

## SCHEDULE 2.2

### PERFORMANCE LEVELS

*[Note to bidders: please review the PPIM and once principles and approaches are confirmed following bidder feedback, this schedule 2.2 shall be updated accordingly. Until then, the terms of this schedule 2.2 remain unchanged from the model services contract, to provide context only.]*

## Performance Levels

### 1 DEFINITIONS

In this Schedule, the following definitions shall apply:

<b>“Available”</b>	has the meaning given in the context of Paragraph 1 of Part II of Annex 1;
<b>“End User”</b>	any person authorised by the Authority to use the IT Environment and/or the Services;
<b>“Help Desk”</b>	the single point of contact help desk set up and operated by the Supplier for the purposes of this Agreement;
<b>“Non-Available”</b>	in relation to the IT Environment or the Services, that the IT Environment or the Services are not Available;
<b>“Performance Monitoring Report”</b>	has the meaning given in Paragraph 1.1(a) of Part B;
<b>“Performance Review Meeting”</b>	the regular meetings between the Supplier and the Authority to manage and review the Supplier's performance under this Agreement, as further described in Paragraph 1.5 of Part B;
<b>“Repeat KPI Failure”</b>	has the meaning given in Paragraph 3.1 of Part A;
<b>“Satisfaction Survey”</b>	has the meaning given in Paragraph 6.1 of Part II of Annex 1;
<b>“Service Availability”</b>	has the meaning given in the context of Paragraph 2 of Part II of Annex 1;
<b>“Service Downtime”</b>	any period of time during which any of the Services are not Available; and
<b>“System Response Time”</b>	has the meaning given in Paragraph 3.1 of Part II of Annex 1.

**PART A: PERFORMANCE INDICATORS AND SERVICE CREDITS**

**1 PERFORMANCE INDICATORS**

- 1.1 Annex 1 sets out the Key Performance Indicators and Subsidiary Performance Indicators which the Parties have agreed shall be used to measure the performance of the Services by the Supplier.
- 1.2 The Supplier shall monitor its performance against each Performance Indicator and shall send the Authority a report detailing the level of service actually achieved in accordance with Part B.
- 1.3 Service Points, and therefore Service Credits, shall accrue for any KPI Failure and shall be calculated in accordance with Paragraphs 2, 3 and 5.

**2 SERVICE POINTS**

- 2.1 If the level of performance of the Supplier during a Service Period achieves the Target Performance Level in respect of a Key Performance Indicator, no Service Points shall accrue to the Supplier in respect of that Key Performance Indicator.
- 2.2 If the level of performance of the Supplier during a Service Period is below the Target Performance Level in respect of a Key Performance Indicator, Service Points shall accrue to the Supplier in respect of that Key Performance Indicator as set out in Paragraph 2.3.
- 2.3 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure shall be the applicable number as set out in Annex 1 depending on whether the KPI Failure is a Minor KPI Failure, a Serious KPI Failure or a Severe KPI Failure, unless the KPI Failure is a Repeat KPI Failure when the provisions of Paragraph 3.2 shall apply.

**3 REPEAT KPI FAILURES AND RELATED KPI FAILURES**

**Repeat KPI Failures**

- 3.1 If a KPI Failure occurs in respect of the same Key Performance Indicator in any two consecutive Measurement Periods, the second and any subsequent such KPI Failure shall be a “Repeat KPI Failure”.
- 3.2 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure that is a Repeat KPI Failure shall be calculated as follows:

$$SP = P \times 2$$

where:

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

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

**Worked example based on the following Service Points regime for Service Availability:**

Service Availability Severity Levels	Service Points
Target Performance Level:[Redacted]	0
Minor KPI Failure:[Redacted] - [Redacted]	1
Serious KPI Failure:[Redacted] - [Redacted]	2
Severe KPI Failure:[Redacted] - [Redacted]	3
KPI Service Threshold: below [Redacted]	4

**Example 1:**

*If the Supplier achieves Service Availability of 98.5% in a given Measurement Period, it will incur a Minor KPI Failure for Service Availability in that Measurement Period and accordingly accrue 1 Service Point. If, in the next Measurement Period, it achieves Service Availability of 96.5%, it will incur a Severe KPI Failure and accordingly accrue 3 Service Points, but as the failure is a Repeat 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 Measurement Period it achieves Service Availability of 96.5%, the Supplier will again incur 6 Service Points.*

**Example 2:**

*If the Supplier achieves Service Availability of 96.5% in a given Measurement Period, it will incur a Severe KPI Failure for Service Availability in that Measurement Period and accordingly accrue 3 Service Points. If, in the next Measurement Period, it achieves Service Availability of 98.5%, it will incur a Minor KPI Failure and accordingly accrue 1 Service Point, but as the failure is a Repeat 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 Measurement Period it achieves Service Availability of 96.5%, the Supplier will incur 6 Service Points.*

**Related KPI Failures**

- 3.3 If any specific Key Performance Indicators refer to both Service Availability and System Response Times, the System Response Times 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 System Response Times over the course of that Service Period. Accordingly, the Supplier shall not incur any Service Points for failure to meet System Response Times in circumstances where such failure is a result of, and the Supplier has already incurred Service Points for, the Service being Non-Available.

**4 PERMITTED MAINTENANCE**

- 4.1 The Supplier shall be allowed to book a maximum of [*insert number*] hours Service Downtime for Permitted Maintenance in any one Service Period which shall take place between the hours and on the day specified in the Maintenance Schedule unless otherwise agreed in writing with the Authority.

**5 SERVICE CREDITS**

- 5.1 Schedule 7.1 (*Charges and Invoicing*) sets out the mechanism by which Service Points shall be converted into Service Credits.
- 5.2 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

1 PERFORMANCE MONITORING AND PERFORMANCE REVIEW

- 1.1 Within ten (10) Working Days of the end of each Service Period, the Supplier shall provide:
- (a) a report created by the Supplier to the Authority Representative which summarises the performance by the Supplier against each of the Performance Indicators as more particularly described in Paragraph 1.2 (the “**Performance Monitoring Report**”); and
  - (b) 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 1.3 (the “**Balanced Scorecard Report**”).

**Performance Monitoring Report**

- 1.2 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**

- (a) for each Key Performance Indicator and Subsidiary Performance Indicator, the actual performance achieved over the Service Period, and that achieved over the previous three (3) Measurement Periods;
- (b) a summary of all Performance Failures that occurred during the Service Period;
- (c) the severity level of each KPI Failure which occurred during the Service Period and whether each PI Failure which occurred during the Service Period fell below the PI Service Threshold;
- (d) which Performance Failures remain outstanding and progress in resolving them;
- (e) for any Material KPI Failures or Material PI Failures occurring during the Service Period, the cause of the relevant KPI Failure or PI Failure and the action being taken to reduce the likelihood of recurrence;
- (f) the status of any outstanding Rectification Plan processes, including:
  - (i) whether or not a Rectification Plan has been agreed; and
  - (ii) where a Rectification Plan has been agreed, a summary of the Supplier’s progress in implementing that Rectification Plan;
- (g) for any Repeat Failures, actions taken to resolve the underlying cause and prevent recurrence;
- (h) the number of Service Points awarded in respect of each KPI Failure;

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- (i) the Service Credits to be applied, indicating the KPI Failure(s) to which the Service Credits relate;
- (j) the conduct and performance of any agreed periodic tests that have occurred, such as the annual failover test of the Service Continuity Plan;
- (k) relevant particulars of any aspects of the Supplier's performance which fail to meet the requirements of this Agreement;
- (l) such other details as the Authority may reasonably require from time to time; and

### **Information in respect of previous Service Periods**

- (m) a rolling total of the number of Performance Failures that have occurred over the past six Service Periods;
- (n) the amount of Service Credits that have been incurred by the Supplier over the past six Service Periods;
- (o) the conduct and performance of any agreed periodic tests that have occurred in such Service Period such as the annual failover test of the Service Continuity Plan; and

### **Information in respect of the next Quarter**

- (p) any scheduled Service Downtime for Permitted Maintenance and Updates that has been agreed between the Authority and the Supplier for the next Quarter.

### **Balanced Scorecard Report**

1.3 The Balanced Scorecard Report shall be presented in the form of an online accessible 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:

- (a) financial indicators;
- (b) the Target Performance Levels achieved;
- (c) behavioural indicators;
- (d) performance against its obligation to pay its Sub-contractors within thirty (30) days of receipt of an undisputed invoice;
- (e) performance against its obligation to pay its Unconnected Sub-contractors within sixty (60) days of receipt of an invoice;
- (f) Milestone trend chart, showing performance of the overall programme;
- (g) sustainability and energy efficiency indicators, for example energy consumption and recycling performance; and
- (h) Social Value (as applicable).

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- 1.4 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 1.5.
- 1.5 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):
  - (a) take place within five (5) Working Days of the Performance Monitoring Report being issued by the Supplier;
  - (b) take place at such location and time (within normal business hours) as the Authority shall reasonably require (unless otherwise agreed in advance); and
  - (c) be attended by the Supplier Representative and the Authority Representative.
- 1.6 The Authority shall be entitled to raise any additional questions and/or request any further information from the Supplier regarding any KPI Failure and/or PI Failure.

## **2 PERFORMANCE RECORDS**

- 2.1 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.
- 2.2 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 both before and after each Operational Service Commencement Date and the calculations of the amount of Service Credits for any specified period.
- 2.3 The Supplier shall ensure that the Performance Monitoring Report, the Balanced Scorecard Report (as well historic Performance Monitoring Reports and historic Balance Scorecard Reports) 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.

## **3 PERFORMANCE VERIFICATION**

The Authority reserves the right to verify the Availability of the IT Environment and/or the Services and the Supplier's performance under this Agreement against the Performance Indicators including by sending test transactions through the IT Environment or otherwise.



ANNEX 1: KEY PERFORMANCE INDICATORS AND SUBSIDIARY PERFORMANCE INDICATORS

PART I: KEY PERFORMANCE INDICATORS AND SUBSIDIARY PERFORMANCE INDICATORS TABLES

The Key Performance Indicators and Subsidiary Performance Indicators that shall apply to the Operational Services are set out below:

1 Key Performance Indicators

No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information [Guidance: the Authority must select at least three KPI/PIs which shall be publishable] [YES/NO]
KPI1	[Service Availability]	See Paragraph 1 of Part II of this Annex		<p>Target Performance Level: [[Redacted]]%</p> <p>Minor KPI Failure: [[Redacted]]%- [[Redacted]]%</p> <p>Serious KPI Failure: [[Redacted]]%- [[Redacted]]%</p> <p>Severe KPI Failure: [[Redacted]]%- [[Redacted]]%</p> <p>KPI Service Threshold: [below[Redacted]]%</p>	<p>0</p> <p>[1]</p> <p>[2]</p> <p>[3]</p> <p>[4]</p>	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information [Guidance: the Authority must select at least three KPI/PIs which shall be publishable] [YES/NO]
KPI2	[Supplier System Response Times]	See Paragraph 3 of Part II of this Annex		Target Performance Level: [X] seconds	0	
				Minor KPI Failure: [X] seconds	[1]	
				Serious KPI Failure: [X] seconds	[2]	
				Severe KPI Failure: [X] seconds	[3]	
				KPI Service Threshold: [X] seconds	[4]	
KPI3	[Help Desk Response Times]	See Paragraph 4 of Part II of this Annex		Target Performance Level: [X] seconds	0	
				Minor KPI Failure: [X] seconds	[1]	
				Serious KPI Failure: [X] seconds	[2]	
				Severe KPI Failure: [X] seconds	[3]	
				KPI Service Threshold: [X] seconds	[4]	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information [Guidance: the Authority must select at least three KPI/PIs which shall be publishable] [YES/NO]
KPI4	[Fix Times]	See Paragraph 5 of Part II of this Annex		Target Performance Level: [X] minutes  Minor KPI Failure: [X] minutes  Serious KPI Failure: [X] minutes  Severe KPI Failure: [X] minutes  KPI Service Threshold: [X] minutes	0  [1]  [2]  [3]  [4]	
KPI5	[Satisfaction Surveys]	See Paragraph 6 of Part II of this Annex		Target Performance Level: [x]%  Minor KPI Failure: [x]%-[x]%	0  [1]	
				Serious KPI Failure: [x]%-[x]%  Severe KPI Failure: [x]%-[x]%  KPI Service Threshold: below [x]%	[2]  [3]  [4]	

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No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points	Publishable Performance Information  [Guidance: the Authority must select at least three KPI/PIs which shall be publishable] [YES/NO]
KPI6	[Virtual Library Completeness]	See Paragraph 7 of Part II of this Annex		Target Performance Level: [x]%  Minor KPI Failure: [x]%-[x]%  Serious KPI Failure: [x]%-[x]%  Severe KPI Failure: [x]%-[x]%  KPI Service Threshold: below [x]%	0  [1]  [2]  [3]  [4]	

## 2 Subsidiary Performance Indicators

No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels
PI1	[Sustainability/Efficiency indicators]	[See Schedule 1.3 (Services Description)]		Target Performance Level: [xx%]  Service Threshold: [xx%]

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No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels
PI2	[Vulnerability Patching Performance]	[See Schedule 1.3 ( <i>Services Description</i> )]		Target Performance Level: [xx%] Service Threshold: [xx%]

**OPTIONAL SERVICES**

The Key Performance Indicators and Subsidiary Performance Indicators that shall apply to the Optional Services are set out below:

**3 Key Performance Indicators**

No.	Key Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels	Service Points
KPI1	[ ]	[ ]		Target Performance Level: [ ]	0
				Minor KPI Failure: [ ]	[1]
				Serious KPI Failure: [ ]	[2]
				Severe KPI Failure: [ ]	[3]
				Service Threshold: [ ]	[4]

4      **Subsidiary Performance Indicators**

No.	Subsidiary Performance Indicator Title	Definition	Frequency of Measurement	Severity Levels
PI1	[   ]	[   ]		Target Performance Level: [   ] Service Threshold:                      [   ]

## PART II: DEFINITIONS

### 1 AVAILABLE

The IT 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 Services Description (as measured on a 24 x 7 basis); and
- (c) all Performance Indicators other than Service Availability are above the KPI Service Threshold.

### 2 SERVICE AVAILABILITY

- 2.1 Service Availability shall be measured as a percentage of the total time in a Service Period, in accordance with the following formula:

$$\text{Service Availability \%} = \frac{(MP - SD) \times 100}{MP}$$

where:

- MP = total number of minutes, excluding Permitted Maintenance, within the relevant Service Period; and
- SD = total number of minutes of Service Downtime, excluding Permitted Maintenance, in the relevant Service Period.

- 2.2 When calculating Service Availability in accordance with this Paragraph 2:

- (a) Service Downtime arising due to Permitted Maintenance that is carried out by the Supplier in accordance with Clause 9.4 (*Maintenance*) shall be subtracted from the total number of hours in the relevant Service Period; and
- (b) Service Points shall accrue if:
  - (i) any Service Downtime occurs as a result of Emergency Maintenance undertaken by the Supplier; or
  - (ii) where maintenance undertaken by the Supplier exceeds [*insert number*] hours in any Service Period.

### 3 RESPONSE TIMES

- 3.1 The “**System Response Time**” is the round trip time taken to process a message or request of the IT Environment and/or the Services, and shall be measured from the moment the last packet of data which relates to a particular message is received at the external interface of the IT Environment until a response is generated and the first block of data leaves the external interface (including, for the avoidance of doubt, the time taken for any necessary processing).

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- 3.2 The Supplier System Response Time shall be the average System Response Time measured over the course of a Service Period.

### 4 HELP DESK RESPONSE TIMES

- 4.1 Measurement of Help Desk response times will be based on the time taken for a Help Desk operative to answer a call. Calls receiving an automated response or placed into a queuing system shall be deemed not to have been answered.
- 4.2 The Supplier shall monitor the Help Desk response times and shall provide the results of such monitoring to the Authority in accordance with the provisions of Part B of this Schedule.

### 5 FIX TIMES

- 5.1 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 Description and Service Levels; or
- (b) the Authority has been provided with a workaround in relation to the Service Incident deemed acceptable by the Authority.

- 5.2 Fix Times for Severity 3 Service Incidents, Severity 4 Service Incidents and Severity 5 Service Incidents shall be measured in Operational Hours.

**Worked example:** if the Operational Hours for a fault are 0800-1800, then the clock stops measuring Fix Time at 1800 in the evening and restarts at 0800 the following day).

- 5.3 Fix times for Severity 1 Service Incidents and Severity 2 Service Incidents shall be measured 24x7.

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

- 5.5 For the purposes of this Paragraph 5, the following expressions shall have the meanings set opposite them below:

“**Operational Hours**” In relation to any Service, the hours for which that Service is to be operational as set out in Schedule 2.1 (*Services Description*);

“**Service Incident**” a reported occurrence of a failure to deliver any part of the Services in accordance with the Authority Requirements or the Performance Indicators;



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### “Severity 1 Service Incident”

a Service Incident which, in the reasonable opinion of the Authority:

- (a) constitutes a loss of the Service which prevents a large group of End Users from working;
- (b) has a critical impact on the activities of the Authority;
- (c) causes significant financial loss and/or disruption to the Authority; or
- (d) results in any material loss or corruption of Authority Data;

#### ***Non-exhaustive examples:***

- a loss of power to a data centre causing failure of Services; or
- a failure of the Services to provide user authentication service;

### “Severity 2 Service Incident”

a Service Incident which, in the reasonable opinion of the Authority has the potential to:

- (a) have a major (but not critical) adverse impact on the activities of the Authority and no workaround acceptable to the Authority is available;
- (b) have a major (but not critical) adverse impact on the activities of the Authority and no workaround acceptable to the Authority is available; or
- (c) cause a financial loss and/or disruption to the Authority which is more than trivial but less severe than the significant financial loss described in the definition of a Severity 1 Service Failure;

#### ***Non-exhaustive examples:***

- corruption of organisational database tables; or
- loss of ability to update Authority Data.

### “Severity 3 Service Incident”

a Service Incident which, in the reasonable opinion of the Authority has the potential to:

- (a) have a major adverse impact on the activities of the Authority which can be reduced to a moderate

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adverse impact due to the availability of a workaround acceptable to the Authority; or

- (b) have a moderate adverse impact on the activities of the Authority;

### ***Non-exhaustive example:***

- inability to access data for a class of customers;

### **“Severity 4 Service Incident”**

a Service Incident which, in the reasonable opinion of the Authority has the potential to have a minor adverse impact on the provision of the Services to End Users

### ***Non-exhaustive example:***

inability to access data for a single customer; and

### **“Severity 5 Service Incident”**

a Service Incident comprising a flaw which is cosmetic and, as such, does not undermine the End User’s confidence in the information being displayed;

### ***Non-exhaustive examples:***

- spelling error; or
- misalignment of data on screen display.

## **6 SATISFACTION SURVEYS**

6.1 In order to assess the level of performance of the Supplier, the Authority may undertake satisfaction surveys in respect of End Users or various groups of End Users (each such survey a “**Satisfaction Survey**”), the results of which may be reflected in the Balanced Scorecard Report. The subject matter of Satisfaction Surveys may include:

- (a) the assessment of the Supplier’s performance by the End Users against the agreed Key Performance Indicators and Subsidiary Performance Indicators; and/or
- (b) other suggestions for improvements to the Services.

6.2 The Authority shall reflect in the Balanced Scorecard Report any aspects of the Supplier’s performance of the Services which the responses to the Satisfaction Surveys reasonably suggest are not meeting the Services Description.

## **7 VIRTUAL LIBRARY COMPLETENESS**

The Virtual Library shall be complete where all of the information required under Schedule 8.4 (*Reports and Records Provisions*) Annex 3 (Virtual Library) has been properly uploaded to the Virtual Library in accordance with Paragraph 3 of that Schedule.