

## Call-Off Schedule 14 (Service Levels)

### 1. Definitions

- 1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

<b>"Critical Service Level Failure"</b>	means any instance of critical service level failure specified in reference to the relevant document containing the description of the critical service level
<b>"Service Credits"</b>	any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to the Buyer in respect of any failure by the Supplier to meet one or more Service Levels;
<b>"Service Credit Cap"</b>	has the meaning given to it in the Order Form;
<b>"Service Level Failure"</b>	means a failure to meet the Service Level Performance Measure in respect of a Service Level;
<b>"Service Level Performance Measure"</b>	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and
<b>"Service Level Threshold"</b>	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule.

### 2. What happens if you don't meet the Service Levels

- 2.1 The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
- 2.2 The Supplier acknowledges that any Service Level Failure shall entitle the Buyer to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Buyer as a result of the Supplier's failure to meet any Service Level Performance Measure.
- 2.3 The Supplier shall send Performance Monitoring Reports to the Buyer detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.
- 2.4 A Service Credit shall be the Buyer's exclusive financial remedy for a Service Level Failure except where:
- 2.4.1 the Supplier has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or
- 2.4.2 the Service Level Failure:

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- (a) exceeds the relevant Service Level Threshold;
  - (b) has arisen due to a Prohibited Act or wilful Default by the Supplier;
  - (c) results in the corruption or loss of any Government Data; and/or
  - (d) results in the Buyer being required to make a compensation payment to one or more third parties; and/or
- 2.4.3 the Buyer is otherwise entitled to or does terminate this Contract pursuant to Clause 10.4 (CCS and Buyer Termination Rights).
- 2.5 Not more than once in each Contract Year, the Buyer may, on giving the Supplier at least three (3) Months' notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Supplier shall not be entitled to object to, or increase the Charges as a result of such changes, provided that:
  - 2.5.1 the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;
  - 2.5.2 the principal purpose of the change is to reflect changes in the Buyer's business requirements and/or priorities or to reflect changing industry standards; and
  - 2.5.3 there is no change to the Service Credit Cap.

### 3. Critical Service Level Failure

On the occurrence of a Critical Service Level Failure:

- 3.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
- 3.2 the Buyer shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any 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 paragraph **Error! Reference source not found.** shall be without prejudice to the right of the Buyer to terminate this Contract and/or to claim damages from the Supplier for material Default.

## **Part A: Service Levels and Service Credits**

### **1. Service Levels**

If the level of performance of the Supplier:

1.1 is likely to or fails to meet any Service Level Performance Measure; or

1.2 is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Buyer in writing and the Buyer, in its absolute discretion and without limiting any other of its rights, may:

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

1.2.2 instruct the Supplier to comply with the Rectification Plan Process;

1.2.3 if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Supplier to the Buyer; and/or

1.2.4 if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for material Default).

### **2. Service Credits**

2.1 The Buyer shall use the Performance Monitoring Reports supplied by the Supplier to verify the calculation and accuracy of the Service Credits, if any, applicable to each Service Period.

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

## Annex A to Part A: Services Levels and Service Credits Table

Service Levels				Service Credits
SLA ref.	Key Indicator	Specification	Target	Service Credit for each Service Period
1	Management Information	The Supplier is to submit timely, full, and accurate MI reports each month.	<p><b>100% of reports received by DVSA Fleet Admin by 5<sup>th</sup> working day of the month following the end of the period being reported.</b></p> <p><b>Measured annually</b></p>	<b>0.5% Service Credit gained for each percentage point under the specified Service Level Performance Measure</b>
3	Invoicing	The Supplier is to submit timely, full and accurate invoices each month.	<p><b>98% of invoiced lines to accurately reflect MI reports, and to be received by DVSA Fleet Admin by 5<sup>th</sup> working day of the month following the end of the period being reported.</b></p> <p><b>Measured monthly</b></p>	<b>0.5% Service Credit gained for each percentage point under the specified Service Level Performance Measure</b>
7	Vehicle Availability	The supplier is to maintain a high level of vehicle availability in each separate section of the fleet	<p><b>95% vehicle availability in each section of the fleet, based on the number of working days in the month.</b></p> <p><b>Measured monthly</b></p>	<b>1% Service Credit gained for each percentage point under the specified Service Level Performance Measure</b>
12	Vehicle RFL maintained	The supplier is to maintain a valid	<b>100% of relevant vehicles have a valid</b>	<b>1% Service Credit gained for each</b>

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		Road Fund Licence for all relevant vehicles at all times	<b>RFL in place at all times.</b>  <b>Measured monthly</b>	<b>percentage point under the specified Service Level Performance Measure</b>
13	Complaints Resolution	The Supplier will provide a copy of their complaints log monthly, detailing the nature of the complaints and the actions taken to resolve the complaints, including timescales taken to resolve them.	<b>90% of complaints to be resolved or have an agreed action plan in place within 10 working days.</b>  <b>Measured monthly</b>	<b>0.5% Service Credit gained for each percentage point under the specified Service Level Performance Measure</b>
15	System Functionality	The supplier is to have all identified system features installed, fully tested (including UAT) and correctly operational within the time scales identified in their bid.	<b>100% of system features installed and correctly working within the timescales identified in the supplier bid.</b>  <b>Measured daily</b>	<b>£50 service credit gained per day for each feature not available within the timescale identified within the supplier bid; chargeable until the feature is available, fully tested and correctly functioning</b>

The Service Credits shall be calculated individually for each agency on the basis of the following formula (with the exception of SLA 15 which is calculated on a stand-alone basis):

Formula Step	Worked Example
x% (Service Level Performance Measure) - y% (actual Service Level performance) = z percentage points deficit from the expected Service Level Performance Measure.	98% (Service Level Performance Measure requirement for Service Level Performance Criterion of accurate and timely billing to Customer) - 75% (e.g. actual performance achieved against this Service Level Performance Criterion in a Service Period) = 23 percentage points deficit.
z percentage points applied at the rate of the 'Service Credit for each Service	23 percentage points applied at the rate of 0.5% Service Credit gained for each percentage point under the specified

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Period' criteria as specified in the table above = A% Service Credit Gained.	Service Credit for each Service Period (i.e. Service Level Performance Measure requirement for Service Level Performance Criterion of accurate and timely billing to Customer) = 11.5% Service Credit Gained.
Call-Off Contract Charges payable x A% = Service Credits to be deducted from the next valid invoice payable by the Customer.	Call-Off Contract Charges payable (e.g. £100,000) x 11.5% Service Credit Gained = £11,500 Service Credits to be deducted from the next valid invoice payable by the Customer.

The value of service credits applied to an invoice pertaining to a previous Service Period shall not be deducted from the reckonable value of an invoice for which service credits are being applied for the current Service Period.

Where poor Supplier performance exists, DVSA will arrange meetings at which the Supplier's presence is mandatory to discuss at risk work areas and work out key steps to improve the service. Poor performance entails a failure to meet one or more of the targets laid out in the table in section 6.7(ii) in consecutive months.

## Part B: Performance Monitoring

### 3. Performance Monitoring and Performance Review

- 3.1 Within twenty (20) Working Days of the Start Date the Supplier shall provide the Buyer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
- 3.2 The Supplier shall provide the Buyer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph **Error! Reference source not found.** of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
  - 3.2.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
  - 3.2.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;
  - 3.2.3 details of any Critical Service Level Failures;
  - 3.2.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
  - 3.2.5 the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
  - 3.2.6 such other details as the Buyer may reasonably require from time to time.
- 3.3 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and the Buyer of the Performance Monitoring Reports. The Performance Review Meetings shall:
  - 3.3.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Buyer shall reasonably require;
  - 3.3.2 be attended by the Supplier's Representative and the Buyer's Representative; and
  - 3.3.3 be fully minuted by the Buyer and the minutes will be circulated by the Buyer to all attendees at the relevant meeting and also to the Supplier's Representative and any other recipients agreed at the relevant meeting.

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- 3.4 The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Buyer's Representative at each meeting.
- 3.5 The Supplier shall provide to the Buyer such documentation as the Buyer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

**4. Satisfaction Surveys**

- 4.1 The Buyer may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Buyer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract.



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