordance with its terms.

10 Payments and set-off

- 10.1 All sums payable by the Guarantor under this Deed of Guarantee shall be paid without any set-off, lien or counterclaim, deduction or withholding, howsoever arising, except for those required by law, and if any deduction or withholding must be made by law, the Guarantor will pay that additional amount which is necessary to ensure that the Beneficiary receives a net amount equal to the full amount which it would have received if the payment had been made without the deduction or withholding.

- 10.2 The Guarantor shall pay interest on any amount due under this Deed of Guarantee at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.
- 10.3 The Guarantor will reimburse the Beneficiary for all legal and other costs (including VAT) incurred by the Beneficiary in connection with the enforcement of this Deed of Guarantee.

11 Guarantor's acknowledgement

The Guarantor warrants, acknowledges and confirms to the Beneficiary that it has not entered into this Deed of Guarantee in reliance upon, nor has it been induced to enter into this Deed of Guarantee by any representation, warranty or undertaking made by or on behalf of the Beneficiary (whether express or implied and whether pursuant to statute or otherwise) which is not set out in this Deed of Guarantee.

12 Assignment

- 12.1 The Beneficiary shall be entitled to assign or transfer the benefit of this Deed of Guarantee at any time to any person without the consent of the Guarantor being required and any such assignment or transfer shall not release the Guarantor from its liability under this Guarantee.
- 12.2 The Guarantor may not assign or transfer any of its rights and/or obligations under this Deed of Guarantee.

13 Severance

If any provision of this Deed of Guarantee is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this Deed of Guarantee had been executed with the invalid, illegal or unenforceable provision eliminated.

14 Third party rights

A person who is not a Party to this Deed of Guarantee shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed of Guarantee. This Clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

15 Governing Law

- 15.1 This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with English law.
- 15.2 The Guarantor irrevocably agrees for the benefit of the Beneficiary that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings and to settle any dispute which may arise out of or in connection with this Deed of Guarantee and for such purposes hereby irrevocably submits to the jurisdiction of such courts.
- 15.3 Nothing contained in this Clause shall limit the rights of the Beneficiary to take proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not (unless precluded by applicable law).
- 15.4 The Guarantor irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this Clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.
- 15.5 [Provision dealing with the appointment of English process agent by a non-English incorporated Guarantor] [The

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Guarantor hereby irrevocably designates, appoints and empowers the Supplier [a suitable alternative to be agreed if the Supplier's registered office is not in England or Wales] either at its registered office or on facsimile number [insert fax no.] from time to time to act as its authorised agent to receive notices, demands, service of process and any other legal summons in England and Wales for the purposes of any legal action or proceeding brought or to be brought by the Beneficiary in respect of this Deed of Guarantee. The Guarantor hereby irrevocably consents to the service of notices and demands, service of process or any other legal summons served in such way.]

IN WITNESS whereof the Guarantor has caused this instrument to be executed and delivered as a Deed the day and year first before written.

Official - Commercial

EXECUTED as a DEED by)

Fair Isaac Corporation acting by [*Insert/print names*]

Director

Director/Secretary

SCHEDULE 21: PERSONAL DATA (INCL. SPECIAL CATEGORIES OF PERSONAL DATA) AND DATA SUBJECTS DATA PROCESSING

The Contractor shall comply with any further written instructions with respect to processing by the Authority.

Any such further instructions shall be incorporated into this Schedule.

Description	Details
Subject matter of the processing	Not applicable
Duration of the processing	Not applicable
Nature and purposes of the processing	Not applicable
Type of Personal Data (including Special Categories of Personal Data)	Not applicable
Categories of Data Subject	Not applicable
Plan for return and destruction of the data once the processing is complete UNLESS requirement under European Union or European member state law to preserve that type of data	Not applicable

SCHEDULE 22: DEFINITIONS

In accordance with Clause 1 (Definitions and Interpretations) of this Contract including its recitals the following expressions shall have the following meanings:

"Account"	means a Corporate Customer Account or a Customer Account;
"Achieve"	means in respect of a Test, to successfully pass such Test without any Test Issues in accordance with the Test Strategy Plan and in respect of a Milestone, the issue of a Milestone Achievement Certificate in respect of that Milestone and "Achieved" , "Achieving" and "Achievement" shall be construed accordingly;
"Acquired Rights Directive"	means the European Council Directive 77/187/EEC on the approximation of laws of European member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, as amended or re-enacted from time to time;
"Affected Party"	means the party seeking to claim relief in respect of a Force Majeure Event;
"Affiliates"	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;
"API"	means the Application Programming Interface which is a set of subroutine definitions, protocols, and tools for building application software;
"Appointee"	means a person who has been granted the right to deal with the benefits of someone who can't manage their own affairs because they're mentally incapable or severely disabled;
"Approval"	means the prior written consent of the Authority and "Approve" and "Approved" shall be construed accordingly;
"Approved Sub-Licensee"	means any of the following: <ul style="list-style-type: none"> a) a Central Government Body; b) any third party providing services to a Central Government 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;
"Auditor"	means: <ul style="list-style-type: none"> a) the Authority's internal and external auditors; b) the Authority's statutory or regulatory auditors;

	<p>c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office</p> <p>d) HM Treasury or the Cabinet Office</p> <p>e) any party formally appointed by the Authority to carry out audit or similar review functions; and</p> <p>f) successors or assigns of any of the above;</p>
"Authority"	means the Department for Work and Pensions;
"Authority Assets"	means the Authority's infrastructure, data, software, materials, 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 of the Services;
"Authority Background IPR"	<p>means:</p> <p>a) IPRs owned by the Authority before the Commencement Date, including IPRs contained in any of the Authority's Know-How, documentation, processes and procedures;</p> <p>b) IPRs created by the Authority independently of this Contract; and/or</p> <p>c) Crown Copyright which is not available to the Supplier otherwise than under this Contract;</p> <p>but excluding IPRs owned by the Authority subsisting in the Authority Software;</p>
"Authority Cause"	means any breach of the obligations of the Authority or any other default, act, omission, negligence or statement of the Authority, of its employees, servants, agents in connection with or in relation to the subject-matter of this Contract and in respect of which the Authority is liable to the Supplier;
"Authority Data"	<p>means:</p> <p>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, including any Authority's Confidential Information, and which:</p> <p>i) are supplied to the Supplier by or on behalf of the Authority; or</p> <p>ii) the Supplier is required to generate, process, store or transmit pursuant to this Contract; or</p> <p>b) any Personal Data for which the Authority is the Data Controller;</p>
"Authority Implementation Plan"	means the plan developed by the Authority of the Services within DWP;
"Authority Offshoring Policy"	means the DWP Offshoring Policy – a Guide for Contractors which can be found at

	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/251307/guide-for-dwp-contractors-offshoring-policy.pdf as updated from time to time;
"Authority Premises"	means premises owned, controlled or occupied by the Authority which are made available for use by the Supplier or its Sub-Contractors for provision of the Services (or any of them);
"Authority Property"	means the property, other than real property and IPR, including the Authority System issued or made available to the Supplier by the Authority in connection with this Contract;
"Authority Representative"	means the representative appointed by the Authority from time to time in relation to this Contract;
"Authority Responsibilities"	means the responsibilities of the Authority set out in Schedule 12 (Authority Responsibilities) or agreed in writing between the Parties from time to time in connection with this Contract;
"Authority Software"	means any software 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;
"Authority System"	means 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;
"Authority's Confidential Information"	means: <ul style="list-style-type: none"> a) all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, property rights, trade secrets, Know-How and IPR of the Authority (including all Authority Background IPR and Project Specific IPR); b) any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered confidential which comes (or has come) to the Authority's attention or into the Authority's possession in connection with this Contract; and c) information derived from any of the above;
"BACS"	means the Bankers Automated Clearing Service;
"Boards"	means the forums, groups and boards established by the Parties under Schedule 10 (Governance) and as may be established for the purposes of the Implementation period;

“BoE”	means the Bank of England;
“BPDTS”	means Benefits Pension Digital and Technology Services; a Digital Technology company, set up in 2016 to provide specialist digital and technology services to DWP;
“Business Area”	means an area of work outside of the Authority's debt management department. This may be within DWP or another government department;
“Business Rules”	means a rule that defines or constrains some aspect of business and always resolves to either true or false. Business rules are intended to assert business structure or to control or influence the behaviour of the business;
“CCA”	means the Customer Credit Association;
"CCS Services"	means the Supplier's standard customer communication services (“CCS”) as more particularly described in Schedule 23 of this Contract and which will be provided by the Supplier subject to the terms of clause 6.1.8;
"Central Government 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: <ul style="list-style-type: none"> a) Government Department; b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal); c) Non-Ministerial Department; or d) Executive Agency;
“Certificate of Liability”	means the certificate which summarizes the recoverable benefits from an insured party's insurance policy;
"Change in Law"	means any change in Law which impacts on the supply of the Services and performance of the Contract Terms which comes into force after the Commencement Date;
"Change of Control"	means a change of control within the meaning of Section 450 of the Corporation Tax Act 2010;
“Child Maintenance” or “CMEC” “CMG” “CMS” “CSA”	means those organisations providing a service between an absent parent and a parent with care for agreeing amount and paying maintenance. Organisations include Child Maintenance and Enforcement Commission, Child Maintenance Group, Child Maintenance Service, and Child Support Agency;
“CIS”	means Customer Information System. This is the DWP Repository for Customer Information which holds personal, relationship, and benefit information;
“Civil Litigation”	means the legal process by which DWP use the courts to resolve disputes of money owed to government;

"Commencement Date"	means the date of commencement of this Contract which is also the date of this agreement as set out at the start of this Contract;
"Commercially Sensitive Information"	means the Confidential information listed at Schedule 15 (if any) comprising of commercially sensitive information relating to the Supplier, its IPR or its business or 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"	means the supply of Services to another Authority of the Supplier that are the same or similar to the Services;
"Compensation for Critical Service Level Failure"	has the meaning given to it in Clause 9.1.2 (Critical Service Level Failure);
"Confirmation"	is applied for in Scotland when someone has died and: <ul style="list-style-type: none"> • the deceased left an estate to be disposed of but no will • there is a valid will but no executors • the named executors are unwilling or unable to carry out the instructions in the will
"Contract"	means this contract between the Authority and the Supplier consisting of Contract Terms and Conditions and the Schedules, including any documents annexed or referenced by them;
"Contract Charges"	means the prices exclusive of any applicable VAT, payable to the Supplier by the Authority under this Contract, as set out in Schedule 2 (Charges and Invoicing) for the full and proper performance by the Supplier of its obligations under this Contract less any Deductions;
"Contract Year"	means a period of twelve consecutive (12) Months commencing on the Commencement Date or each anniversary thereof;
"Contract Terms"	means these terms and conditions entered by the Parties in respect of the provision of the Services, together with the Schedules hereto;
"Condition Precedent"	has the meaning given to it in Clause 4.3;
"Confidential Information"	means the Authority's Confidential Information and/or the Supplier's Confidential Information, as the context specifies;
"Configuration Milestone"	means a Milestone which sets out the post-tests which are required for the Authority to configure the Licensed Software as set out in a Implementation Plan;
"Configuration"	means the configuration services described in Schedule 1;
"Consumer Price Index"	percentage change in the Consumer Price Index in the United Kingdom over the most recent 12 months for which published data is available at that point in time

"Contracting Body"	means the Authority, the Authority and any other contracting authorities as defined by the Public Contracts regulations 2015;
"Control"	means control as defined in section 1124 and 450 Corporation Tax Act 2010 and "Controls" and "Controlled" shall be interpreted accordingly;
"Conviction"	means other than for minor road traffic offences, any previous or pending prosecutions, convictions, cautions and binding over orders (including any spent convictions as contemplated by section 1(1) of the Rehabilitation of Offenders Act 1974) by virtue of the exemptions specified in Part II of Schedule 1 of the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (SI 1975/1023) or any replacement or amendment to that Order, or being placed on a list kept pursuant to section 1 of the Protection of Children Act 1999 or being placed on a list kept pursuant to the Safeguarding Vulnerable Groups Act 2006;
"Corporate Customer"	means a corporate body or company (e.g. landlord, insurance company or compensator);
"Corporate Customer Account"	means the full financial picture for a Corporate Customer;
"Correspondent"	means an individual or company that DWP will communicate with;
"Costs"	<p>the following costs (without double recovery) to the extent that they are reasonably and properly incurred by the Supplier in providing the Services:</p> <ul style="list-style-type: none"> a) the cost to the Supplier or the Key Sub-Contractor (as the context requires), calculated per Man Day, of engaging the Supplier Personnel, including: <ul style="list-style-type: none"> i) base salary paid to the Supplier Personnel; ii) employer's national insurance contributions; iii) pension contributions; iv) car allowances; v) any other contractual employment benefits; vi) staff training; vii) work place accommodation; viii) work place IT equipment and tools reasonably necessary to provide the Services (but not including items included within limb (b) below); and ix) reasonable recruitment costs, as agreed with the Authority; b) costs incurred in respect of those Supplier Assets which are detailed on the Registers and which would be treated as capital costs according to generally accepted accounting principles within the UK, which shall include the cost to be charged in respect of Supplier Assets by the Supplier to the

	<p>Authority or (to the extent that risk and title in any Supplier Asset is not held by the Supplier) any cost actually incurred by the Supplier in respect of those Supplier Assets;</p> <p>c) operational costs which are not included within (a) or (b) above, to the extent that such costs are necessary and properly incurred by the Supplier in the provision of the Services;</p> <p>but excluding:</p> <p>a) Overhead;</p> <p>b) financing or similar costs;</p> <p>c) maintenance and support costs to the extent that these relate to maintenance and/or support services provided beyond the Term whether in relation to Supplier Assets or otherwise;</p> <p>d) taxation;</p> <p>e) fines and penalties;</p> <p>f) amounts payable under Paragraph 9 of Schedule 10 (Governance) where used; and</p> <p>g) non-cash items (including depreciation, amortisation, impairments and movements in provisions);</p>
“CPS”	means the Central Payment System;
“Critical Service Level Failure”	means the Supplier performs at a standard below the 96% Service Threshold, detailed in the table comprising Annex 1 of Schedule 3, for any Service Level, for any Service;
"Crown"	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
"Crown Body"	means any department, office or executive agency of the Crown;
"CRTPA"	means the Contracts (Rights of Third Parties) Act 1999;
“Customer”	means an individual who owes money to the Government and interacts with the Authority;
“Customer Account”	means the full financial picture for a Customer;
"Customisation"	means the services described in Schedule 1 and the outline Customisation Plan;
“Customisation Milestone”	means post-test and acceptance Milestones identified within the Customisation Plan provided by the Supplier and attached to Schedule 9 or such detailed plan which replaces the outline plan;

"Customisation Plan"	means the outline customisation plan set out in Schedule 9 or the detailed customisation plan if such plan has been agreed by the parties in accordance with clause 5;
"Damaged"	means Goods that contain a Defect;
"Data Controller"	has the meaning given to it in the Data Protection Legislation;
"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 alteration and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach;
"Data Processor"	has the meaning given to it in the Data Protection Legislation;
"Data Protection Legislation"	means the GDPR, the LED and any applicable national implementing Laws as amended from time to time, the Data Protection Act 2018, the Criminal Law Enforcement Data Protection Directive 2016/680, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable Law relating to the processing of Personal Data including where applicable the guidance and codes of practice issued by the Information Commissioner or a relevant Central Government Body in relation to such Laws;
"Data Protection Impact Assessment"	an assessment by the Data Controller of the impact of the envisaged processing on the protection of Personal Data;
"Data Protection Officer"	has the same meaning given in the Data Protection Legislation;
"Data Subject"	has the meaning given to it in the Data Protection Legislation;
"Data Subject Access Request"	means a request made by a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access his or her Personal Data;
"DCA"	means the Debt Recovery Agency. A DCA recovers money owed to government on behalf of DWP and DfC;
"DEA"	means Direct Earnings Attachment. Where an employer may be asked to deduct money owed to government from an employee's wage;
"Debt"	means monies owed to the government which could be a debt or a loan;
"Debt Classification"	means the classification of debt which can effect decisions on rate of, and recoverability of, the debt (e.g. Fraud can attract a 40% deduction rate);

“Debt Component”	means the components which enable lower level detail relating to the type and nature of the debt involved, indicating their stance from a policy and legal perspective;
“Debt Interest”	means the indicator on CIS to inform other benefit systems and Users that an individual has a debt record with the Authority;
“Debt Type”	means the identifier for different types on monies owed to government (e.g. Universal Credit Budgeting Advance-UCBA, Tax Credit Overpayment-TCOP, Social Fund Migrated Debt-SFM);
“Deductions”	means all Service Credits or any other deduction which the Authority is paid or is payable under this Contract;
"Deed of Guarantee"	means the completed document set out in Schedule 20;
"Default"	means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Contract in breach of its terms) or any other default (including material Default) after the words, act, omission, negligence or statement of the Supplier, of its Sub-Contractors or any Supplier Personnel howsoever arising in connection with or in relation to the subject-matter of this Contract and in respect of which the Supplier is liable to the Authority;
“DfC”	means the Department for Communities (Northern Ireland benefit administration);
"Defect"	<p>means any of the following:</p> <ul style="list-style-type: none"> 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 requirements of the Authority or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from passing any Test required under this Contract; 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 requirements of the Authority or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from passing any Test required under this Contract;
"Delay"	<p>means:</p> <ul style="list-style-type: none"> 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 Plans;
"Deliverable"	means an item or feature in the supply of the Services delivered or to be delivered by the Supplier at or before a Milestone Date listed in the Implementation Plans (if any) or at any other stage during the performance of this Contract;
"Delivery"	means, in respect of the Services, the time at which the Services have been provided or performed by the Supplier as confirmed by the issue by the Authority of a Milestone Achievement Certificate in respect of the relevant Milestone thereof (if any) or otherwise in accordance with this Contract and accepted by the Authority and "Deliver" and "Delivered" shall be construed accordingly;
"Disclosing Party"	has the meaning given to it in Clause 22.3.1 (Confidentiality);
"Dispute"	means 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 Variation Procedure or any matter where this Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;
"Dispute Notice"	means 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"	means the dispute resolution procedure set out in Schedule 6 (Dispute Resolution Procedure);
"DoB"	means date of birth;
"Documentation"	means all documentation as: <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 the 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;
"DoD"	means date of death;
"DOTAS"	means 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;
“DWP”	means the Department for Work and Pensions (Administrators on behalf of the Secretary of State);
"Due Diligence Information"	means any information supplied to the Supplier by or on behalf of the Authority prior to the Commencement Date;
"Emergency Maintenance"	means ad hoc and unplanned maintenance provided by the Supplier where: <ul style="list-style-type: none"> a) the Authority reasonably suspects that the ICT Environment or the Services, or any part of the ICT 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 ICT Environment or the Services, or any part the ICT Environment or the Services, has or may have developed a fault;
"Employment Regulations"	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other Regulations implementing the Acquired Rights Directive;
"Environmental Information Regulations or EIRs"	means to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment, including any written environmental policy of the Authority;
"Environmental Policy"	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations;
“Escrow Agent”	means the Escrow Agent approved and appointed by the Authority to hold the Software and ensure the Software’s Source Code and instructions are transferred to the Authority upon a Release Event occurring.
“Escrow Agreement”	means the Escrow Agreement entered into between the Authority, the Supplier and the Escrow Agent, on the terms set out in the Escrow Agent’s standard form as may be amended by agreement between the Parties;
“Estate”	means a deceased person’s money and property;
"Estimated Year 1 Contract Charges"	means the sum in pounds estimated by the Authority to be payable by it to the Supplier as the total aggregate Contract Charges from the Commencement Date until

	the end of the first Contract Year as set out in Schedule 2 (Charges and Invoicing);
“Executor”	means the person or persons named by the deceased to carry out the instructions in their will;
“Exit Plan”	means the plan produced and updated by the Supplier during the Term in accordance with paragraph 4 of Schedule 8 (Exit Management);
"Expedited Dispute Timetable"	means the timetable set out in paragraph 2.6 of Schedule 6 (Dispute Resolution Procedure);
"Expiry Date"	means: <ul style="list-style-type: none"> a) the end date of the Initial Period or, if exercised by the Authority the end date of any Extension Period; or b) if this Contract is terminated before the date specified in (a) above, the earlier date of termination of this Contract;
"Extension Period"	means, the extension term of this Contract from the end date of the Initial Period to the end date of the extension period (such end date as notified by the Authority to the Supplier in accordance with Clause 4.2);
“Financial Distress Event”	means the occurrence of one or more of the events listed in paragraph 3.1 of Schedule 18 (Financial Distress)
“Financial Distress Service Continuity Plan”	a plan in accordance with Schedule 18 (Financial Distress) 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;
“Financial Event”	means any occurrence that causes a change to any of the debt amounts owed;
"FOIA"	means 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 relevant government department in relation to such legislation;
"Force Majeure Event"	means any event, occurrence, circumstance, matter or cause affecting the performance by either the Authority or the Supplier of its obligations arising from: <ul style="list-style-type: none"> a) acts, events, omissions, happenings or non-happenings beyond the reasonable control of the Affected Party which prevent or materially delay the Affected Party from performing its obligations under this Contract; b) riots, civil commotion, war or armed conflict, acts of terrorism, nuclear, biological or chemical warfare; c) acts of the Crown, local government or Regulatory Bodies; d) fire, flood or any disaster; and

	<p>e) an industrial dispute affecting a third party for which a substitute third party is not reasonably available but excluding:</p> <ul style="list-style-type: none"> i) any industrial dispute relating to the Supplier, the Supplier Personnel (including any subsets of them) or any other failure in the Supplier or the Sub-Contractor's supply chain; and ii) any event, occurrence, circumstance, matter or cause which is attributable to the wilful act, neglect or failure to take reasonable precautions against it by the Party concerned; and iii) any failure of delay caused by a lack of funds;
"Force Majeure Notice"	means 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"	means a supplier supplying the Services to the Authority before the 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);
"Fraud"	means any offence under any Laws creating offences in respect of fraudulent acts (including the Misrepresentation Act 1967) or at common law in respect of fraudulent acts including acts of forgery;
"Functional Consulting"	means a pool of functional consultancy hours used to provide the Authority with configuration support for the Software with implementation activities set out in the Implementation Plan. These hours are allocated within the pool of hours assigned to the functional consultant(s);
"GB"	means Great Britain;
"GDS"	means Government Digital Service;
"General Anti-Abuse Rule"	means (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"	means 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;
"General Ledger"	means the general ledger which is the backbone of the accounting system which holds financial and non-financial data for the organization and works as a central repository for accounting data transferred from all sub ledgers or modules like accounts payable, accounts receivable, cash management, fixed assets, purchasing and projects;

“GDPR”	means the General Data Protection Regulation (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, and repealing Directive 95/46/EC;
“Goods”	means the goods to be provided by the Supplier to the Authority as set out in this Contract;
"Good Industry Practice"	means standards, practices, methods and procedures conforming to the Law and the exercise of the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged within the relevant industry or business sector;
"Government"	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Government and the National Assembly for Wales), including government ministers and government departments and other bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
"Guarantor"	means the person in the event that a Guarantee is required under this Contract acceptable to the Authority to give a Guarantee;
"Halifax Abuse Principle"	means the principle explained in the CJEU Case C-255/02 Halifax and others;
“HMCTS”	means Her Majesty’s Courts and Tribunal Service;
"HMRC"	means Her Majesty’s Revenue and Customs;
"Holding Company"	has the meaning given to it in section 1159 of the Companies Act 2006;
"ICT Environment"	means the Authority System and the Supplier System;
"Impact Assessment"	has the meaning given to it in Clause 15.1.3 (Variation Procedure);
"Implementation Plans"	means the full implementation plans to be developed by the Supplier in accordance with Clause 5 and Schedule 9 (Implementation and Testing);
“Implementation Services”	means the design, build, test, implementation, transition, migration and roll out services and activities to be provided by the Supplier (including those set out at Schedule 1 (Service Requirements)) which are required and reasonably necessary to be performed before the Maintenance and Support Services can be performed;
“In Use”	means a debtor Account that is live and assigned to a Customer or Corporate Customer, attracting an ongoing debt (Customer Accounts or Corporate Customer Accounts with a zero-balance shall not be treated as having an Account which is In Use).
“Indemnified Person”	means 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;
"Initial Period"	means the initial term of this Contract which shall be for six (6) years from and including the Commencement Date;
"Information"	has the meaning given to it under section 84 of the Freedom of Information Act 2000;
"Insolvency Event"	<p>means, in respect of the Supplier or Guarantor (as applicable):</p> <ul style="list-style-type: none"> a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or of any other composition scheme or arrangement with, or assignment for the benefit of, its creditors; or b) a shareholders' meeting is convened for the purpose of considering a resolution that it be wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation); or c) a petition is presented for its winding up (which is not dismissed within fourteen (14) Working Days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986; or d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets; or e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given; or f) it is or becomes insolvent within the meaning of section 123 of the Insolvency Act 1986; or g) being a "small company" within the meaning of section 382(3) of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or h) where the Supplier or Guarantor or Guarantor is an individual or partnership, any event analogous to those listed in limbs (a) to (g) (inclusive) occurs in relation to that individual or partnership; or i) any event analogous to those listed in limbs (a) to (h) (inclusive) occurs under the law of any other jurisdiction;
"Intellectual Property Rights" or "IPR"	<p>means</p> <ul style="list-style-type: none"> a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor

	<p>topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade or business names, designs, Know-How, trade secrets and other rights in Confidential Information;</p> <p>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</p> <p>c) all other rights having equivalent or similar effect in any country or jurisdiction;</p>
“International Organisation”	has the same meaning given in the Data Protection Legislation;
"IPR Claim"	means any claim against any Indemnified Person of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any Relevant IPRs save for any such claim to the extent that it is caused by any use by or on behalf of that Indemnified Person of any Relevant IPRs, or the use of the Authority Software by or on behalf of the Supplier, in either case in combination with any item not supplied or recommended by the Supplier pursuant to this Contract or for a purpose not reasonably to be inferred from the Schedule 1 (Services Requirements) or the provisions of this Contract;
“Joint Debt”	means two people having "joint and several liability" for the same debt, which DWP may pursue a recovery against any one party;
“Joint Household”	means another member of a household who could affect the recovery of an individual debt (usually relevant to Jobseekers Allowance and Universal Credit);
“Key Performance Indicator”	any of the key performance indicators set out in the table comprising Annex 1 of Schedule 3 (Performance Levels);
“Key Personnel”	means those persons appointed by the Supplier to fulfil the Key Roles, being the persons listed in Part B of Schedule 19 (Supplier Personnel) against each Key Role as at the Commencement Date or as amended from time to time in accordance with Clauses 17.5 and 17.6 (<i>Key Personnel</i>);
“Key Roles”	means a role described as a Key Role in Part B of Schedule 19 (Supplier Personnel) and any additional roles added from time to time in accordance with Clause 17.4 (<i>Key Personnel</i>);
"Key Sub-Contract"	means each Sub-Contract with a Key Sub-Contractor;
"Key Sub-Contractor"	means any Sub-Contractor: <ul style="list-style-type: none"> a) listed in Schedule 17 (Software and Key Sub-Contractors);

	<p>b) 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</p> <p>c) with a Sub-Contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Contract Charges forecast to be payable under this Contract;</p>
"Know-How"	means 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 the Commencement Date;
"Landed Resources"	means when the Supplier or its Sub-contractor bring foreign national to the United Kingdom under a short term visa to provide the Services;
"Law"	means any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of Section 2 of the European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements with which the Supplier is bound to comply;
"LED"	means the Law Enforcement Directive (Directive (EU) 2016/680);
"Licensed Software"	means 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"	means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and "Loss" shall be interpreted accordingly;
"Maintenance and Support Services"	means the maintenance and support services provided by the Supplier following successful implementation of the Implementation Services described more particularly in Appendix B to Schedule 1;
"Malicious Software"	means 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;
"Man Day"	means 8 Man Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day;

"Man Hours"	means the hours spent by the Supplier Personnel properly working on the provision of the Services including time spent travelling (other than to and from the Supplier's offices, or to and from the Sites) but excluding lunch breaks;
"Migration Plan"	means the outline migration plan set out in Schedule 9 or the detailed migration plan if such plan has been agreed by the parties in accordance with clause 5;
"Migration"	means the migration services described in Schedule 1;
"Milestone"	means an event or task described in the Implementation Plans which, if applicable, must be completed by the relevant Milestone Date;
"Milestone Achievement Certificate"	means the certificate materially in the form of the document contained in Annex 1 to Schedule 9 (Implementation and Testing) granted by the Authority when the Supplier has Achieved a Milestone or a Test;
"Milestone Date"	means the target date set out against the relevant Milestone in the Implementation Plans by which the Milestone must be Achieved;
"Milestone Payments"	means the Contract Charges described in Annex 1 of Schedule 2 (Charges);
"Month"	means a calendar month and "Monthly" shall be interpreted accordingly;
"Monthly Performance Reports"	means the performance reports which the Supplier must provide to the Authority in accordance with Schedule 11 (Reports and Records Provision), Schedule 10 (Governance) and Schedule 3 (Service Levels and Performance);
"New Release"	means 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;
"NI"	means Northern Ireland;
"NICTS"	means Northern Ireland Courts and Tribunal Service;
"Nil Certificate"	means a certificate of nil benefits in payment during compensation period;
"NINo"	means National Insurance Number which is unique to one person and kept the same all of a person's life, making sure that the National Insurance contributions and tax paid are properly recorded against a person's name, and also acts as a reference number when communicating with the DWP;
"Non-liable Source"	means an individual, with no liability for the money owed by the customer, who agrees to pay monies owed on behalf of the customer;

<p>“Object Code”</p>	<p>means software and/or data in machine-readable, compiled object code form;</p>
<p>"Occasion of Tax Non Compliance"</p>	<p>means:</p> <ul style="list-style-type: none"> a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 which is found on or after 1 April 2013 to be incorrect as a result of: <ul style="list-style-type: none"> 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 in any jurisdiction 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 DOTAS or any equivalent or similar regime in any jurisdiction; and/or b) any tax return of the Supplier's submitted to a Relevant Tax Authority on or after 1 October 2012 which 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 Commencement Date or to a civil penalty for fraud or evasion;
<p>“Off Benefit”</p>	<p>means the term used by the Authority for someone who is not in receipt of a benefit that the department can take deductions from to recovery monies owed to government;</p>
<p>“On Benefit”</p>	<p>means the term used by the Authority for someone in receipt of a benefit that the department can take deductions from to recovery monies owed to government;</p>
<p>"Open Book Data"</p>	<p>means complete and accurate financial and non-financial information which is sufficient to enable the Authority to verify the Contract Charges already paid or payable and Contract Charges forecast to be paid during the remainder of this Contract, including details and all assumptions relating to:</p> <ul style="list-style-type: none"> a) the Supplier's Costs broken down against each Good and/or Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software; b) operating expenditure relating to the provision of the Services including an analysis showing: <ul style="list-style-type: none"> i) the unit costs and any other consumables and bought-in services; ii) manpower resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together

	<p>with a list of agreed rates against each manpower grade;</p> <p>iii) a list of Costs underpinning those rates for each manpower grade, being the agreed rate less the Supplier's Profit Margin.</p> <p>c) Overheads;</p> <p>d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;</p> <p>e) the Supplier profit achieved over the Term and on an annual basis;</p> <p>f) confirmation that all methods of Cost apportionment and Overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;</p> <p>g) an explanation of the type and value of risk and contingencies associated with the provision of the Services, including the amount of money attributed to each risk and/or contingency; and</p> <p>h) the actual Costs profile for each Service Period.</p>
"Open Source Software"	means computer software that has its source code made available subject to an open-source licence under which the owner of the copyright and other IPR in such software provides the rights to use, study, change and distribute the software to any and all persons and for any and all purposes;
"Operating Environment"	means the Authority System and the Sites;
"Operational Training"	means the operational training services described in Schedule 1;
"Other Supplier"	means any supplier to the Authority (other than the Supplier) which is notified to the Supplier from time to time and/or of which the Supplier should have been aware;
"Overhead"	means those amounts which are intended to recover a proportion of the Supplier's or the Key Sub-Contractor's (as the context requires) indirect corporate costs (including financing, marketing, advertising, research and development and insurance costs and any fines or penalties) but excluding allowable indirect costs apportioned to facilities and administration in the provision of Supplier Personnel and accordingly included within limb (a) of the definition of "Costs";
"Parent Company"	means any company which is the ultimate Holding Company of the Supplier and which is either responsible directly or indirectly for the business activities of the Supplier or which is engaged by the same or similar business to the Supplier. The term "Holding or Parent Company" shall have the meaning ascribed by the Companies Act 2006 or any statutory re-enactment or amendment thereto;

"Party"	means the Authority or the Supplier and "Parties" shall mean both of them;
"Payment Holidays"	means a short period when there is agreement to temporarily stop making payments towards the debt;
"PCI DSS"	means Payment Card Industry Data Security Standard, which is a set of security standards designed to ensure that all companies that accept, process, store or transmit credit card information maintain a secure environment;
"Personal Data"	has the same meaning given in the Data Protection Legislation;
"Personal Data Breach"	has the same meaning given in the Data Protection Legislation;
"Permitted Maintenance"	has the meaning given to it in Schedule 3 (Service Levels and Performance);
"Probate"	means the legal authority granted to enable executors to carry out the instructions in a will, of which the address and phone number of the Probate Registry can be found in the telephone directory under Probate Registry High Court Justice or the Registrar of Births and Deaths;
"Processing"	has the meaning given to it in the Data Protection Legislation but, for the purposes of this Contract, it shall include both manual and automatic processing and "Process" and "Processed" shall be interpreted accordingly;
"Products"	means the hardware and software listed at Annex 3 and Annex 4 of Schedule 2 (Charges and Invoicing);
"Professional Services"	means Functional Consulting, Technical Consulting and/or Project and Quality Management;
"Prohibited Act"	<p>means any of the following:</p> <ul style="list-style-type: none"> a) to directly or indirectly offer, promise or give any person working for or engaged by the Authority and/or the Authority or other Contracting Body or any other public body a financial or other advantage to: <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; 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; c) committing any offence: <ul style="list-style-type: none"> 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

	<ul style="list-style-type: none"> iii) defrauding, attempting to defraud or conspiring to defraud the Authority; or iv) 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;
"Project and Quality Management"	<p>means the Supplier Personnel assigned to manage the delivery of the project management services on a day to day basis to ensure that:</p> <ul style="list-style-type: none"> i) the Supplier tasks and activities are managed within the scope of the Implementation Plan; ii) a professionally delivered service is received by the Authority, with the Project Manager being the primary point of contact between the Authority and the Supplier's project team;
"Project Specific IPR"	<p>means:</p> <ul style="list-style-type: none"> 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) IPR arising as a result of the performance of the Supplier's obligations under this Contract and all updates and amendments to the same; <p>but shall not include the Supplier Background IPR or the Specially Written Software;</p>
"Protective Measures"	<p>means appropriate technical and organisational measures which shall be sufficient to secure that the Data Processor will meet the requirements of the Data Protection Legislation and ensure the protection rights of the Data Subject and may include (without limitation):</p> <p>Pseudonymisation and encrypting Personal Data;</p> <p>ensuring on-going confidentiality, integrity, availability and resilience of systems and services used for data processing;</p> <p>measures to restore the availability and access to Personal Data in a timely manner in the event of a physical or technical incident;</p> <p>ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident; and</p> <p>regularly assessing and evaluating the effectiveness of such measures adopted by it.</p>
"Pseudonymisation"	<p>has the same meaning given in the Data Protection Legislation;</p>
"QAS"	<p>means Quick Address Systems which allows a search for an address using post code and house number;</p>

"Quality Plans"	shall have the meaning given in Clause 7.2 (Standards and Quality);
"Rate Card"	means the rate car set out in Annex 5 of Schedule 2;
"Recipient"	has the meaning given to it in Clause 22.3.1 (Confidentiality);
"Recovery Plan"	means a plan of instalments that the Customer is expected to meet;
"Recovery Strategy"	means the methods used by the Authority to recover money owed to government;
"Rectification Plan"	means the rectification plan pursuant to the Rectification Plan Process;
"Rectification Plan Process"	means the process set out in Clause 26.2 (Rectification Plan Process);
"Referral"	means the act of officially sending someone's details to the Authority's debt management department to deal with the recovery of the monies they owe to government;
"Registers"	has the meaning given to in Schedule 8 (Exit Management) where used;
"Regulations"	means the Public Contracts Regulations 2015 as amended from time to time;
"Regulator Correspondence"	any correspondence from the Information Commissioner's Office, or any successor body, in relation to the Processing of Personal Data under this Contract;
"Related Organisation"	any body which: <ul style="list-style-type: none"> a) is listed in Schedule 7 (Related Organisations) as at the Commencement Date; or b) any other government organisation providing debt management services that the Parties subsequently agree, by way of the Variation Procedure, to add to the list of organisations in limb (a) above;
"Related Supplier"	means any person who provides Services to the Authority which are related to the Services from time to time;
"Relevant Requirements"	means 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 IPRs"	IPR 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 IPR in the Specially Written Software, the Supplier Software, the Supplier Background IPRs, the Third Party Software and the Third Party IPR but excluding any IPR in the Authority Software, the Authority Background IPR, the Supplier

	Software, the Supplier Background IPR, the Third Party Software and/or the Third Party IPR;
"Relevant Transfer"	means a transfer of employment to which the Employment Regulations applies;
"Relevant Tax Authority"	means HMRC, or, if applicable, the tax authority in the jurisdiction in which the Supplier is established;
"Relevant Transfer"	means a transfer of employment to which the Employment Regulations applies;
"Relevant Transfer Date"	means, in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
"Relief Notice"	has the meaning given to it in Clause 27.2.2 (Supplier Relief Due to Authority Cause);
"Replacement Services"	means any services which are substantially similar to any of the Services and which the Authority receives in substitution for any of the Services following the Expiry Date, whether those services are provided by the Authority internally and/or by any third party;
"Replacement Sub-Contractor"	means 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);
"Replacement Supplier"	means any third party provider of Replacement Services appointed by or at the direction of the Authority from time to time or where the Authority is providing Replacement Services for its own account, shall also include the Authority;
"Request for Information"	means a request for information or an apparent request relating to this Contract or the provision of the Services or an apparent request for such information under the FOIA or the EIRs;
"RfE"	means Recovery from Estate and is the section in the Authority's debt management department dealing with the recovery of the monies owed to government;
"Schedule"	means a schedule to this Contract;
"Scorecard"	means the tool used to segment and profile customers to maximise strategy;
"Security Management Plan"	means the Supplier's security management plan prepared pursuant to paragraph 4 of Schedule 16 (Security) where used, a draft of which has been provided by the Supplier to the Authority in accordance with paragraph 4 of Schedule 16 (Security) where used and as updated from time to time;
"Security Policy"	means the Authority's security policy (if any) in force as at the Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time and notified to the Supplier;
"Security Policy Framework"	the HMG Security Policy Framework https://www.gov.uk/government/uploads/system/uploads

	s/attachment_data/file/255910/HMG_Security_Policy_Framework_V11.0.pdf ;
"Service Credits"	means any service credits specified in Schedule 3 (Service Levels and Performance) in respect of any failure by the Supplier to meet one or more Service Levels;
"Service Failure"	means an unplanned failure and interruption to the provision of the Services, reduction in the quality of the provision of the Services or event which could affect the provision of the Services in the future;
"Service Level Failure"	means a failure to meet the KPI Service Level as more particularly described in the table comprising Annex 1 of Schedule 3 (Service Levels and Performance);
"Service Levels"	means any service levels applicable to the provision of the Services under this Contract specified in Schedule 3 (Service Levels and Performance);
"Service Period"	has the meaning given to in paragraph 1 of Schedule 3 (Service Levels and Performance);
"Service Points"	has the meaning given to in paragraph 1 of Schedule 3 (Service Levels and Performance);
"Service Requirements"	means the Authority's requirements set out in Schedule 1;
"Service Threshold"	means the service threshold of 96% during any Service Period as indicated in the table comprising Annex 1 of Schedule 3, being the minimum level of acceptable performance by the Supplier and below which a Critical Service Level Failure occurs;
"Service Transfer"	means 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"	means the date of a Service Transfer;
"Services"	means the services, products and supplies to be provided by the Supplier to the Authority as specified in Schedule 1 (Service Requirements) and as may be set out in this Contract (including, without limitation, services in relation to Implementation Services, Maintenance and Support Services, Testing, Migration, transition and Exit) but not including the CCS Services (unless and until the provision of the CCS Services is agreed pursuant to the terms of clause 6.1.8 at which point the CCS Services shall form part of the Services for the purposes of this Contract);
"Sheriff Court"	means the part of the Scottish Courts and Tribunals;
"Sites"	means: <ul style="list-style-type: none"> a) any premises (including the Authority Premises, the Supplier's premises or third party premises): <ul style="list-style-type: none"> i) from, to or at which:

	<p>(1) the Services are (or are to be) provided; or</p> <p>(2) the Supplier manages, organises or otherwise directs the provision or the use of the Services; or</p> <p>ii) where any part of the Supplier System is situated; or</p> <p>b) any physical interface with the Authority System takes place;</p>
"SMI"	means Support for Mortgage Interest;
"SMS"	means Short Message Service (a text on a mobile phone);
"Software"	means Specially Written Software, Supplier Software, Open Source Software and Third Party Software;
"Software Supporting Materials"	has the meaning given to it in Clause 21.2.1(b);
"Source Code"	means 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;
"Special Categories of Personal Data"	has the same meaning as given in the Data Protection Legislation;
"Specially Written Software"	means any software (including database software, linking instructions, test scripts, configuration data, profiles, 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"	means a Change in Law that relates specifically to the business of the Authority and which would not affect a Comparable Supply;
"Staff"	means all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any subcontractors engaged in the performance of its obligations under this Contract;
"Standards"	<p>means any:</p> <p>a) standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with;</p>

	<ul style="list-style-type: none"> b) standards detailed in the specification in Schedule 1 (Service Requirements) and Schedule 3 (Service Levels and Performance); c) standards detailed by the Authority in Schedule 13 (Standards); d) all standards and requirements contained in the qualitative questionnaire (appended to the ITT at Attachment 2); e) any relevant Government codes of practice and guidance applicable from time to time as the Supplier would reasonably and ordinarily be expected to comply with
"Strategic Steering Group"	means the body described in paragraph 2.4 of Schedule 10 (Governance);
"Sub-Contract"	<p>means any contract or agreement or proposed contract or agreement between the Supplier and any third party whereby that third party agrees to provide:</p> <ul style="list-style-type: none"> (a) the Services or any part thereof; or (b) facilities and/or, services necessary for the provision of the Services or any part thereof; or (c) is responsible for the management, direction or control of the provision of the Services or any part thereof;
"Sub-Contractor"	means any person other than the Supplier, who is a party to a Sub-Contract and the servants or agents of that person;
"Sub-processor"	means any third party appointed to process Personal Data on behalf of the Supplier under this Contract;
"Supplier"	means the supplier providing the Services as identified at the start of this Contract;
"Supplier Assets"	means all assets and rights used by the Supplier to provide the Services in accordance with this Contract but excluding the Authority Assets;
"Supplier Background IPR"	<p>means</p> <ul style="list-style-type: none"> a) Intellectual Property Rights owned by the Supplier before the Commencement 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, <p>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;</p>

"Supplier Equipment"	means the Supplier's hardware, computer and telecoms devices, equipment, plant, materials and such other items supplied and used by the Supplier (but not hired, leased or loaned from the Authority) in the performance of its obligations under this Contract;
"Supplier Non-Performance"	has the meaning given to it in Clause 27.1 (Supplier Relief Due to Authority Cause);
"Supplier Personnel"	means 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 Representative"	means the representative appointed by the Supplier in Clause 43 (Notices);
"Supplier Software"	means any software which is proprietary to the Supplier (or an Affiliate of the Supplier) and which is or will be used by the Supplier for the purposes of providing the Services, including the software specified as such in Schedule 17(Software);
"Supplier Solution" or "Solution"	the Supplier's solution for the Services set out in Schedule 4 (<i>Supplier Solution</i>) including any Annexes of that Schedule;
"Supplier System"	means 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);
"Supplier's Confidential Information"	<p>means</p> <ul style="list-style-type: none"> a) any information, however it is conveyed, that relates to the business, affairs, developments, IPR of the Supplier (including the Supplier Background IPR) trade secrets, Know-How, and/or personnel of the Supplier; b) any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential and which comes (or has come) to the Supplier's attention or into the Supplier's possession in connection with this Contract; c) information derived from any of the above.
"Support and Maintenance Charge"	has the meaning given to it in Annex 4 of Schedule 2;
"Technical Consulting"	means a pool of technical consultancy hours used to provide the Authority with systems integration, installation, and data migration support for the Supplier Solution with the implementation activities set out in the Implementation Plan. These hours are allocated within the pool of hours assigned to the technical consultant(s).
"Technical Training"	means the services described in Schedule 1;

" Technical Training Milestone "	means post-test and acceptance Milestones identified within the Implementation Plan provided by the Supplier and attached to Schedule 9 or such detailed plan which replaces the outline plan;
" Technical Training Plan "	means the outline migration plan set out in Schedule 9 or the detailed technical plan if such plan has been agreed by the parties in accordance with clause 5;
" Tender "	means the tender submitted by the Supplier to the Authority in response to the procurement and annexed to or referred to in Schedule 4 (Supplier Solution);
" Term "	means the term of this Contract from the Commencement Date until the Expiry Date;
" Termination Assistance Notice "	has the meaning given in Paragraph 5.1 of Schedule 8 (<i>Exit Management</i>);
" Termination Assistance Period "	means 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 8 (<i>Exit Management</i>);
" Termination Notice "	means 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 on a specified date and setting out the grounds for termination;
" Test "	means any tests required to be carried out pursuant to this Contract as set out in the Test Plan (where used) and Testing and Tested shall be construed accordingly
" Test Plan "	means a plan: <ul style="list-style-type: none"> - for the Testing of Deliverables; and - setting out other agreed criteria related to the achievement of Milestones, as described further in Schedule 9;
" Third Party IPR "	means Intellectual Property Rights owned by a third party but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software;
" Third Party Software "	means any 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, or 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 Schedule 17 (Software);
" Training Course "	means a training course listed in the table in Annex 3 of Schedule 2;
" Transferring Supplier Employees "	means those employees of the Supplier and/or the Supplier's Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date.
" Transparency Reports "	means the information relating to the Services and performance of this Contract which the Supplier is

	required to provide to the Authority in accordance with the reporting requirements in Schedule 11;
"Undelivered Services"	has the meaning given to it in Clause 6.4.1 (Supply of Services);
"Undisputed Sums Time Period"	has the meaning given to it Clause 30.1.1 (Termination of Authority Cause for Failure to Pay);
"Update"	means 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;
"Upgrade"	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;
"Unique Debt Identifier"	means a debt level which is a string of numbers and/or letters that is associated with a single debt entity within the solution;
"Unique Identifier" "UIDs"	means an account level which is a string of numbers and/or letters that is associated with a single entity within the solution and make it possible to search an entity so that it can be accessed and interacted with;
"User"	means someone who interacts with the solution;
"User Permission"	means the authorisation given to Users that enables them to access specific resources on the Solution and is determined by the job/area/section a user works on;
"Valid Invoice"	means an invoice issued by the Supplier to the Authority that complies with the invoicing procedure in Schedule 2 (Charges and Invoicing);
"Variation"	has the meaning given to it in Clause 15.1 (Variation Procedure);
"Change Control Note"	means the form set out in Schedule 5 (Change Control Note);
"Variation Procedure"	means the procedure set out in Clause 15.1 (Variation Procedure);
"VAT"	means value added tax in accordance with the provisions of the Value Added Tax Act 1994;
"Worker"	means any one of the Supplier Personnel which the Authority, in its reasonable opinion, considers is an individual to which Procurement Policy Note 0712 – Tax Arrangements of Public Appointees https://www.gov.uk/government/publications/procurement-policy-note-07-12-tax-arrangements-of-public-appointees applies in respect of the Services; and
"Work Items"	means the individual tasks that require action or completion;

"Working Day"	means any Day other than a Saturday or Sunday or public holiday in England, Wales, Scotland and Northern Ireland.
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SCHEDULE 23: CUSTOMER COMMUNICATION SERVICES

1. CCS FOR COLLECTIONS SERVICE DESCRIPTION

1.1 DEFINITIONS.

In this Schedule 23 references to:

Application means the Supplier automated customer communication application commercially known as Risk Intervention Manager and any Client specific changes to the Application mutually agreed between the parties as documented in the Configuration Design Document.

Attempt means each contact attempt initiated or received by the Supplier Hosted Service through any channel accepted by the Application (e.g., voice call, SMS, Email, web portal, etc.).

Authorized User(s) is an employee of Client using the Supplier Hosted Service for and on behalf of Client, for whom Client is responsible, who is bound by the obligations of

confidentiality hereunder, and who has been issued a user identification number and user password by Client for use of the Supplier Hosted Service.

Case means each transmission of Client Data to the Supplier Hosted Service for processing based upon the Authority configured Contact Strategy in CCS containing one of the Authority's customer records. The configured contact strategy can consist of several customer interactions by SMS, e-mail, push notification, automated call or web portal session, but is limited for 24 hours. For the avoidance of doubt, each submission of one (1) Client customer record each 24 hours shall result in a Case and Case billing event recorded. Batch submission of multiple Client customer records shall result in multiple Cases. For the avoidance of doubt only cases that are worked on are charged for.

CCS Portal means an online user interface through which Client can monitor and configure the Application and generate reports. These functions include creating portal settings and establishing call strategies.

Client Data means any data of the Authority concerning its customers which is sent to Supplier in order for Supplier to provide the Supplier Hosted Service. Client Data may include Client's account and customers' details, including without limitation credit card details and customer contact details.

Configuration Design Document means the document mutually agreed between through configuration discussions during performance of the Implementation Services and throughout the Term and defines the specifications of the Application to be provided to Client under this Order Form. The Configuration Design Document will be delivered to Client by Supplier during the Implementation Services and upon request throughout the Term.

Contact Strategy means the strategy set by Client for the number, type and time of Attempts to contact the customer and where relevant resolve collections related matters.

Decision Engine means the service functionality with treatment rules used to augment data, segment Case volumes, auto-resolve Cases, exclude Cases or channels from contact and take non-communicative actions.

Supplier Hosted Service means the Supplier service commercially known as FICO® Customer Communication Services (CCS) that is hosted by Supplier and implemented for the Application.

Outbound means an outgoing Attempt sent by the Supplier Hosted Service.

Outside Factors means downtime caused by circumstances beyond the Supplier's control, including without limitation: Client modifications, combinations, or misuse, Force Majeure Events, general internet outages, failure of Client's infrastructure or connectivity, computer and telecommunications failures, delays or unavailability due to credit bureaus or internet service providers, and network intrusions or denial-of-service attacks, provided the Supplier has implemented commercially reasonable measures to mitigate or prevent such an attack or intrusion

Plus Connects means voice calls that are connected between the Supplier Hosted Service to Client's designated call centre or agent.

Risk Intervention Manager means the collections communication service described in this Schedule and provided via the Supplier Hosted Service.

Support means all work performed by Supplier or its agents in connection with ensuring that the Supplier Hosted Service performs the functions described in this Schedule 3 and Configuration Design Document.

1.2 Service Overview

Risk Intervention Manager enables the Authority to contact its customers in relation to payment related inquiries and activities on their accounts. This is a hosted service provided by the Supplier.

Supplier shall use commercially reasonable efforts to provide Support as set forth in this Service Level Agreement. Performance by Supplier is contingent upon Client's Cooperation, and Supplier is not responsible for delays or other problems caused by Client's failure to meet its obligations or by any Outside Factors.

The Risk Intervention Manager enables the Authority to create a contact management strategy and based on that contact management strategy contact customers via interactive automated phone calls, SMS messages and email messages. The Risk Intervention Manager supports two way communications between the Authority and its customers enabling interactions such as customers responding to answering machine messages or responding to a SMS as part of collections inquiry resolution. The Risk Intervention Manager has standard treatments and resolutions that can be configured to setup a customer Contact Strategy.

The Authority can configure the standard Risk Intervention Manager to the Authority's requirements as documented in the Configuration Design Document. The identification of such configuration requirements, the drafting of the Configuration Design Document and the configuration of the services are carried out by Supplier during the implementation of the Risk Intervention Manager with the Authority.

1.3 Service Description

During each Working Day, the Authority sends the appropriate customer cases and data to Supplier for processing by the CCS for Collections. Risk Intervention Manager accepts Cases as a batch file or in real-time data feed as described in the section below. The batch file or real-time data feed must contain the prescribed information referred to in the section below to enable the service to successfully contact the customer.

Risk Intervention Manager then allows the Authority to create and manage its Contact Strategy per Case submitted as described in more detail below.

Once a new Case is received by CCS for Collections– such as a request to make a payment arrangement, it will pass through a set of processing rules created in the CCS Rules Engine. These rules will have been agreed between Supplier and the Authority. The rules can be changed directly by the Authority through an online portal to the CCS Rules Engine or they can be changed via the Variation Procedure.

The CCS Rules Engine organises and segments the available data and makes decisions based on the organised and segmented input data and the processing rules created by the Authority and/ or Supplier on the Authority's behalf. For example, in a Case involving a customer whose account is in arrears, the Authority may segment its data separately to other Cases where a customer is over limit and past due or has broken a Promise to Pay agreement, all of these Cases may be segmented differently. Conversely, a payment reminder may be segmented so that it is given lower processing and contact priority. The CCS Rules Engine can also be used to supplement data with data from additional data sources. Rules can also be used to override templates and other messages and set variables which will be used at later stages of the workflow. Supplier will add new rule

functions and capabilities to the CCS Rules Engine as and when they are developed and where the Authority agrees to their inclusion in the CCS Rules Engine.

Once segmentation is complete, the Decision Engine rules will elect either to take no customer engagement action or will select an appropriate Contact Strategy.

A Contact Strategy is made up of a number of outbound communication Attempts. For example, the service may first try to send the customer a SMS. If the Customer has not responded to the SMS within 10 minutes, the service may then try to contact the Customer by telephone on the numbers stored on the system commencing with Customer's mobile phone. Each of these communications is an Attempt.

Contact Strategies will be agreed between Supplier and the Authority based on the Authority's requirements and Suppliers experience with other clients for the use case in question. The Authority can select, add or edit Contact Strategies directly through an online portal or through the Change Request process.

Contact Strategies work within the confines of contact schedules and system enforced safe guards which regulate when messages can be sent as well as controlling elements of content. Contact schedules are agreed by the Authority and Supplier and can be edited directly by the Authority or through the Variation Procedure. Contact schedules can be created so that some contact types – such as SMS – can be sent 24 hours a day – while phone calls can be made during core working hours.

The objective of the Attempts is to gain a response from the customer and collect a payment or obtain an agreement to pay.

A minority of Outbound communications – including phone calls, SMS messages and emails – will result in the need for a customer to speak to a customer service agent. If that occurs while a customer is in engaged in a phone call with the Interactive Voice Service, then the customer is asked to wait and a second call is made to the Authority's contact centre. Once an agent responds, the agent is given the customers details and details of the call purpose and the two calls are connected so the agent may speak directly to the customer. It is possible for Supplier to record the connected call if required. This service is called a Plus Connect.

Risk Intervention Manager provides the Authority's Authorised Users with access to the CCS Portal to perform a range of actions including:

- View and manage running Cases
- Manage the rules and contact schedules
- Edit SMS and email message templates
- Run reports to gauge service performance.

The Authority also has access to a Solution Success Manager (SSM) which enables the Authority to monitor the performance of the services and to assist the Authority to make changes to service functionality via the change request process and via rule and configuration changes.

1.4 Batch Files and Data Feeds

Data shall be transmitted and received using a secure transmission protocol depending on the type interface required e.g. batch file or real-time API.

- Batch file data will be transmitted through a secure File Transfer Protocol (sFTP) or some other approved mechanism. The Authority and Supplier will agree the format and method of data exchange and Supplier will deliver an AdepraLink component that will receive data in the agreed format and pass it to the Supplier Hosted Service using the

data payload format for further processing. The Batch file will include the following data: Case Information, device information, control information (information like date and time stamps), customer contact information, transaction information and Client information.

- Real-time data will be transmitted through MQ or Web Services or some other approved mechanism. The Authority and Supplier will agree the format and method of data exchange and Supplier will deliver an AdepraLink component that will receive data in the agreed format and pass it to the Supplier Hosted Service using the data payload format for further processing. The real-time data feed will include the following data: Case Information, device information, control information (information like date and time stamps), customer contact information, transaction information and Client information.

Where a batch file data process is used the Authority may additionally send period files to expire Cases that have been resolved elsewhere.