

OFFICIAL – SENSITIVE

2014

ISSC 2 Framework Agreement

Call-Off Order Form

The Secretary of State for Justice ⁽¹⁾ and
Shared Services Connected Limited ⁽²⁾

ORDER FORM

- (A) On 29 March 2013, the Framework Authority advertised in the Official Journal of the European Union (2013/S 063-105796) its intention to establish a single supplier framework with the Contractor for the provision on a shared services basis of business services including: human resources; finance and accounts; payroll and procurement, to Crown and other public sector bodies and invited expressions of interest from the private sector to subscribe for shares in the Contractor.
- (B) On or about 1 November 2013, the Framework Authority and the Contractor entered into a contract (the "Framework Agreement") which permits Potential Customers to purchase any of the Available Services from the Contractor in accordance with the Call-Off Procedure set out in Schedule 2.1 (Call-Off Procedure) of the Framework Agreement.
- (C) In accordance with the Call-Off Procedure set out in Schedule 2.1 (Call-Off Procedure) of the Framework Agreement, the Customer has decided to enter into this Call-Off Agreement with the Contractor for the provision of the Services in accordance with and subject to the terms and conditions of the Standard Terms as amended and supplemented by this Call-Off Order Form.
- (D) In this Call-Off Order Form, unless the context otherwise requires, capitalised words shall have the meanings set out in Schedule 1 (Definitions) to the Standard Terms.

Table of Appendices

- Appendix 1 (Services)
- Appendix 2 (Charges for the Services)
- Appendix 3 (Plans)
- Appendix 4 (Customer Responsibilities)
- Appendix 5 (Required Insurances)
- Appendix 6 (Local Mandates)
- Appendix 7 (PCSPS Admission Agreement)
- Appendix 8 (MoJ Security Aspects Requirements)
- Appendix 9 (Amendments to Schedule 2)
- Appendix 10 (MoJ Requirements)
- Appendix 11 (Compensation Payment)
- Appendix 12 **REDACT**
- Appendix 13 (Transformation Milestones)

Section 1: Customer Details

Call-Off Agreement Reference: Parties

1 Customer

The Secretary of State for Justice

2 Address

102 Petty France, London, SW1H 9AJ

The Service Recipients for the purpose of this Call-Off Agreement are:

3 Service Recipients

3.1 Ministry of Justice

Administrative Justice and Tribunal Council

Civil Justice Council

Commissioner for Victims and Witnesses

Criminal Cases Review Commission

Criminal Injuries Compensation Authority

Courts Funds Office (*Part of HMCTS*)

Family Justice Council

HM Courts & Tribunals Service (*HMCTS*)

HM Inspectorate of Prisons

HM Inspectorate of Probation

National Offender Management Service (*NOMS*)

Ministry of Justice HQ (*CPG & JPG*)

Independent Monitoring Boards

Judicial Appointments and Conduct Ombudsmen

Judicial Appointments Commission

Judicial Office (Staff)

Judicial Office (Judiciary)

Law Commission

Legal Aid Agency

Legal Ombudsman

Legal Services Board

Legal Services Consumer Panel (*Part of Legal Services Board*)

The National Archives

Northern Ireland Court Service

Northern Ireland Judicial Appointments Commission

Northern Ireland Legal Services Commission

Office of the Accountant General

Office of the Information Commissioner

Office of the Judge Advocate General

Office of the Judicial Committee

Office for Judicial Complaints

Office of the Public Guardian
Official Solicitor and Public Trustee
Parole Board
Prison and Probation Ombudsman
Probation Services
Sentencing Council for England & Wales
Youth Justice Board

3.2 Territorial Departments

Northern Ireland Office
Scotland Office
Wales Office

3.3 External Bodies – Payroll Services only

Architecture and Design for Scotland (Scottish Government)
Civil Aviation Authority (Department of Transport)
Commissioner Children & Young People Scotland (Scottish Government)
Scottish Information Commissioner (Scottish Government)
Scottish Standards Commission (Scottish Government)

3.4 Vetting Services – recipients of Vetting Services only which are permitted to request Vetting Services directly from the Contractor and to whom the Contractor shall provide such Services

Advisory Committees on Justice of the Peace
Advisory Council on National Records and Archives
Advisory Panel on Public Sector Information
Burials and Cemeteries Advisory Group
Civil Procedure Rule Committee
Correctional Services Accreditation
Courts Boards
Criminal Procedure Rule Committee
Insolvency Rules Committee
Family Procedure Rule Committee
Tribunals Procedure Committee
Reducing Reoffending 3rd sector Advisory Group
Prison Service Pay Review Body

Service Recipient – Exclusivity

The Parties agree that the exclusivity provisions in Clause 6 of the Call-Off Agreement shall not apply to the Service Recipients listed in sections 3.3 and 3.4 above.

Section 2: Preliminaries

4 Conditions Precedent

- 4.1 The prior written consent of the Framework Authority, which shall be evidenced by the Framework Authority signing of this Call-Off Order Form by the Framework Authority's authorised representative.

- 4.2 The entering into by the Contractor of a lease with the landlord for the premises at **REDACT**, being premises occupied by the Customer immediately prior to the date of this Call-off Agreement and the release by the landlord of the Customer from its obligations under its pre-existing lease.
- 4.3 The execution of Framework Change Authorisation Note No. 003 by the Framework Authority and the Contractor.
- 4.4 The issuing of a fully signed A2A Decision Note, as contemplated in Clause 19.5A of the Framework Agreement, with respect to all matters set out in Clause 19.1A of the Framework Agreement other than the Contractor Solution referred to in Clause 19.1A(e) of the Framework Agreement in the form appended to this Call-off Agreement.

Section 3: Call-Off Agreement Particulars

5 Initial Term

The period from the Effective Date until the date which is the day before the seventh anniversary of the Service Start Date.

6 Extension Period

- 6.1 There shall be up to three separate Extension Periods of one year each.
- 6.2 The Customer may elect at its discretion to extend the Call-off Agreement in accordance with Clause 44 of the Call-Off Agreement on up to three occasions.

7 Customer Responsibilities

The service specific Customer Responsibilities which the Customer shall perform in addition to those set out in Schedule 3.6 (Framework Authority Responsibilities) to the Framework Agreement are set out at Appendix 4 (Customer Responsibilities) to this Call-Off Order Form.

8 Pensions

Part B of Schedule 5.2 (Pensions) of the Standard Terms shall not apply.

Section 4: Personnel and Governance

9 Customer Representative

REDACT

10 Contractor's Contract Manager

REDACT

11 Customer Notice

REDACT

12 Contractor Notice

REDACT

Section 5: Services

- (i) The Services are set out in Appendix 1 (Services) to this Call-Off Order Form together with a Tolerance Band (if applicable) and Target Volume Forecast for each Service.
- (ii) The Target Volume Forecast for the Services set out in Appendix 1 (Services) is set out in Appendix 2 (Charges for the Services) to this Call-Off Order Form.

Section 6: Migration

- (i) The Customer Detailed Migration Plan is set out in Appendix 3 (Plans) Part A (Customer Migration Plan) to this Call-Off Order Form.
- (ii) The MoJ Steady State Plan is set out in Appendix 3 (Plans) Part B (MoJ Steady State Plan) to this Call-Off Order Form.

- (iii) The Outline Customer Transformation Plan is set out in Appendix 3 (Plans) Part C (Customer Outline Transformation Plan) to this Call-Off Order Form.

13 Customer Project Manager(s)

REDACT

14 Contractor's Project Manager

REDACT

Section 7: Charges and Invoicing

The Charges for the Services are set out in Appendix 2 (Charges for the Services) to this Call-Off Order Form. To the extent that there is any inconsistency or conflict between the other provisions of this Call-Off Order Form and the contents of Appendix 2 (Charges for the Services), the terms of the Call-Off Order Form shall have priority and shall apply.

The fixed Charges to 31 March 2016 are set out in Table 2.1 **REDACT** and Table 2.3 (**REDACT**).

The charges for L&D and Projects for the period to 31 October 2024 are set out in Table 2.2 (**REDACT**) and Table 2.4 (**REDACT**).

The Charges for volumetric services for the period 1 April 2016 to 31 October 2024 are set out in Table 2.6 (**REDACT**) and Table 2.11 (**REDACT**).

15 REDACT

There is a Migration Charge: ☒ Yes ☐ No.

If yes, the Migration Charge is: **REDACT**

16 Payment of Migration Charge(s)

The Migration Charge shall be payable either:

☒ as a Milestone Charge; or

☐ in instalments.

16A MoJ Steady State Charge

There is a Charge for the activities carried out by the Contractor in accordance with the MoJ Steady State Plan.

The MoJ Steady State Charge is: **REDACT**

The MoJ Steady State Charge shall be payable as a Milestone Charge following and subject to the issuing of a Milestone Achievement Certificate with respect to the final Milestone in the MoJ Steady State Plan.

16B Transformation Charges

There is a Transformation Charge.

The Transformation Charge is, in aggregate: **REDACT**

The Transformation Charge shall be payable as Milestone Charges, as applicable, following and subject to the issuing of Milestone Achievement Certificates. Each Milestone in the Transformation Plan is referred to in the table contained in Part A of Appendix 13 (Transformation Milestones) along with the corresponding Milestone Charge payable (following the issuing of the applicable Milestone Achievement Certificate).

Part B of Appendix 13 (Transformation Milestones) contains further detail on the Transformation Milestones.

Part C of Appendix 13 (Transformation Milestones) contains the Asset Register of assets that the Contractor is required to procure in order to satisfy Transformation Milestone 4 – SOP Infrastructure Procurement.

In the event of any conflict or inconsistency between the Milestones and their corresponding Milestone Dates set out in Appendix 13 and those set out in the Transformation Plan, those contained in Appendix 13 shall have priority.

17 Invoice Address(es)

Invoices to be addressed in accordance with paragraph 7.2 of Schedule 3.1 (Charges and Invoicing) of the Call-Off Agreement.

Section 8: Critical Performance Indicators

18 Critical Performance Indicators

| CPI Reference | Service | Requirement | Remedy |
|---------------|---|---|---|
| CPI 01 | Customer Staff Payments PAY 252 CGI Payroll and PAY 286 Northgate Payroll | REDACT | - Indemnity as per Clause 36.1(a) of the Call off Agreement; and - CPI Credit of REDACT which represents a genuine pre-estimate of loss to cover the Customer's reputational damage. |
| CPI 02 | Production of Relevant Accounts: i) Interim ii) Year end FA 350 and FA 352 | Timely and Accurate production and filing of the Relevant Accounts in accordance with Customer financial year and accounting requirements | i) Interim: CPI Credit of REDACT which represents a genuine pre-estimate of loss to cover the Customer's reputational damage ii) Year end CPI Credit of REDACT which represents a genuine pre-estimate of loss to cover the Customer's reputational damage |

For the purposes of CPI 02, "**Relevant Accounts**" means the Customer's:

- (a) interim accounts, which are the financial accounts to 31st December each year that are audited by NAO; and

- (b) year end accounts, which are the Customer's published Annual Report and Accounts to 31 March each year.

If Government practice varies then the Parties agree to replace the definition of Relevant Accounts with an equivalent definition describing the two stages in the varied practice which are analogous to the above and document this change.

The Parties agree that the Service Credit Caps shall not apply to any sums payable by the Contractor to the Customer for CPI Credits and shall not be taken into account in relation to any Service Credit Caps but shall be taken into account in relation to the aggregate caps on the Contractor's liability which apply under this Call-Off Agreement.

Section 9: Insurance

19 Required Insurances

- 19.1 The Insurances which the Contractor shall be required to take out and maintain, or procure the taking out and maintenance of, are set out at Appendix 5 (Required Insurances) to this Call-Off Order Form.
- 19.2 **REDACT.**

Section 10: Special Conditions

The following provisions are 'special conditions' which shall, in the event of any conflict, take precedence over any other provisions of the Call-Off Agreement.

20 Special Conditions

SOP Design

- 20.1 A new Clause 4A shall be inserted as follows:
- "4A The Contractor has provided to the Customer the Gap Analysis (referred to in clause 6.21 of the Framework Agreement). The Contractor shall develop an Outline SOP Design Proposal that delivers the Customer SOP Requirements and a Detailed SOP Design Proposal in accordance with the Framework Agreement. The Parties acknowledge that, in accordance with the Framework Agreement, the Detailed SOP Design Proposal may be subject to an objection under the Objection Process set out in Clauses 6.26 to 6.42 inclusive of the Framework Agreement. The Contractor agrees that it shall assume all risk as set out below for all objections raised by any other Customer to the Detailed SOP Design Proposal listed below:
- a) an objection on the grounds that the SOP Design (as defined in the Framework Agreement) fails to meet a technical requirement specified for the SOP Design or the change to the SOP Design;
 - b) an objection that the SOP Design fails to meet the standard of quality which is reasonably sufficient for the collective purposes of customers and Potential Customers;
 - c) an objection on the grounds that any other Customer has a Valid Business Reason on the basis of a Material Additional Financial Cost (each as defined in the Framework Agreement) unless the element of the Detailed SOP Design Proposal upon which such objection is grounded has been clearly flagged in the GAP Analysis as being an element to which such an objection may be raised;
 - d) an objection on the ground that any other Customer has a Valid Business Reason for any reason other than a Material Additional Financial Cost.

Where such an objection occurs the Contractor shall bear all of its costs and the Customer's reasonable costs in dealing with the Objection Procedure and shall implement any permitted fix to the SOP Design which the Customer approves at no additional cost to the Customer. Where the final implemented SOP Design for the Customer is missing any elements of the Customer SOP Requirements or is cheaper to deliver than the original proposed detailed solution the Customer shall be entitled to proportional credit against any amounts payable to the Contractor with respect to such SOP Design and its implementation.

- 20.2 A new clause 4B shall be inserted as follows:

"The Customer shall not be entitled to rely on the provisions of Clause 6.14A of the Framework Agreement in respect of the SOP Design process (as defined in the Framework Agreement). Accordingly the Customer shall only be entitled to raise objections to the SOP Core Design (as defined in the Framework Agreement) where it is permitted to do so in accordance with Clause 6.15 and Clause 6.16 of the Framework Agreement."

Clause 7 (Services) – Take-on of Operations (new provision)

20.3 A new Clause 7.9 shall be added, as follows:

"7.9 Take-on of operations

The Contractor shall:

- (a) *take on the operations of the Customer which are required to deliver the Ordered Services to the Customer from the Service Start Date;*
- (b) *stabilise the operations required to deliver the Ordered Services; and*
- (c) *transform the Ordered Services from the current operating model to the Target Operating Model,*

in accordance with the provisions of Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing) of this Call-off Agreement."

20.4 **REDACT.**

Clause 7 (Services) - MoJ Service Requirements (new provisions)

20.5 The following new provisions shall be inserted into Clause 7:

"Service Requirements

7.16 Service Evolution - Customer Approval

7.16.1 *The Contractor shall provide the Customer with as much notice as is reasonably possible of, and take into account any reasonable comments made by the Customer (following submission of a reasonably detailed proposal from the Contractor providing such information as the Customer may reasonably require and provided that the Contractor shall not be obliged to produce a proposal or information where the relevant details have been or are to be provided to the Customer via the SOP Design process) in relation to, any proposals by the Contractor to:*

- a) *alter any element of the Services set out in the MoJ Day 1 Service Catalogue and any Ordered Service (including those Services in the Future Service Catalogue which become Ordered Services) which results in a change to the input required from, or the output received by, an User of any such Service or a change in scope of such Service ("**User Impact Change**") (for example, the substitution of paper payslips with electronic payslips would constitute a change in output received by an User); and*
- b) *make any alteration, combination, replacement, streamlining or other change to any of the Services set out in the MoJ Day 1 Service Catalogue and any Ordered Service (including those Services in the Future Service Catalogue which become Ordered Services) which relates to the method or source of transaction approval required by the Customer, or the threshold at which such approval is required, or impacts upon the compliance of the Services with any Customer policies or controls ("**Control and Compliance Change**").*

7.16.2 *The Customer Representative shall be responsible for liaising with the Customer for the purposes of this Clause 7.16.*

7.16.3 *The Contractor shall notify the Customer of any potential User Impact Change or Control and Compliance Change that may occur as a result of any change that is considered under the SOP Design process.*

7.17 Service Evolution

- 7.17.1 *The Contractor shall not, without having first notified and consulted with the Customer, materially change any process relating to the provision of the Services set out in the MoJ Day 1 Service Catalogue and any Ordered Services (including those Services in the Future Service Catalogue which become Ordered Services) in order to standardise, modify, harmonise or otherwise optimise such process ("**Process Industrialisation and Optimisation**") and provided always that such Process Industrialisation and Optimisation shall not be undertaken if it were otherwise to be an User Impact Change or a Control and Compliance Change without complying with the provisions of Clause 7.16.*
- 7.17.2 *The Contractor shall not, without having first notified and consulted with the Customer and taken reasonable account of the Customer's views, in relation to the Services set out in the MoJ Day 1 Service Catalogue and any Ordered Service (including those Services in the Future Service Catalogue which become Ordered Services):*
- a) **REDACT.**
- 7.18 **Specific Requirements**
- 7.18.1 *The Contractor shall comply at all times with the additional MoJ Requirements listed in Appendix 11 (MoJ Requirements) to the Call-Off Order Form."*
- 7.19 **Service Interface Document**
- 7.19.1 *The Service Interface Document defined in the Framework Agreement shall be a Contract Controlled Document once approved by the Customer.*
- 7.20 **IT Services**
- 7.20.1 *The Contractor shall provide the IT Services from the Transformation Complete Milestone and throughout the Term and shall ensure that the IT Services meet or exceed the IT Service Levels and are performed by an adequate number of appropriately experienced, qualified and trained Contractor Personnel acting with all due skill, care and diligence, provided that:*
- a) *the IT Service Levels shall be measured at the point at which the IT Services exit the Fujitsu data centre;*
- b) *the IT Service Levels shall not be KPIs (or CPIs) for the purposes of Schedule 3.3 (Contractor Incentives and shall be measured for the purposes of the SSL Accumulator KPI referred to in paragraph 2.5 of Schedule 3.3 but for no other purpose); and*
- c) *for the purposes of the IT Service Levels, the words "Core Hours" refer to the periods between REDACT Monday to Friday and REDACT Saturday and Sunday excluding REDACT and the words "Non Core Hours" refer to all other times and include REDACT."*

Clause 9 (Contractor Incentives) - Service Levels (new provisions)

20.6 The following new provisions shall be inserted after Clause 9.1:

"9.1A Service Levels

- 9.1A.1 *The Contractor and the Customer agree that the Data Book Service Levels shall apply from the Service Start Date.*
- 9.1A.2 *The Contractor and the Customer agree that certain Service Levels shall neither be KPIs nor Standard Service Levels ("**Non-incentivised Service Levels**"). The Contractor will have all the obligations set out in the Call-Off Agreement with respect to delivery of the Non-incentivised Service Levels, including providing Service Reports with respect to such Non-incentivised Service Levels, however Service Points shall not accrue in accordance with Schedule 3.3 (Contractor Incentives) upon the failure by the Contractor to achieve such Service Levels (but without prejudice to the Customer's other remedies with respect to the failure of the Contractor to deliver such Service Levels).*
- 9.1A.3 *Table 4 of Part A of Annex 1 to Schedule 3.3 (Service Levels) to the Framework Agreement indicates which Service Levels applicable to the MoJ Catalogue are Non-incentivised Service Levels.*

9.1B Future Service Levels

9.1B.1 *The parties acknowledge that, under the Framework Agreement, there is a process for development of the Outline Future Service Catalogue, the Service Reports and the Transformed Service Levels.*

9.1B.2 *Notwithstanding the process referred to in Clause 9.1B.1, the Contractor undertakes to the Customer that the Transformed Service Levels which the Customer receives shall mandate a level of Service performance which is no lower than the level of Service performance mandated by the Customer's Data Book Service Levels. The Contractor shall provide the Customer with bespoke Transformed Service Levels at no additional cost (to the Charges agreed under this Call-Off Agreement) if it is necessary for the Contractor to do so in order to comply with its obligations in this Clause.*

9.1B.3 *The Customer acknowledges and agrees that the Contractor's obligation in Clause 9.1B.2 does not commit it to providing to the Customer the same number of Transformed Service Levels as Data Book Service Levels. The parties acknowledge that certain Data Book Service Levels pertain to the performance of steps within the process necessary to deliver the final output of a Service. Save where this would entail amendments to the core SOP Design to do so, the Contractor shall ensure that the Service outputs which are measured by the Data Book Service Levels are required to be delivered in a way which is at least as rigorous (including with respect to the time taken for delivery and the quality of the output delivered) under the Transformed Service Levels.*

Clause 10 (Charging and Invoicing) – Customer specific SOP charges

20.7 Clause 10.2 shall be amended as follows:

"In consideration for the Contractor undertaking the Stabilisation and Transformation work described in Schedule 3.7 (Stabilisation and Transformation) of the Framework Agreement the Contractor shall be entitled to charge the Customer for the Stabilisation and Transformation work done (other than the SOP Activities which shall be recovered through the SOP Charges payable by the Framework Authority). The charges for this Stabilisation and Transformation work are payable against Milestones and are set out in the Steady State and Transformation Milestones in Appendix 13 (Transformation Milestones). For the avoidance of doubt the reference to SOP Activities is restricted to the Contractor's activities pursuant to the Framework Agreement. Where the Customer and the Contractor have agreed SOP-specific activities for the benefit of the Customer under this Call-Off Agreement the Contractor and the Customer agree, and the Framework Authority consents accordingly, that the Customer shall pay the Contractor directly for such activities (in accordance with the provisions of this Call-Off Agreement). The Contractor acknowledges that under paragraph 22.7 of Part 4 of Schedule 2 there is a procedure under which the Customer is required to obtain the approval of the Framework Authority before issuing any Milestone Achievement Certificate with respect to a SOP Milestone. The Contractor agrees not to bring any claim or action against the Customer with respect to any delay in issuing a Milestone Achievement Certificate in such circumstances where such delay is caused by the Customer complying with such procedure."

Clause 15 (Audits, Records and Reports) - Service Reporting (new provision)

20.8 New Clauses 15.3 and 15.4 shall be inserted as follows:

"15.3 Prior to approval of the list of Service Reports in accordance with the Framework Agreement and from the Service Start Date, the Contractor shall provide such reports to the Customer as are sufficient (subject as set out below) to ensure that the Customer receives no less visibility and detail as to the level of performance of the Ordered Services as it has before the Contractor takes over provision of such Ordered Services, including any Service Reports where the Customer can reasonably demonstrate that such Service Reports were provided by or to it before the Effective Date and are still required by the Customer. For the avoidance of doubt such reports will not contain any financial information relating to the Contractor."

20.9 **REDACT**

Clause 21 (Licence of Contractor Background IPR, Contractor Software and Third Party Software)

20.10 Clause 21.1 shall be amended as follows:

"If the Services require the Customer and/or Service Recipients to Use Contractor Background IPR and/or Contractor Software which is not commercial off-the-shelf software, the Contractor hereby grants, or shall procure the direct grant of, to the Customer and each relevant Service Recipient a perpetual, royalty free, irrevocable and non-exclusive licence to Use such Contractor Background IPR and/or Contractor Software and any associated documentation on the Standard Licence Terms for any purpose relating to the Services and the Replacement Services or the exercise of the Customer's or relevant Service Recipients' business or functions at no additional cost to the Customer or relevant Service Recipients. The provision of the licence contemplated under this Clause 21.1 shall be at no additional cost in relation to the Services contemplated by this Agreement, but shall be subject to the payment of agreed fees for a licence granted in relation to the Replacement Services or the exercise of the Customer's or relevant Service Recipients' business or functions that do not fall directly within the Services contemplated under this Agreement.

If the Services require the Customer and/or Service Recipients to Use Third Party Software which is not commercial off-the-shelf software, the Contractor shall procure the direct grant to the Customer and each relevant Service Recipient of a licence to Use such Third Party Software and any associated documentation on the Standard Licence Terms, at no additional cost to the Customer or relevant Service Recipients."

Clause 22 (Licences Granted by the Customer)

20.11 Clause 22 shall be amended by inserting a new Clause 22.4 as follows:

*"22.4 The Customer shall be responsible for the costs of purchasing the licenses and associated support and maintenance charges required from Oracle Corporation (**Oracle Licenses**) in connection with the provision and receipt of the Services delivered to the Customer provided that:*

22.4.1 this shall, unless otherwise agreed by the Customer, be limited to the six environments used by the Contractor for delivering Services to the Customer (including Pre-Production, Production, Disaster Recovery, Test and MoJ Specific Development Environments) only;

22.4.2 the Contractor shall use its reasonable endeavours to mitigate the cost of such Oracle Licenses;

22.4.3 the Contractor shall use its reasonable endeavours to ensure that maximum use is made of, and value derived from, the Customer's existing licence agreements with Oracle Corporation; and

22.4.4 the Contractor shall keep the Customer informed at all times as to the nature and quantity of the Oracle Licenses required over the Term to enable the delivery of the Services to the Customer."

Clause 23 (Customer Data)

20.12 Clause 23.4 shall be amended as follows:

"To the extent that Customer Data is held and/or processed by the Contractor or by any sub-contractor (including Key Sub-contractor) on the Contractor's behalf, the Contractor shall supply an uncorrupted version of that Customer Data to the Customer as requested within a reasonable period of time and at no additional cost and in the format and on the media reasonably specified by the Customer. The Customer may exercise its rights under this Clause 23.4, and the Contractor shall comply with its obligations, on as many occasions as the Customer determines."

REDACT

20.13 **REDACT**

Clause 33 (Security Requirements) - MoJ Security Requirements

20.14 Clause 33 shall be amended as follows:

"33.1 The Parties shall comply with the provisions of Schedule 5 (Security and Accreditation) to the Framework Agreement.

33.2 Without prejudice to Clause 33.1 or to any obligation relating to security contained elsewhere in the Call-Off Agreement), SSCL agrees to comply, throughout the Term, with the MoJ Security Aspects Requirements appended to the Call-Off Order Form as Appendix 8 (MoJ Security Aspects Requirements).

33.3 By the Service Start Date, SSCL shall ensure that the Shared Service Security Policy (as defined in the Framework Agreement) has been updated to take into account and comply with the MoJ Security Policies. The MoJ IT Security Policy has been provided to SSCL on the disc countersigned by the parties and attached to this Call-Off Agreement".

Clause 44 (Term)

20.15 Clause 44 of the Call-Off Agreement shall be amended as follows:

"44 Term

44.1 This Call-Off Agreement will begin on the Effective Date and, unless terminated earlier will expire at:

(a) the end of the Initial Term, if the Customer does not elect to extend the Initial Term in accordance with Clause 44.2; or

(b) at the end of the last Extension Period elected for by the Customer in accordance with Clause 44.2.

44.2 If: (i) The Customer may elects at its discretion to extend this Call-Off Agreement on up to three occasions by a period of one year on each occasion (an "Extension Period") by giving at least twelve (12)six (6) months' written notice to the Contractor and Framework Authority prior to the date on which the Call-off Agreement would otherwise expire expiry of the Initial Term or the; and (ii) provided such election is approved by the Framework Authority in writing prior to the notice being served. "

Clause 57 (Third Party Rights)

Clause 57.1 shall be amended as follows:

"57.1 Subject to Clauses 18.2 (Employment Protected Period), 24 (Confidentiality) and 57.2, a person who is not a Party to this Call-Off Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Call-Off Agreement but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act."

Schedule 1 (Definitions)

20.16 The definition of "Business Process Manual" shall be amended as follows:

"the Day 1 Service Catalogue and any documents provided by the Legacy Suppliers to the Contractor prior to the commencement of the Services defining the detailed working procedures and business processes, which shall be updated by the Contractor as may be required updated from time to time, including as a minimum to cover processes used by SOP, once implemented by the Contractor;"

20.17 The definition of "'Business Transfer Agreement' or 'BTA'" shall be deleted and replaced with the following:

"'Business Transfer Agreement' or 'BTA' means the business transfer agreement between the Customer and the Contractor entered into on or around the date of this Call-off Agreement;"

20.18 **REDACT**

20.19 The definition of "Contractor Termination Event" shall be amended as set out below:

20.19.1 amend limb (iii) of sub-paragraph (i) of the definition as follows:

"(iii) where the Change of Control relates directly to the Contractor, the Framework Authority is a shareholder of the Contractor; or" and;

20.19.2 **REDACT**

20.20 **REDACT**

20.21 The definition of "In-Flight Projects List" shall be amended as follows:

~~"is the cumulative list of In-Flight Projects set out in the following documents:~~

~~(a) the document titled "EA_Inflight Projects v.01_16 Oct 13_FINAL";~~

~~(b) the document titled "DWP SSCL v0.7"; and~~

~~(c) the document titled "Defra_Inflight Projects v.01";~~

~~each of the same name which is a Contract Controlled Document and is included in the CD counter-signed by the Parties and attached to the Call-Off Agreement on execution;"~~

20.22 A new term of, "IT Services", and associated definition shall be inserted as follows:

"IT Services' means those services referred to in the document called "IT Service Levels v1.0" included in the CD counter-signed by the Parties and attached to the Call-Off Agreement;"

20.23 A new term of, "IT Service Levels", and associated definition shall be inserted as follows:

"IT Service Levels' means those service levels set out in the document called "IT Service Levels v1.0" included in the CD counter-signed by the Parties and attached to the Call-Off Agreement;"

20.24 A new term of, "MoJ Steady State Period", and associated definition shall be inserted, as follows:

"MoJ Steady State Period' means the period of three months beginning on the Service Start Date;"

20.25 A new term of, "Non-incentivised Service Levels", and associated definition shall be inserted, as follows:

"Non-incentivised Service Levels' has the meaning given to it in Clause 9.1A.2;"

20.26 **REDACT**

20.35 The definition of "Relief Event" shall be amended by the insertion of the following in place of the existing limb (c):

*"(if applicable and then only during the first **REDACT** months from the Framework Effective Future Novation Date (as defined in the Business Transfer Agreement) a Transferring Agreement Cause;"*

20.36 The definition of "Service Start Date" shall be amended to read as follows:

"means:

- (a) in respect of Future Customers, the date on which the Contractor is required to meet the Service Start Milestone ~~as set out in Appendix 1 of the relevant Call-Off Order Form~~; and
- (b) in respect of Initial Customers, the date specified in Table 1.1 (Ordered Day 1 Services) of Appendix 1 to the Call-Off Order Form;"

20.37 The definition of "Service Start Milestone" shall be amended to read as follows:

"23.59 on 31 October 2014 which shall be the Milestone on which the Contractor is required to have completed Migration and from which it will provide the Services as set out in the Migration Plan;"

20.38 The definition of "Transferring Agreement Cause" shall be amended as follows:

- "(i) any inconsistency between the terms of a Transferring Agreement and the Call-Off Agreement; and*
- (ii) any act or omission of a party to a Transferring Agreement or any failure by a party to a Transferring Agreement to perform its obligations under a Transferring Agreement which has a direct impact on the ability of the Contractor to provide the Services;"*

20.39 The definition of "Transferring Employees" shall be amended as follows:

"means each Customer Transferring Employee and/or Outgoing Contractor Transferring Employees (as the case may be) who transfers to employee of the Contractor or any Sub-contractor assigned (other than on a temporary basis) to the Services (or such part thereof) immediately before the Service Transfer Date, and whose name is listed as such in the Contractor's Final Staff List, and who does not object to his or her transfer pursuant to regulation 4(7) of the Employment Regulations or otherwise resign or treat his or her employment as terminated before the Service Transfer Date;"

20.40 **REDACT**

Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing)

20.41 The content of Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing) to the Call-Off Agreement shall be deleted and replaced in its entirety with the content set out in Appendix 10 (Amendments to Schedule 2)

Schedule 3.1 (Charges and Invoicing) - Volumetric Pricing Start Date

20.42 Schedule 3.1 (Charges and Invoicing) shall be amended as set out below:

20.42.1 Paragraphs 3.1, 3.2 and 3.3 shall be amended as follows:

"3.1 In the period between the Framework Effective Date and REDACT the Contractor shall provide the Ordered Services on a fixed charge basis unless otherwise agreed with the Customer or Service Recipient in accordance with the Change Control Procedure.

3.2 The Contractor shall provide the Ordered Services to the Customer and each Service Recipient in the period prior to REDACT for the fixed charges set out in REDACT shall apply in relation to the Charges during the period between REDACT), provided that, in respect of each Service Offering, the actual volume of Units of Measurement invoiced to the Customer and its Service Recipients in each Accounting Year remains within the Tolerance Band for the Service Offering.

3.3 If the actual volume of Units of Measurement invoiced to the Customer and its Service Recipients in an Accounting Year for a Service Offering falls outside the Tolerance Band for that Service Offering any increase or decrease in the fixed charges set out in the Customer's Call-Off Order Form shall be made in accordance with the Change Control Procedure. Any change to the fixed price

charges payable by the Customer prior to REDACT will be calculated based on the applicable or agreed Customer Price Band and the Unit Price set out in the column headed "REDACT" for the relevant Service Offering set out in Annex 2 to Schedule 3.2 (Pricing and Rate Card) to the Framework Agreement except where the Contractor demonstrates, to the Customer's satisfaction, that an alternate Unit Price is appropriate. Any dispute relating to a proposed change to the Charges shall be resolved through the Dispute Resolution Procedure."

20.42.2 Paragraph 4.1 shall be amended as follows:

"4.1 All Ordered Services shall be provided on a Volumetric Charge basis from REDACT unless otherwise agreed in writing between the Parties and (with the exception of 'Other Accounting Services') shall be calculated in accordance with the following formula: [... remainder of paragraph unamended]."

20.42.3 A new paragraph 4.2 shall be inserted as follows:

"Any review undertaken under paragraphs 2.2 and/or 2.3 of Annex 2 of Schedule 3.2 (Pricing and Rate Card) of the Framework Agreement shall not apply to amend the Charges payable by the Customer save with the prior written consent of the Customer."

20.42.4 A new paragraph 4.3 shall be inserted as follows:

Paragraph 2.1(d) of Annex 2 to Schedule 3.2 (Pricing and Rate Card) of the Framework Agreement shall be amended as follows:

"Purchase Invoice" which means an invoice (or other form of payment request as agreed by the Customer) which is handled and processed by the Contractor on behalf of the relevant Customer or Service Recipient and which is issued by a third party and payable by that Customer or its Service Recipient;

Schedule 3.1 (Charges and Invoicing) - Resource Pool

20.43

The following language shall be inserted as new paragraph 6A in Part 1 of Schedule 3.1:

"6A. Resource Pool

6A.1 The Parties have agreed that two pools of human resource (each a "**Resource Pool**") shall be established by the Contractor, the cost of which has been included within the Charges payable by the Customer to the Contractor. The Resource Pools shall be used by the Contractor to deliver its obligations related to specified In-Flight Projects and Changes (collectively, "**Project Activity**"). The Resource Pools shall operate in each Accounting Year, provided that the first Resource Pools shall operate from the Service Start Date until 31 March 2015.

6A.2 The values allocated by the Contractor to each Resource Pool in each Accounting Year ("**Resource Pool Values**") during the Term shall be as set out in the below table ("Table 1"):

Table 1

Change Pot Value

| Period | Accounting Year | Resource Pool Values | Resource Pool Payments | Resource Pool Ratio |
|--------|---------------------|----------------------|------------------------|---------------------|
| 1 | 1/11/14 to 31/03/15 | | | |
| 2 | 1/4/15 to 31/3/16 | | | |

| | |
|---|--------------------|
| 3 | 1/4/16 to 31/3/17 |
| 4 | 1/4/17 to 31/3/18 |
| 5 | 1/4/18 to 31/3/19 |
| 6 | 1/4/19 to 31/3/20 |
| 7 | 1/4/20 to 31/3/21 |
| 8 | 1/4/21 to 31/10/21 |

L&D Resource Pool

| Period | Accounting Year | Resource Pool Values | Resource Pool Payments | Resource Pool Ratio |
|--------|--------------------|----------------------|------------------------|---------------------|
| 1 | 1/11/14 to 31/3/15 | | | |
| 2 | 1/4/15 to 31/3/16 | | | |
| 3 | 1/4/16 to 31/3/17 | | | |
| 4 | 1/4/17 to 31/3/18 | | | |
| 5 | 1/4/18 to 31/3/19 | | | |
| 6 | 1/4/19 to 31/3/20 | | | |
| 7 | 1/4/20 to 31/3/20 | | | |
| 8 | 1/4/21 to 31/10/21 | | | |

The Resource Pool Payments, Resource Pool Value and Resource Pool Ratio that shall apply during any extensions under Clause 44.1 shall be on same basis and Resource Pool Ratio as Period 8 in Table 1 above.

- 6A.3 The Parties agree that the financial amounts that will be paid or payable by the Customer ("**Resource Pool Payments**") in respect of the Project Activity shall not exceed those set out in Table 1 so that the ratios indicated in the column of Table 1 called Resource Pool Ratio ("**Resource Pool Ratios**") shall be applied to the Resource Pool Payments in the relevant Period (as shown in Table 1) in order to determine the Resource Pool Values in the corresponding Period.

- 6A.4 The Contractor shall where practical allocate to the delivery and implementation of the Project Activity, Customer Transferring Employees with prior experience of delivering and implementing similar Project Activity.
- 6A.5 One Resource Pool shall be reserved for Project Activity classified as "Learning & Development Activity" (the "**L&D Pool**") and the other Resource Pool shall be reserved for all other Project Activity (the "**General Pool**").
- 6A.5 The Customer shall determine whether any particular Project Activity is to be allocated to the L&D Pool, the General Pool or to neither. SSCL shall agree such allocation or escalate its concerns to the Customer Collaboration Board.
- 6A.6 The cost of Project Activity allocated to the Resource Pools shall be drawn down against them as applicable.

Adjustment of the Resource Pools

- 6A.7 During any given Accounting Year the Parties may, by mutual agreement, agree to increase or decrease the Resource Pool Payments (and, proportionately, using the Resource Pool Ratio, the Resource Pool Values) attributed to either of the Resource Pools in paragraph 6A.5 above.
- 6A.8 Notwithstanding the provisions of paragraph 6A.7 and subject to having provided written notice to the Contractor prior to 31 December in any Accounting Year, the Customer shall be entitled to vary the Resource Pool Payments and the Resource Pool Values attributed to the Resource Pools for the immediately following Accounting Year by a margin of +/- 15% of the Resource Pool Payments and Resource Pool Values agreed for the Accounting Year in which the notice is served.
- 6A.9 Any reduction in the Resource Pool Payments pursuant to:
- 6A.9.1 paragraph 6A.7 shall be implemented in the Accounting Year in which the reduction takes effect: or
- 6A.9.2 shall be reflected in a reduction in the Resource Pool Payments that will apply in the immediately following Accounting Year.
- 6A.10 Any increase in the Resource Pool Payments pursuant to paragraphs 6A.7 or 6A.8 shall be paid by the Customer to the Contractor following submission of an invoice by the Contractor to the Customer in respect of such increased amount which shall be payable in accordance with the provisions of paragraph 9 of Schedule 3.1
- 6A.11 **REDACT.**

6B. Allocation against the Resource Pool

Monthly Resource Pool Activity Forecasting

- 6B.1 On or before the fifteenth (15th) day of each month during the Term, the Customer shall provide to the Contractor on a rolling basis a non-binding written statement of anticipated upcoming Project Activity for the subsequent twelve (12) months, applicable from the first full month following provision, that the Customer would like to draw down against the Resource Pools ("**Activity Pipeline Statement**") including details of the activity required and the timescale in which such activity needs to be completed (provided that where such detail is captured on the In-Flight Project List the Customer may refer to such list directly). For the purposes of Contractor Forecasting the Activity Pipeline Statement shall be fixed for the first month and shall be variable thereafter. The Customer shall not include any particular Project Activity in the Activity Pipeline Statement which:
- 6B.1.1 is anticipated to take more than **REDACT** man-days or cost more **REDACT** of Resource Pool Value to complete (taken on its own and not in aggregate with other Project Activities); or
- 6B.1.2 is expected to have an impact on the delivery of Services to any other Customer.

- 6B.2 The Activity Pipeline Statement shall identify whether or not each Project Activity is for the L&D Pool or the General Pool. The Customer may, if it wishes, provide a separate Activity Pipeline Statement for each Resource Pool.
- 6B.3 The Customer may request, by indicating on the Activity Pipeline Statement(s), or otherwise informing the Contractor, that named members of the Contractor's staff who were Customer Transferring Employees undertake the specific Project Activity in question. The Contractor shall where practical accommodate and comply with such request.
- 6B.4 The Customer shall use reasonable endeavours to distribute Project Activity requirements evenly from month to month, however the Contractor acknowledges that the Customer's and the Service Recipients' business needs may require that Project Activity volumes vary materially from one month to another.
- 6B.5 Notwithstanding paragraph 6B.4, the Customer agrees to ensure that:
- 6B.5.1 the Activity Pipeline Statement each month contains a volume of Project Activity which is expected, in value, to account for at least **REDACT** of one twelfth of the annual Resource Pool Value of each of the Resource Pools; and
- 6B.5.2 the Project Activity to be undertaken in the final two (2) months of any Accounting Year shall not equate to more than **REDACT** of the Resource Pool Values for that Accounting Year save where the Customer agrees that any additional Project Activity shall be chargeable at the Day Rates.

Contractor Forecasting

- 6B.6 The Contractor shall within five (5) Working Days of receipt of an Activity Pipeline Statement provide to the Customer a written response ("**Contractor Resource Forecast**") to such Activity Pipeline Statement.
- 6B.7 The Contractor shall liaise with the Customer during the preparation of the Contractor Resource Forecast, and the Customer shall provide reasonable co-operation and assistance in order to identify which Project Activities should take the highest priority for delivery and implementation. Where the Customer expresses a priority order (having due regard to the consequences of doing so), the Contractor shall notify the Customer of any reasonable additional costs (if any) that may apply as a result of the priority order expressed by the Customer. The Contractor shall not dispute such priority order and shall allocate priorities accordingly subject to the Customer paying such reasonable additional costs. Where no such priority order is expressed by the Customer, the Contractor shall be entitled to prioritise Project Activity in order to mitigate any resource constraints.
- 6B.8 The Contractor Resource Forecast shall set out for each separate Project Activity identified on the Activity Pipeline Statement the Contractor's forecast of:
- 6B.8.1 the Resource Category (as determined in accordance with paragraph 6C.1) required to deliver each such Project Activity;
- 6B.8.2 the number of man-days required (on the basis of eight hours' work constituting one man-day) to complete each such Project Activity for each Resource Category. This forecast element shall be a fixed number of man-days (in which case the Contractor shall be allowed to include a risk contingency of no more than 20% of the man-days required) unless the Contractor, acting reasonably, shows that the Customer has not provided the Contractor with sufficient detail in the relevant Activity Pipeline Statement for the Contractor to provide a fixed man-day number, in which case this forecast element shall be for an estimated number of man-days (in which case the risk contingency shall not apply);
- 6B.8.3 the cost of each labour requirement referred to in paragraph 6B.8.2 (determined in accordance with the table in paragraph 6C.1);
- 6B.8.4 agreement or amendment to the required timescales: and
- 6B.8.5 the priority order for the various items of Project Activity (determined in accordance with paragraph 6B.7).
- 6B.9 The Contractor Resource Forecast shall, in addition to the requirements of paragraph 6B.8, also contain a financial statement of the cumulative value of the Project Activity carried out

and defrayed against each of the Resource Pools in the then current Accounting Year and the remaining Resource Pool Values and Resource Pool Payments for such Accounting Year. The Contractor Resource Forecast shall itemise the L&D Pool and the General Pool separately.

- 6B.10 If, at any time, a Contractor Resource Forecast anticipates that the cost of delivering Project Activity identified on an Activity Pipeline Statement shall exceed the remaining Resource Pool Value in the applicable Resource Pool (a "**Resource Deficit**") the Contractor shall send a separate written notification to the Customer setting out the expected Resource Deficit.
- 6B.11 Without prejudice to any obligation which the Contractor has to perform the particular Project Activities which are expected to give rise to a Resource Deficit, if a Resource Deficit is identified the Customer shall promptly inform the Contractor whether it wishes to or to pay for the Project Activity expected to give rise to the Resource Deficit in accordance with the other provisions of this Agreement providing for such payment.
- 6B.12 The Contractor shall monitor the Contractor Resource Forecast on an ongoing basis and if, at any time, the resource required to deliver any Project Activity exceeds the relevant amount set out in the Contractor Resource Forecast, the Contractor shall notify the Customer and provide an updated Contractor Resource Forecast, both as soon as reasonably practicable.
- 6B.13 In respect of each item of Project Activity identified in a Contractor Resource Forecast, the Customer shall notify the Contractor, having consulted with the Contractor, as to whether it wishes to proceed on the basis of the fixed or estimated number of man-days basis set out in paragraph 6B.8.2 above.
- 6B.14 If the Customer elects to have an item of Project Activity undertaken on a fixed man-days basis, the Contractor shall not be entitled to charge the Customer for any additional man-days that may be required in order to complete such Project Activity save where such additional man-days are required as a result of the Customer varying or extending the scope of such Project Activity. Where an item of Project Activity is undertaken on an estimated man-days basis, the Contractor shall be entitled to request for any additional man-days to be paid by the Customer provided that such request is made prior to the original estimate of man-days being exhausted and that the Customer shall not unreasonably withhold its approval of such request.

6C. Resource Cost

Staff Cost

- 6C.1 The employees used to deliver Project Activity allocated to the Resource Pools shall be categorised in accordance with Table 1 in Annex 1 to Schedule 3.2 (Pricing and Rate Card) of the Framework Agreement.
- 6C.2 For the purposes of making such categorisation, the Parties shall follow the mapping set out in the table below, as applicable, acknowledging that the "Typical Role" column indicates the equivalent role allocated to Customer Transferring Employees when employed by the Customer:

| Typical role | SFIA Staff Grade | Mapping to day rate |
|--------------|--------------------------------------|---------------------|
| | 7 Set Strategy, inspire and Mobilise | |
| | 6 Initiate and Influence | |

OFFICIAL - SENSITIVE

| | | |
|---|---------------------|---|
| Service Project Managers Business Subject Matter Experts Commercial Development Manager | 5 Ensure and Advise | Client interface – Level 5 Ensure, Advise |
| Project Leads ISSS Technical Leads ISSS Band B Developers LCIS Learning Leads | 4 Enable | Solution development – level 4 Enable Client interface - level 4 Enable |
| Business Analysts Business Change Analysts ISSS Band C Developers | 3 Apply | Solution development – level 3 Apply Business Change Level 3 – Apply Client interface – level 3 – Enable |
| Project Co-ordinators Project Office Co-ordinators | 2 Assist | Solution development level 2 Assist |
| | 1 Follow | |

- 6C.3 The man-day cost of a member of staff in each SFIA Staff Grade shall be determined in accordance with the Rate Card (as indexed in accordance with Paragraph 10 of Schedule 3.2 (Pricing and Rate Card)) of the Framework Agreement.
- 6C.4 The Resource Pool Values to be drawn down against the Resource Pool shall be determined in accordance with paragraphs 6C.1 to 6C.3 above provided that the corresponding Resource Pool Payments shall be calculated by applying the Resource Pool Ratio to such Resource Pool Values.
- 6C.5 Man-days may be denominated in whole man-days or half man-days (but not any other denomination) and actual time spent on a Project Activity shall be rounded to the nearest half man-day.

- 6C.6 Subject to paragraphs 6C.7 and 6C.8, the Resource Pool Payments calculated in accordance with paragraphs 6B to 6D inclusive shall represent the entire amount payable by the Customer to the Contractor in relation to the Resource Pool Values of Project Activity drawn-down against the Resource Pool and shall include all staff costs, overheads, profits, management time, utilisation costs and other costs whatsoever.
- 6C.7 The rates set out above shall be the default rates on every day of the Accounting Year. No overtime shall be undertaken in order to deliver the Project Activity without the prior written consent of the Customer. The Customer shall not unreasonably withhold consent to any overtime required to enable the Contractor to fulfil its obligations within required time periods provided that the Contractor shall use its reasonable endeavours to avoid the use of overtime if reasonably practicable. For the avoidance of doubt, this shall not restrict the Contractor's ability to undertake Project Activity at such times as it determines subject always to the provisions of this Clause 6C.6.
- 6C.8 If the Contractor anticipates that there shall be an additional cost of materials or any incidental expenses incurred in performing any Project Activity, it shall document such anticipated costs on the relevant Contractor Resource Forecast. If such costs arise after the relevant Contractor Resource Forecast is produced then the Contractor shall provide separate notice of such costs to the Customer. The Contractor shall not incur any such costs without the Customer's prior approval. Such costs shall be itemised on any invoice sent by the Contractor and shall not be drawn down against the Resource Pools. Such costs shall be invoiced on a pass-through basis without any profit margin for the Contractor.

6D. Payment

Invoicing and charging

- 6D.1 Each month the Contractor shall submit to the Customer an invoice (which complies with the invoicing requirements in paragraph 7 of Schedule 3.1 (Charges and Invoicing)) for the greater of 70% of 1/12 (one twelfth) of the Resource Pool Payment for that Accounting Year and the Resource Pool Payments represented by the Resource Pool Value of the Project Activity undertaken in the previous month and which is to be drawn down against each of the Resource Pools. Paragraphs 8 and 9 of Schedule 3.1 (Charges and Invoicing) shall apply to such invoices save that in relation to Paragraph 9, the Contractor's invoice shall be settled following written confirmation from the Customer that the appropriate Resource Pool Payments can be drawn down from the Resource Pools in payment of such invoice.
- 6D.2 Along with the invoice referred to in paragraph 6D.1 above, the Contractor shall provide all supporting information that the Customer reasonably requires, including the timesheets for the individuals comprising the Resource Categories utilised. The Contractor shall keep an audit trail of all such supporting documentation for the duration of the Term and such documentation shall be deemed to be included on the list set out in Appendix 1 of Schedule 7.4 (Records and Management Information) of the Framework Agreement and retained accordingly.
- 6D.3 Along with each invoice, the Contractor shall also include a report indicating the accuracy of any Contractor Resource Forecast when compared with the actual cost of any Project Activity completed since such Contractor Resource Forecast was completed (to the extent not previously reported).

Reconciliation of Resource Pools

- 6D.4 If, at the end of any Accounting Year, any portion of the Resource Pool remains unutilised because the Resource Pool Payments in respect of Project Activity drawn down against it has not exhausted the whole of the Resource Pool Payments, the Contractor shall be entitled to submit to the Customer an invoice for such unutilised amount.

6E. Change Freeze

Change Freeze

- 6E.1 The Contractor or the Customer may request a "**Change Freeze Period**" when either has a business need to do so. The Contractor or Customer shall make such request as soon as reasonably practicable after becoming aware of such business need and, in any case,

at least 90 (ninety) days before the requested Change Freeze Period is due to commence (unless otherwise agreed by the Parties in emergency circumstances or unanticipated critical circumstances). Any such request shall be made in writing setting out clearly the start and end date of the Change Freeze Period requested.

- 6E.2 A party which receives a Change Freeze Period request shall reply to the other Party within five (5) Working Days indicating whether or not it accepts such request (acceptance not to be unreasonably withheld or delayed). For the avoidance of doubt, if the Contractor makes a request for a Change Freeze Period and the Contractor is already committed to finalising the implementation of Project Activity during the period referred to in the request, it shall not be unreasonable for the Customer to withhold acceptance of the request unless a delay to the Project Activity implementation consistent with the Change Freeze Period requested would have no adverse impact on the Customer.
- 6E.3 During a Change Freeze Period the Contractor shall not implement any Project Activity. In this context, "implement" (and "implementation") refers to the roll-out, go-live, making available for use, or any other analogous activity with respect to the output of the Project Activity. During a Change Freeze Period, the Contractor may continue to work on Project Activity (and shall do so in line with its obligations) provided that no implementation occurs.
- 6E.4 If the Customer requests, and the Contractor agrees to in accordance with paragraph 6E.2, a Change Freeze Period which covers any period during which the Contractor would otherwise be required to implement any Project Activity the Contractor's obligation to carry out such implementation shall be extended by the length of time by which the Change Freeze Period extends beyond the original required implementation date. Accordingly, the Contractor shall not refuse a Change Freeze Period request made by the Customer on the grounds that implementation is due to occur during such requested Change Freeze Period.

6F. Efficiencies

Productivity Improvement

- 6F.1 The Contractor shall use all reasonable endeavours to ensure that there is a **REDACT** increase in efficiency rates in relation to Project Activity drawn down against the Resource Pools on a year-on-year basis. An efficiency rate increase shall be measured by comparing the number of man-days taken to carry out a Project Activity in one Accounting Year compared with the number of man-days taken to carry out the same, or broadly the same, Project Activity in the previous Accounting Year. Before the second Accounting Year, such comparison shall be made against any activity levels achieved by the Customer before the Effective Date to the extent the Customer can provide reasonable evidence of the same.

Indexation

- 6F.3 At such times as indexation is applied to the Day Rates in accordance with paragraph 10 of Schedule 3.2 of the Framework Agreement, the Resource Pool Payments shall also be indexed in the same manner provided that the Resource Pool Values shall also be increased by applying the indexation factor proportionately using the Resource Pool Ratio.

Schedule 3.1 (Charges and Invoicing) - Invoicing

- 20.44 Paragraph 7.2 of Schedule 3.1 (Charges and Invoicing) of the Call-off Agreement shall be amended as follows:

"The Customer may direct the Contractor to:

- i) provide a single invoice, itemised by Service Recipient;*
- ii) split invoices between the Customer and the Service Recipients on the basis to be confirmed by the Customer ; or*
- iii) to invoice Service Recipients separately in respect of the Services that they receive so that a Service Recipient receives a self-contained invoice for the Services it receives including such information set out in Paragraph 7.5.*

In the absence of any specific direction, the Contractor shall comply with sub-paragraph i) above."

Schedule 3.2 (Payments on Termination)

20.45

The Annex to Schedule 3.2 (Payments on Termination) shall be replaced with the Annex set out in Appendix 11 (Compensation Payment).

Schedule 3.3 (Contractor Incentives)

20.46 A new paragraph 1.5 shall be inserted which shall read as follows:

"The Contractor and the Customer shall review in March 2015 the following service lines to consider an increase in the Service Level to reflect actual previous performance:

PAY198, PAY 199, PAY201, PAY202, PAY203"

20.47 A new paragraph 3A shall be inserted which shall read as follows:

"3A Failure to meet Critical Performance Indicators

3A.1 *If the Contractor fails to meet a CPI, as set out in the Call-Off Order Form, without prejudice to any other rights of the Customer under this Call-Off Agreement, the Contractor shall be liable with respect to the applicable remedy as indicated in the Call-Off Order Form ("CPI Remedy").*

3A.2 *Where the CPI Remedy involves the payment by the Contractor of a pre-determined sum to the Customer, such sum shall be accounted for by way of credit against the next invoice submitted under this Call-Off Agreement by the Contractor.*

3A.3 *Where the CPI Remedy permits the Customer to claim any sums which are not pre-determined such sums shall be credited against the Contractor's next invoice following the date on which such sums are claimed by the Customer. If the Contractor disputes the amount claimed in whole or part it shall provide such credit to the extent that the amount is not disputed.*

3A.4 *If the value of an invoice to be credited under this paragraph 3A, once any other deductions required under this Call-Off Agreement are applied, is less than the value of the CPI Remedy to be credited, the value of the invoice shall be £0 (zero pounds) and the surplus credit shall be applied to the next following invoice(s) until paid to the Customer in full."*

Schedule 5.1 (Staff Transfer)

Part A of Schedule 5.1 (Staff Transfer) will apply to this Call-Off Agreement with the exception of paragraph 1.2 of that Part A which shall not apply.

Parts B and D of Schedule 5.1 (Staff Transfer) will apply to this Call-Off Agreement.

Part C of Schedule 5.1 (Staff Transfer) will not apply to this Call-Off Agreement.

20.48 Paragraph 10.5 of Schedule 3.2 (Pricing and Rate Card) of the Framework Agreement shall be amended as follows:

"10.5 The Unit Prices shall be recalculated in accordance with Paragraph 10.3 above on 1 April in each Contract Year commencing 1 April in the Contract Year following the date on which the Contractor Achieves the *Customer* Transformation Complete Milestone."

Section 11: Framework Agreement Version and Framework Authority Consent

For the purposes of Clause 46.3 of the Call-Off Agreement, the version of the Framework Agreement that shall apply is the version 1.0 of the Framework Agreement dated on or about 1 November 2013 incorporating all changes made to that document up to and including Framework Contract Change No. 003.

The consent of the Framework Authority is a Condition Precedent for the purpose of Clause 2 (Conditions Precedent) of the Call-Off Agreement. The Framework Authority shall record its consent to the creation of a Call-Off Agreement between the Contractor and the Customer by its Contract Manager (or his or her authorised delegate) completing this Section 11:

| | |
|-------------------|--|
| Signature | |
| Print Name | |
| Title | |
| Date | |

Section 12: Formation of Call-Off Agreement

Subject to Section 11 of this Call-Off Order Form, the execution of this Call-Off Order Form by the Contractor and the Customer shall create a valid and legally binding contract comprising the Standard Terms as amended and supplemented by this Call-Off Order Form.

SIGNED for and on behalf of the Customer:

| | |
|-------------------|--|
| Signature | |
| Print Name | |
| Title | |
| Date | |

SIGNED for and on behalf of the Contractor:

| | |
|-------------------|--|
| Signature | |
| Print Name | |
| Title | |
| Date | |

Appendix 1 (Services)

Part A: Day 1 Service Catalogue

- 1.2 The Parties agree that the Day 1 Service Catalogue corresponds to the MoJ Catalogue (as defined and contained in the Framework Agreement). The Day 1 Service Catalogue is also contained on the CD countersigned by the Parties and attached to this Call-Off Agreement.
- 1.3 The Target Volume Forecast for the Services is set out by Service Offering in Appendix 2, Part B.

Part B: Future Service Catalogue

The Future Service Catalogue will be developed in accordance with the relevant provisions of the Framework Agreement and the Call-Off Agreement.

Appendix 2 (Charges for the Services)

REDACT.

Appendix 3 (Plans)

Part A (Customer Migration Plan)

REDACT

Part B (MoJ Steady State Plan)

REDACT

Part C (Customer Outline Transformation Plan)

REDACT

Appendix 4 (Customer Responsibilities)

- 1.1 The responsibilities of the Customer set out in this Appendix 4 constitute the Customer Responsibilities under the Call-Off Agreement.
- 1.2 Any obligations of the Customer in Schedule 4.1 (Solution) shall not be Customer Responsibilities and the Customer shall have no obligation to perform any such obligations unless they are specifically highlighted as "Customer Responsibilities" and cross-referenced in the table below paragraph 1.4.7 of this Appendix
- 1.3 These Customer Responsibilities shall be provided to the Contractor free of charge unless otherwise agreed between the Contractor and the Customer.
- 1.4 The Customer shall:
 - 1.4.1 perform its obligations which are set out in the Standard Terms, this Call-Off Order Form and the Contract Controlled Documents in a timely manner or within the relevant timescale where a timescale is expressly stated;
 - 1.4.2 perform its obligations in respect of its Ordered Services which are set out in:
 - (a) the applicable Day 1 Service Catalogue identified in its Call-Off Order Form until the Service End Date specified in Part A (Day 1 Service Catalogue) of Appendix 1 (Services) above; and
 - (b) the Future Service Catalogue from the Service Start Date specified in Part B (Future Service Catalogue) of Appendix 1 (Services) above;which relate to the Customer's Ordered Services;
 - 1.4.3 where its Call-Off Order Form specifies the DWP Catalogue as applying until the Service End Date specified in Part A (Day 1 Service Catalogue) of Appendix 1 (Services) above, meet those DWP Reverse Service Levels:
 - (a) in the column titled "Day 1 Service Levels" in each of the first three (3) Service Measurement Periods from the Framework Effective Date; and
 - (b) in the column titled "Data Book Service Levels" in each subsequent Service Measurement Period until the relevant Transformed Service Level Start Date,which relate to the Customer's Ordered Services;
 - 1.4.4 prior to the relevant Transformed Service Level Start Date, perform its obligations set out in the column titled "Customer Responsibility" in Table 4 (Service Levels applicable to the MoJ Catalogue) in Part A of Annex 1 to Schedule 3.3 (Service Levels) to the Framework Agreement in respect of those Service Levels which apply to the Customer's Ordered Services;
 - 1.4.5 following the relevant Transformed Service Level Start Date, perform its obligations set out in the column titled "Customer Responsibility" in Table 1: *Transformed Service Levels* in Part B of Annex 1 to Schedule 3.3 (Service Levels) to the Framework Agreement in respect of those Service Levels which apply to the Customer's Ordered Services;
 - 1.4.6 where the Customer has ordered Services from the DWP Catalogue, it shall meet and procure that its Service Recipients meet the Service Levels identified in Table 1: *DWP Catalogue Reverse Service Levels* in Annex 2 to Schedule 3.3 (Service Levels) to the Framework Agreement which are expressly identified as being linked to those Services ordered by the Customer and/or its Service Recipients until the Transformed Service Level Start Date; and
 - 1.4.7 fulfil its obligations in respect of the governance of Stabilisation and Transformation in accordance with the agreed organisation charts.

| No. | Customer Responsibility |
|-----|---|
| 1. | The Customer will provide sufficient and suitably qualified and authorised staff to fulfil its roles and duties set out in the Call-Off Agreement. |
| 2. | The Customer will grant access, upon reasonable notice and in accordance with the Customer's reasonable terms, to its premises and buildings as required by the Contractor to comply with its obligations. |
| 3. | The Customer will provide to the Contractor such Documentation, data and/or other process information which (i) is in its possession or control and (ii) it is permitted to disclose, in each case to the extent that the Contractor reasonably requests such information in relation to activities transferred or retained as part of the delivery of Services. |
| 4. | The Customer will comply with all reasonable obligations placed on it and agreed in the Shared Service Security Policy. The Customer shall not unreasonably withhold or delay, or unreasonably condition any approvals required by the Contractor in the development of the ISMS and Security Management Plan. |
| 5. | The Customer will provide staff to attend Contractor provided training courses agreed by the Contractor and Customer for any changes to the retained processes provided that the Contractor gives at least thirty (30) days' notice to the Customer of such training courses. The Customer will proactively manage its staff's completion of any computer-based training courses provided that the Contractor provides the Customer with details as to which staff have completed such courses on an ongoing basis or otherwise permits that Customer to have access to such information. The Customer acknowledges that the Contractor will only provide each training course once per individual and the Contractor will charge the Customer for any subsequent training. |
| 6. | The Customer will actively engage in and provide adequate resources to deliver the communications strategy for the retained organisation and agreed in writing by that Customer and the Contractor. |
| 7. | The Customer will adopt those standard operating procedures agreed in writing by the Customer and Contractor and implement such standard operating procedures within the timescales agreed in writing between the Customer and Contractor. |
| 8. | The Customer will be responsible for extracting data and providing accurate data for the purposes of onboarding onto SOP (when applicable) and only to the extent required to enable the Contractor to deliver the Services. |
| 9. | The Customer will ensure that retained organisation staff undertake Contractor training where agreed and set out in the relevant Customer Transformation Plan, MoJ Steady State Plan or Migration Plan and will provide adequate classroom training facilities where it has specified classroom delivery for training of those staff. |
| 10. | The Customer shall retain responsibility for the Merge project (decommissioning of the Aramis system and onboarding of data to the Phoenix system) . The Parties shall if required discuss a transfer to the Contractor following REDACT . |
| 11. | The Customer shall continue to provide existing data sources to the Contractor staff for the purposes of delivering the Day 1 Services. |

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| 12. | The Customer has responsibility to ensure that all MoJ non-SSCL users will connect to the SOP via the Public Services Network (PSN). |
| 13. | The Customer confirms that the current telephony system is sufficient to deliver the Services in line with the Service Levels prior to the Service Start Date. |
| 14. | The Customer confirms that there is no requirement for access to Procserv Zanzibar for legacy services. |
| 15. | The Customer shall provide appropriate executive sponsorship of the change programme. |
| 16. | The Customer shall provide the necessary authority for the Contractor to access the Customer systems in order to deliver the Services. |
| 17. | The Customer shall inform the Contractor in a timely manner of developments or alterations to the business, policies processes or IT environment that could have an impact on the delivery of the Services. Notwithstanding the foregoing, the Customer shall adhere to the Change Control Procedure. |
| 18. | REDACT. |
| 19. | The Customer shall provide contact points for secure transmission of documentation, for all project management communications and for all commercial communications. |
| 20. | The Customer will retain decision making on all Vetting Services approvals. |
| 21. | The Customer shall provide a letter of authority to the utilities suppliers to REDACT to support the Contractor to have direct contracts. |
| 22. | The Customer will provide details of how the Customer governance function will work with the Contractor and provide contact names and details. |
| 23. | The Customer will work with the Contractor to define any changes to processes and authorisation rules required as a direct result of the transfer of service during the MoJ Steady State Period. |
| 24. | The Customer shall agree a plan with the Contractor to manage the segregation of staff not within scope of TUPE into a separate area, where areas are shared with in-scope staff. |

Appendix 5 (Required Insurances)

REDACT.

Appendix 6 (Local Mandates)

REDACT

Appendix 7 (PCSPS Admission Agreement)

Date:

(1) THE MINISTER FOR THE CABINET OFFICE

(2) SHARED SERVICES CONNECTED LIMITED

(3) MINISTRY OF JUSTICE

ADMISSION AGREEMENT
relating to participation in certain parts of the
Civil Service Pension Arrangements

Version 1.2 (updated April 2014)

THIS ADMISSION AGREEMENT is made on

2014

BETWEEN:

- (1) **THE MINISTER FOR THE CABINET OFFICE** of 70 Whitehall, London, SW1A 2AS (the "**Minister**");
- (2) **SHARED SERVICES CONNECTED LTD** of Three Cherry Trees Lane, Hemel Hempstead, Herts, HP2 7AH] (the "**Admitted Body**"); and
- (3) **MINISTRY OF JUSTICE** of 102 PETTY FRANCE, LONDON, SW1H 9AJ (the "**Contracting Authority**")

together defined as the "Parties".

Recitals

(A) The Minister for the Civil Service has legislative responsibility for the delivery of Civil Service pension arrangements including the Schemes, day to day responsibility for the management of which has been delegated to the Minister for the Cabinet Office and to the Civil Service Pensions Board.

(B) The Civil Service Pensions Board is responsible for overseeing the operation of the contract between the Cabinet Office and MyCSP Ltd pursuant to which MyCSP Ltd agreed to provide administration services to admitted employers to the Schemes.

(C) The HMT Guidance entitled "A Fair Deal for staff pensions" policies (dated 1999 & 2004) provided that staff compulsorily transferring out of public sector pension schemes should be offered membership in a scheme that provided broadly comparable pension benefits and allowed members to transfer their existing pension into the broadly comparable pension scheme on favourable terms.

(D) The revised Fair Deal guidance as set out in the HM Treasury paper "Fair Deal for Staff Pensions: Staff Transfers from Central Government (October 2013)" provides that staff who are compulsorily transferred from the public sector should be allowed to retain access to their current employer's pension arrangements.

(E) The Public Service Pensions Act 2013 enables extended access to Civil Service pensions, including extended access to the PCSPS, with the effect that eligible employees who are subject to a compulsory transfer can remain in the Schemes, in accordance with the provisions of the Acts, when they transfer.

(F) A condition of allowing access to the Schemes for the Eligible Employees is that the transferee agrees to and enters into set terms and conditions which mirror those in this Agreement and are in accordance with the provisions of the Schemes.

The Minister in consideration of the Admitted Body and the Contracting Authority agreeing to the obligations set out in this Agreement agrees to admit the Admitted Body to the Schemes.

Accordingly, the Parties **AGREE** as follows:

1. INTERPRETATION

1.1 In this Agreement the following definitions will apply:

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| “1972 Act” | means The Superannuation Act 1972; |
| “Acts” | means The Superannuation Act 1972, The Public Service Pensions Act 2013 and such regulations and statutory rules as may be created under such Acts or by the Minister; |
| “Additional Eligible Service” | means a service provided by the Admitted Body on behalf of a Government Department, Government Agency or any other public body sanctioned by the Scheme Manager and where such service has been certified as constituting Additional Eligible Service by the Scheme Manager; |
| “Admitted Person” | means any person who has been admitted to and remains in active membership of any of the Schemes; |
| “ASLC” | means the accruing superannuation liability charge as defined in Schedule 3; |
| “Contract” | means a contract, the Business Transfer Agreement, entered into between the Contracting Authority and the Admitted Body on ; |
| “Effective Date” | means the date from which the employment of each Eligible Employee is transferred to the Admitted Body in accordance with the provisions of Section 9 & Schedule 5 of the Contract; |
| “Eligible Employee” | means those employees referred to in Clause 3.1; |
| “EPG” | means the Employers' Pension Guide available online at www.civilservice.gov.uk/pensions/guidance-for-employers/employers-pension-guide ; |
| “EPN” | means Employer Pension Notices available online at www.civilservice.gov.uk/pensions/guidance-for-employers/employers-pension-notice ; |
| “Internal Dispute Resolution Procedures” or “IDRP” | the statutory complaint procedure of the same name which gives the Admitted Body and/or Admitted Persons and or Eligible Employees the right to formalise complaints about the administration of any of the Schemes, their membership and/or their retirement benefits; |
| “New Scheme” | means the new public service pension scheme for Civil Servants established under the Public Service Pensions Act 2013 and planned to be introduced in 2015; |
| “PCSPS” | means the Principal Civil Service Pension Scheme established under the 1972 Act; |
| “Pension Schemes” | means the New Scheme and /or the PCSPS whichever is relevant in the context; |
| “the Pension Schemes Executive (TPSE)” | means the division of the Cabinet Office that provides support to the Scheme Manager; |

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| “Rules” | means the rules for any of the Schemes listed in Schedule 2; |
| “Schemes” | means those schemes listed in Schedule 2 and where necessary will mean the particular scheme or section of a scheme to which the Admitted Person is a member or an Eligible Employee is eligible to join; |
| “Scheme Actuary” | means the actuary appointed by the Minister from time to time to provide a consulting service on a range of actuarial matters relevant to Civil Service pension and compensation arrangements; |
| “Scheme Administrator” | means MyCSP Ltd or such other replacement administrator as may be appointed by the Scheme Manager from time to time in respect of either or both Pension Schemes; |
| “Scheme Manager” | means the Civil Service Pensions Board of the Pension Scheme acting through the Pension Schemes Executive; |
| “Scheme Year” | means the 12 months set by the Pension Schemes currently 1 April to 31 March; and |
| “Services” | means the services to be provided by the Admitted Body to the Contracting Authority under the Call-Off Agreement entered into by the Admitted Body and the Contracting Authority pursuant to the ISSC2 Framework Agreement between Cabinet Office and the Admitted Body. |

- 1.2 Where any of the definitions above differ from those in the Rules the definition in the Rules will prevail.
- 1.3 Where the context so admits, words relating to men also relate to women and vice versa, and **words importing the singular include the plural and vice versa.**
- 1.4 References to any statutory provision, statutory instrument, order, regulation or statutory rule include any pre-enactment, amendments, modification, re-enactment or extension of that provision for the time being in force and any statutory instruments, orders, regulations or statutory rule from time to time made under that provision.
- 1.5 The expression "person" includes any firm, organisation or body of persons (whether or not incorporated).
- 1.6 The headings and the references in square brackets to the headings do not affect their interpretation.
- 1.7 This Agreement benefits and binds the Minister and the Contracting Authority and any of their successors.
2. PARTICIPATION
- 2.1 The Minister has responsibility for the Schemes under the Acts.
- 2.2 The Contract provides for, amongst other things, the transfer of employees to the Admitted Body and the provision of the Services to the Contracting Authority by the Admitted Body.

2.3 The Admitted Body will, from each Effective Date, employ persons who immediately before the Effective Date were members, or were entitled to be members of the Schemes by virtue of:

- 2.3.1 being employees of the Civil Service, or
- 2.3.2 being in service in an office or of an employer listed in Schedule 1 of the 1972 Act, or
- 2.3.3 being in service in an office or of an employer specified in the list produced for the purposes of section 1(4A) of the 1972 Act; or
- 2.3.4 being persons to whom the New Scheme relates by virtue of a determination made by the Minister under section 25(5) of the Public Service Pensions Act 2013.

3. ELIGIBILITY FOR MEMBERSHIP

3.1 Any employee of the Admitted Body who:

- 3.1.1 is a person to whom Clause 2.3 applies, and
- 3.1.2 is employed in connection with the provision of the Services or any Additional Eligible Service, and
- 3.1.3 has spent and continues to spend in excess of 50% of his contracted time, (to be calculated annually over the Scheme Year), to include time spent carrying out functions associated with the Services (such as relevant training) in connection with either:
 - i. the provision of the Services under the Contract; or
 - ii. the provision of the Services under the Contract and any other Additional Eligible Service; or
 - iii. any Additional Eligible Service

is eligible to be a member of the Schemes, subject to Clause 3.2 below (the **"Eligible Employees"**).

3.2 An Eligible Employee shall cease to be eligible for membership (and in the case of an active member shall cease to accrue benefits) in any of the Schemes upon:

- 3.2.1 ceasing to fulfil any of the criteria listed under Clause 3.1 above; or
- 3.2.2 voluntarily giving up the right to be eligible for membership of the Schemes in return for some other advantage (but without prejudice to any duty the Admitted Body may have to enrol or re-enrol the Eligible Employee in any automatic enrolment scheme for the purposes of the Pensions Act 2008 in a pension scheme other than the Pension Schemes); or
- 3.2.3 voluntarily electing to become an active member of any other workplace pension scheme provided by the Admitted Body in respect of the same employment;

for the avoidance of doubt an Eligible Employee who has opted out of the Pension Schemes, without fulfilling any of the criteria listed in 3.2 above, is still eligible for participation in the Schemes in accordance with their terms.

4. ADMISSION OF MEMBERS/CESSATION OF MEMBERSHIP TO THE PENSION SCHEMES

4.1 An employee who remains an Eligible Employee shall become an Admitted Person from such date (or dates) as may be agreed between the Admitted Body, the Contracting Authority and the Minister, and in the absence of any other agreement

(i) An Eligible Employee who immediately before the Effective Date was an Admitted Person shall continue to be an Admitted Person immediately after the Effective Date without having to make an election, or

(ii) where such an Eligible Employee was not a member of the Pension Schemes before the Effective Date he shall be admitted as a member into either the PCSPS or the New Scheme (as appropriate)

in either case in accordance with the terms of the Pension Schemes and the Acts. .

4.2 Admitted Persons may choose to 'opt out' of the Pension Schemes without relinquishing their eligibility to join the Schemes. The Admitted Body hereby undertakes to the Minister and the Contracting Authority that each Eligible Employee not being an Admitted Person will be automatically enrolled into either the PCSPS or the New Scheme as appropriate and in accordance with the terms of the Pension Schemes and in compliance with the requirements of legislation in each subsequent automatic enrolment period for so long as the employee remains an Eligible Employee.

4.3 The Admitted Body undertakes to promptly (and in any event within 28 days) give notice in writing to the Scheme Manager and the Scheme Administrator of any Admitted Person who (1) ceases to be an Eligible Employee by virtue of Clause 3.2 or (2) chooses to opt out of the Pension Schemes.

4.4 The Admitted Body hereby agrees and acknowledges that save for the Eligible Employees, none of its employees shall be eligible to seek or retain admission under this Agreement as an Admitted Person to the Schemes. The Admitted Body agrees to indemnify the Minister and the Contracting Authority for all and any losses arising in the event that any person who is not an Eligible Employee becomes, retains or claims membership of any of the Schemes.

4.5 The Admitted Body must promptly (and in any event within 28 days) give notice in writing to the Minister and the Contracting Authority of any matter which may affect or is likely to affect its participation in the Schemes or obligations under this Admission Agreement, and must give immediate notice in writing to the Minister and the Contracting Authority of any actual or proposed change in its status which may give rise to a termination in its participation in the Schemes including (but not limited to) take-over, reconstruction or amalgamation, liquidation or receivership or a change in the nature of its business or constitution.

4.6 The Parties acknowledge that following the introduction of the New Scheme, the Admitted Body may employ Eligible Employees who are either eligible to become or remain Admitted Persons in the PCSPS and or to become Admitted Persons in the New Scheme.

5. GENERAL OBLIGATIONS OF THE ADMITTED BODY

5.1 The Admitted Body shall remain admitted to the Schemes for the term of the Contract (including any extension or retender where the Admitted Body

continues to provide the Services or part thereof) unless and until this Agreement is terminated in accordance with its terms.

5.2 The Admitted Body undertakes to :

- 5.2.1 Adhere to and comply with all the obligations of an employer under the Acts, the Rules, the EPG and the EPNs in respect of Admitted Persons and Eligible Employees;
- 5.2.2 Ensure its staff are fully aware of the Admitted Body's obligations and have received sufficient training to ensure compliance with such obligations;
- 5.2.3 From the Effective Date adopt the practices and procedures relating to the operation of the Schemes set out in the Rules, the EPG and the EPNs;
- 5.2.4 Comply with interfacing protocols maintained and issued by or on behalf of the Minister from time to time, including without limitation those ensuring that the Admitted Body's systems are compatible with and capable of interfacing with the Scheme Administrator's administration systems so that information and data can be transferred and accuracy checks performed on behalf of the Minister as and when required, and ensure that it takes prompt remedial action to correct any errors for which it is responsible;
- 5.2.5 Ensure that its staff work in partnership with and provide reasonable assistance in a timely manner to the Contracting Authority, the Minister and to whomsoever the Minister may delegate his functions, so as to ensure the Admitted Body's compliance with its responsibilities and obligations under this Agreement and facilitate each of the Admitted Person's participation in the Schemes;
- 5.2.6 Provide all such relevant information, data and/or documentation as may be required from time to time to fulfil its obligations as an Admitted Body, and/or allow the other Parties to fulfil their obligations under this Agreement, such information to be provided to the Scheme Actuary, Scheme Administrator, the Pension Schemes Executive, the Scheme Manager, Eligible Employees, Admitted Persons, the Minister, the Contracting Authority and, as the case may be, any such other body as the Minister and/or the Contracting Authority may reasonably direct by such date as may be specified, to facilitate compliance with the obligations entered into hereunder;
- 5.2.7 Comply with its data protection obligations;
- 5.2.8 Promptly (and in any event within 28 days) give notice in writing to the Scheme Administrator, or any other such person or body as the Minister and the Contracting Authority may direct, of any change in an Admitted Person's:
 - (a) terms and conditions of employment, including but not limited to, any permanent change to contractual time spent on the Services,
 - (b) working pattern, including but not limited to a change in working hours, working pattern to or from term time working, or

- (c) attendance including but not limited to, any termination of employment or any long term sick leave or other absences

which affects that Admitted Person's status as an Eligible Employee;

- 5.2.9 Notify and consult with any Eligible Employee and their trade union/employee representatives (where such representatives exist) in advance, in good time and before making any changes to terms and conditions of employment, whether voluntary or compulsory, which may have the effect of ending their status as an Eligible Employee. The Admitted Body shall provide written confirmation to the Scheme Manager (as above) in the form set out in Schedule 4 that such notification and consultation has taken place and shall indemnify the Minister and the Contracting Authority in respect of any losses arising from any failure of the Admitted Body to notify and consult;
- 5.2.10 Review and update its lists of Eligible Employees and Admitted Persons regularly in accordance with the Acts. Such lists to be (i) reviewed within 3 months of the Effective Date, (ii) produced annually at the end of each complete Scheme Year, (iii) provided to the Scheme Administrator and the Contracting Authority within 30 calendar days of the end of the Scheme Year, and (iv) produced as and when required by the Contracting Authority to fulfil its obligations under clause 9.4; and
- 5.2.11 Use its reasonable endeavours to resolve grievances and disputes relating to participation in the Schemes directly with Eligible Employees, Admitted Persons and the other Parties and to comply with the dispute resolution procedures at clause 12.

5.3 The Admitted Body undertakes to the Minister that it shall not do anything to prejudice its participation in the Schemes.

5.4 The Admitted Body will indemnify the Contracting Authority and the Minister, on his own behalf and on behalf of the Schemes, for any losses incurred by those Parties arising from a breach by the Admitted Body of any term of this Agreement.

6. GENERAL OBLIGATIONS OF THE MINISTER

The Minister, to the extent he is able, will ensure that the Contracting Authority is notified as soon as reasonably practicable should the Minister become aware that the Admitted Body has failed to comply with any of the requirements of participation in the Schemes including, without limitation, the failure to pay any sum due under Clause 7 below.

7. COSTS TO BE MET BY THE ADMITTED BODY AND ADDITIONAL LIABILITIES

7.1 The Admitted Body shall pay to the Schemes all such contributions as may be required of an employer under the Acts, Rules, EPG or the EPNs which shall include:

- 7.1.1 the annual administration charges¹ covering core services provided by the Scheme Administrator;
- 7.1.2 other administrative charges as follows: (i) the cost of services commissioned from the scheme medical adviser, (as defined in the

¹ Currently intended to be no more than £24 per member per year to be billed annually

Pensions Schemes Rules) and Scheme Actuary, and (ii) the cost of other non-core services requested by the Admitted Body and / or any provided by the Scheme Administrator to facilitate the Admitted Body's participation in the Schemes (including one-off charges associated with the Admitted Body);

- 7.1.3 any other sum arising in accordance with the Acts in respect of additional expenses flowing from the Admitted Body's breach of the provisions of the Schemes or of this Agreement;
- 7.1.4 all employee contributions deducted by the Admitted Body to include all and any additional enhanced and /or voluntary contributions (for the avoidance of doubt and in accordance with the Rules, such employee contributions not to include any contributions by way of salary sacrifice) to be paid directly to the relevant provider in respect of all of the Schemes;
- 7.1.5 the employer contributions (to be paid directly to the relevant provider) for the Partnership Pension Account;
- 7.1.6 such additional contributions as the Minister, the Scheme Manager or the Scheme Administrator may determine to compensate the Schemes for the Admitted Body's breach of the terms of its participation in the Schemes where that breach has resulted in an increase in the Schemes' costs or liabilities;
- 7.1.7 the accruing superannuation liability charge ("ASLC") as set down in Schedule 3, as may be amended from time to time on notice;
- 7.1.8 the flat rate charge applicable to the Partnership Pension Account Ill Health Benefits Scheme and Partnership Pension Account Death Benefits Schemes from time to time²; and
- 7.1.9 any one off or ongoing payments due in respect of exceptional increase in pensionable earnings or qualifying service,

at a rate (or rates) and in manner set out in the EPG and EPNs from time to time.

- 7.2 In respect of the early retirement without actuarial reduction (other than on the grounds of ill health) of any Admitted Person, the Admitted Body must:

- 7.2.1 at least three months before the early retirement is to take effect give the Minister notice in writing of such early retirement copied to the Scheme Administrator; and
- 7.2.2 not later than the date on which the early retirement shall take effect, pay to the Minister when requested to do so, such amount or amounts as the Scheme Actuary or the Minister shall determine covering any additional liabilities caused by the early retirement.

- 7.3 Without prejudice to the obligation to pay contributions under this Clause 7, if the cumulative increase in final pensionable earnings to an Admitted Person(s) of the Admitted Person's active membership of the Schemes is greater than the amount set out in the Schemes, ³the Minister may require the

² Currently being 0.8% of pensionable pay

³ Currently the higher of (i) 10% over and above salary growth in the public sector over the same period and (ii) £5,000 as indexed.

Admitted Body to pay such additional employer pension contributions as the Scheme Actuary shall determine in accordance with the Rules.

- 7.4 The Admitted Body shall not grant an additional period of membership or additional pension in respect of any Admitted Person which would result in an increase in the Schemes' liabilities, save to the extent that the appropriate sum as notified to the Admitted Body by the Scheme Actuary is paid by the Admitted Body to the Minister. For the avoidance of doubt this will not preclude Admitted Persons purchasing additional years or pension from the Schemes in accordance with the terms of the Schemes.
- 7.5 Any agreement between the Admitted Body and any of the Schemes that results in the settlement of any one off payment being spread over a period of time or merged into the regular monthly employer contribution rate shall not deem that element to be part of the regular employer contribution rate. The Admitted Body undertakes to pay such amount as and when due.
- 7.6 The Admitted Body undertakes to pay any amount due under any determination made in accordance with clause 12 below (Resolution of Disputes), (or where any such determination is appealed or referred to any person or body having jurisdiction to make a further determination on the same question, under the final decision of that appeal or further determination).

8. COST ADJUSTMENTS/CAP

- 8.1 The Admitted Body agrees and acknowledges that the employer contributions referred to in Clause 7 may be revised following a valuation of the Schemes. The Admitted Body agrees to meet any increases in employer contributions notified to it by the Scheme Manager subject only to Clause 8.2. below.
- 8.2 The ASLC for the Admitted Body shall be set at the same rates as the ASLC for all public sector employers who participate in the Schemes.

9. CONTRACTING AUTHORITY INDEMNITY AND OBLIGATIONS

- 9.1 In the event that the Admitted Body fails to comply with its obligations under this Agreement (including, without limitation, its obligations to make, and account to the Schemes for all employer and employee contributions and make any of the payments to the schemes in accordance with clause 7), the Contracting Authority agrees to pay on demand such sums as determined by the Minister to compensate the Schemes for the Admitted Body's breach of the terms of its participation in the Schemes where that breach has resulted in an increase in the Schemes' costs or liabilities.
- 9.2 Where the Contracting Authority receives a demand for payment from the Minister in accordance with clause 9.1 above, it shall arrange for the payment of such sums to be made immediately to the Schemes or within such other time period as the Scheme Manager shall in its absolute discretion notify to the Contracting Authority.
- 9.3 The Contracting Authority shall complete Schedule 1 below to the best of its abilities and provide a copy of the same to the Scheme Manager, Scheme Administrator and the Admitted Body contemporaneously with the Effective Date.
- 9.4 In preparation for subsequent transfers, the Contracting Authority will procure and keep up to date lists of Eligible Employees and Admitted Persons from the Admitted Body.

- 9.5 The Contracting Authority will use its best endeavours to ensure that Eligible Employees have the continued right to participate in the Schemes on any subsequent transfer.

10. SET OFF

The Contracting Authority may, at its discretion, set off against any payments due to the Admitted Body under the Contract an amount equal to any overdue employer and employee contributions and/or other payments due from the Admitted Body to the Schemes under this Agreement and/or the Acts.

11. RECORDS AND ADMINISTRATION

- 11.1 The Admitted Body shall maintain accurate and up to date records (including payroll records) and accounts in accordance with all guidance issued by the Scheme Manager from time to time, including in the EPG/EPN.
- 11.2 The Minister, Scheme Manager, its auditors and its authorised representatives shall be given reasonable opportunity during normal business hours to examine, inspect and take copies of the records or accounts referred to in Clause 11.1 above (the “**Audit**”)
- 11.3 The Admitted Body shall provide the Scheme Manager, its auditors and its authorised representatives with all reasonable co-operation and assistance in relation to each Audit, including:
- 11.3.1 all information reasonably requested by the Scheme Manager on a timely basis; and
- 11.3.2 reasonable access to relevant Admitted Body personnel.
- 11.4 The Admitted Body shall transfer all necessary member records to any new employer on such occasions and in such a manner as required by the Schemes notified under the EPG.
- 11.5 If requested to do so by the Minister, the Admitted Body must provide the Minister with a copy of its audited annual accounts in respect of the immediately preceding financial year within 21 days of such request.

12. RESOLUTION OF DISPUTES

- 12.1 Subject to sub-clause 12.2 below, any issue that may arise between the Contracting Authority and the Admitted Body relating to the construction of this Agreement, or to the rights and obligations of either the Contracting Authority and the Admitted Body under it, shall be referred in writing to the Minister.
- 12.2 Nothing in this Agreement shall affect the rights of the Admitted Body and/or the Contracting Authority and/or Eligible Employees and/or Admitted Persons in connection with the IDRP and/or to seek adjudication in any matter from the Pensions Ombudsman.
- 12.3 The Admitted Body and the Contracting Authority agree to fully and promptly co-operate with any investigation, process or determination carried out by the Pensions Ombudsman, and /or the IDRP and/or any other dispute resolution process and/or any determinations made there under.

13. TERMINATION

13.1 The Minister may terminate this Agreement in any or all of the following circumstances:

- 13.1.1 if the Admitted Body breaches any of the obligations contained within this Agreement, the Acts, the Rules the EPG or the EPN's (but where the breach is capable of remedy only where it has not been remedied within a reasonable time and in any event within 28 days of service of a notice giving particulars of the breach and requiring the Admitted Body to remedy it);
- 13.1.2 if the Admitted Body fails to pay any sums due to the Minister under this Agreement or the Acts within 28 days of service of a notice giving particulars of the amount outstanding and requiring the Admitted Body to pay it;
- 13.1.3 in the event of the insolvency, winding up or liquidation of the Admitted Body; or
- 13.1.4 in the event of the Contract expiring (without renewal or without the Services being retendered to the Admitted Body in whole or part) or terminating for any reason.

The Minister will give written notice of termination to all other Parties to this Agreement, setting out the date on which termination becomes effective.

13.2 This Agreement will automatically terminate upon the earlier of the below events:

- 13.2.1 the last Admitted Person ceasing to be an active member of any of the Schemes under this Agreement, provided that no Eligible Employee remains, in which case termination shall only occur when no Eligible Employee remains eligible to participate;
- 13.2.2 termination of the Contract unless the admitted body continues to provide the Service in whole or part where these have been retendered by the Contracting Authority.

13.3 Termination or cessation of this Agreement will automatically end an Admitted Person's participation in the Schemes under this Agreement in respect of future service unless such Admitted Person/ Eligible Employee has transferred to another body and is continuing to provide services which are covered by an Admission Agreement. It will not in any event affect accrued rights, obligations or commitments intended to survive termination or cessation.

13.4 In the event of the Admitted Body ceasing to participate in the Schemes the Admitted Body shall procure that all such records and data in relation to Admitted Persons or former Admitted Persons (as may be necessary for either the effective transfer of those persons, or the administration of the Schemes on their behalf), shall be handed to the Contracting Authority and copied to the Minister within 28 days.

14. SERVICE OF NOTICES

14.1 A notice under this Agreement must be in writing and, unless the receiving party acknowledge receipt, is valid if (and only if) it complies with the following provisions:

OFFICIAL - SENSITIVE

14.1.1 the notice must be given by hand or sent by registered post or recorded delivery; and

14.1.2 the notice must be served:

- (a) where the receiving party is the Admitted Body and a company incorporated within Great Britain, at its registered office, or where the Admitted Body is not a company incorporated within Great Britain, at the Admitted Body's address shown in this Agreement or at any alternative address that is specified in a notice given in writing by that Party to the other Parties; or
- (b) where the receiving party is the Minister or the Contracting Authority, at that Party's address shown in this Agreement or at any alternative address that is specified in a notice given in writing by that party to the other Parties; or
- (c) by e-mail in accordance with sub-clause 14.3 below.

14.2 Unless it is returned through the Royal Mail undelivered, a notice sent by registered post or recorded delivery is to be treated as served on the third day after posting whenever and whether or not it is received.

14.3 For the avoidance of doubt, (i) notice and other written communications sent by way of an email to a recognised e-mail address of the relevant Party together with proof of receipt, and/or (ii) the posting of such notice or communication via a secure web based portal; in each case, shall constitute service of notice. Further, text, SMS, MMS or Skype like applications or any other form of 'chat' messages do not qualify.

15. CIVIL SERVICE COMPENSATION SCHEME & CIVIL SERVICE INJURY BENEFITS SCHEME

This Agreement does not cover benefits provided pursuant to either the Civil Service Compensation Scheme and/ or the Civil Service Injury Benefits Scheme. Nothing in this Agreement shall be taken as representing that any Party shall provide any such benefit or do any such thing so as to provide such benefits.

16. RIGHTS OF THIRD PARTIES

16.1 Subject to sub-clause 16.2 below, a person who is not a Party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.

16.2 An Admitted Person or an Eligible Employee may enforce any rights to membership or continued membership of the Schemes against the Admitted Body.

17. PUBLIC INSPECTION

This Agreement (with the exception of Schedules 1, 3 and 4) shall be available for public inspection at the named offices of the Minister.

18. WAIVER

The rights and remedies under this Agreement may be waived only by notice and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in

ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

19. GOVERNING LAW AND JURISDICTION

Each of the Parties hereby irrevocably agrees that any dispute or claim arising out of or in connection with this Agreement or its subject matter or formation shall be governed by and construed in accordance with English Law. Further each of the Parties hereby irrevocably submits to the exclusive jurisdiction of the English courts in respect of any claim or dispute arising out of or in connection with this Agreement.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement. [No counterpart shall be effective until each Party has executed at least one counterpart.]

SIGNED IN TRIPLICATE by the Parties

SCHEDULE 2

THE SCHEMES

1. **The Principal Civil Service Pension Scheme as set up under the 1972 Act.**
2. **Partnership Pension Account.**
3. **Partnership Pension Account III Health Benefits Scheme.**
4. **Partnership Pension Account Death Benefits Scheme.**
5. **Civil Service Additional Voluntary Contribution Scheme.**
6. **The 2015 New Scheme (with effect from a date to be notified to the Admitted Body by the Minister).**

SCHEDULE 3**EMPLOYER CONTRIBUTIONS**

Below are the current ASLC as at the date this Agreement is entered into. In accordance with sub-clause 7.1.7 above, these contributions may be amended from time to time on notice.

| | Salary Band (£) | ASLC rate from 1 April 2014 |
|--|------------------------|------------------------------------|
| Band 1 | 22,000 and under | 16.7% |
| Band 2 | 22,001 to 44,500 | 18.8% |
| Band 3 | 44,501 to 74,500 | 21.8% |
| Band 4 | 74,501 and over | 24.3% |
| Prison Officers with reserved rights (pre-Fresh Start) | | 25.8% |

SCHEDULE 4

**ADMITTED BODY/ EMPLOYER CONFIRMATION TO SCHEME
MANAGER**

In accordance with sub-clause 5.2.9 above: this is confirmation that we the Admitted Body have consulted with Eligible Employees [and their Trade Union/ employee representatives: DN delete as appropriate], in good time and in advance of the following changes to terms and conditions of employment which has the effect of ending their status as an Eligible Employees:

[Insert Employee's name(s)]

[Details of their Trade Union/ employee representatives , where appropriate]

[Date consultation took place]

[Subject matter of consultation: note the requirement to consult covers any matter which has the effect of ending an Eligible Employee's status as eligible to participate in the schemes. This includes, without limitation, moving away from the Services whether at the employee's request or the request of the Admitted body and can include promotions and lateral moves].

Signed by the Admitted Body

Dated

Signed)
For and on behalf of the)
MINISTER FOR THE CABINET OFFICE)
Name:)
)

Position:

Signed)
by)
On behalf of Shared Services Connected Limited)
the **ADMITTED BODY**)
Name:)
Position:)

Signed)
For and on behalf of the)
SECRETARY OF STATE FOR JUSTICE)
Name:)
Position:)

ISSC2 Standard Terms
Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing)

Appendix 8 (MoJ Security Aspects Requirements)

REDACT

ISSC2 Standard Terms
Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing)

Appendix 9 (Amendments to Schedule 2)

ISSC2 Standard Terms

Schedule 2

Customer Stabilisation, Customer Transformation, Migration and Testing

2 Introduction

2.1 This Schedule sets out:

- (a) Part 1: the Parties' obligations in respect of the MoJ Steady State Period and MoJ Steady State Plan;
- (b) Part 2: the process for preparation and implementation of the Outline Customer Transformation Plan and the Fully Detailed Customer Transformation Plan;
- (c) Part 3: the process for implementation of the Detailed Migration Plan; and
- (d) Part 4: the process for Testing and issuing Milestone Achievement Certificates.

2.2 All Parts of this Schedule shall apply to the Call-Off Agreement. For the avoidance of doubt, "Stabilisation" as defined in the Call-Off Agreement and the Framework Agreement and the associated obligations of the parties are not applicable to the Call-Off Agreement and any reference to Stabilisation in the Call-Off Agreement shall be disapplied.

2.3 The Contractor shall perform Migration, its obligations in accordance with the MoJ Steady State Plan and Customer Transformation in accordance with a project methodology which is consistent with PRINCE2 and ISO9001 and the Transformation PID.

Part 1 MoJ Steady State Period

3 MoJ Steady State Plan

3.1 The Parties shall comply with their obligations set out in the MoJ Steady State Plan throughout the MoJ Steady State Period. The MoJ Steady State Plan is attached to the Call-Off Agreement in Appendix 3 (Plans) Part B (MoJ Steady State Plan).

3.2 The Contractor shall manage and the Contractor and the Customer shall monitor performance against the MoJ Steady State Plan.

3.3 The MoJ Steady State Plan shall be a Contract Controlled Document. Any change to the MoJ Steady State Plan shall be made in accordance with the change control procedure set out in the MoJ Steady State Plan save that no change may be made to the MoJ Steady State Plan which imposes an obligation on the Customer without the Customer's prior written consent.

3.4 The documents that comprise the MoJ Steady State Plan shall be in an electronic format agreed with the Customer and shall include:

- (a) each of the Milestones relating to the MoJ Steady State Period;
- (b) the Milestone Dates for each of the Milestone;
- (c) the Milestone Achievement Criteria for each proposed Milestone;
- (d) the tasks required to Achieve each Milestone;
- (e) the payment to be made (if any) upon Achievement of each Milestone;
- (f) in respect of each task, whether the Contractor, the Customer or a Service Recipient is responsible for performing (or, procuring the performance of) the task; and
- (g) the proposed start and end date for each task.

2A MoJ Steady State Service Protection

- 2A.1 The Contractor shall not before or during the MoJ Steady State Period make any adjustment to any process, method of delivery, standard or output whatsoever relating to any of the Services that impact upon the Customer set out in the MoJ Catalogue unless it has obtained the prior written consent of the Customer (which the Customer may withhold in its absolute discretion).

Part 2 Customer Transformation

4 Outline Transformation Plan

- 4.1 The Parties shall comply with their obligations set out in the Outline Customer Transformation Plan.
- 4.2 The Parties shall comply with their obligations set out in the Outline Customer Transformation Plan.
- 4.3 The Contractor shall manage and the Contractor and the Customer shall monitor performance against the Outline Customer Transformation Plan.
- 4.4 The Outline Customer Transformation Plan is a Contract Controlled Document. Subject to Paragraph 6, any change to the Outline Customer Transformation Plan shall be made in accordance with the change control procedure set out in the Outline Customer Transformation Plan or the procedure set out in paragraph 8 of Schedule 7.2 of the Framework Agreement.
- 4.5 Notwithstanding Paragraph 4.4, the Parties shall not make any change to the Outline Customer Transformation Plan where this change would impact any Multi-Customer Milestone in the Transformation Plan.
- 4.6 Where the Framework Authority and the Contractor agree a change to any Multi-Customer Milestone set out in the Transformation Plan and that change affects a Milestone set out in the Customer Transformation Plan, the Parties agree to change such Milestone in order to align it with the revised Multi-Customer Milestone in the Transformation Plan.
- 4.7 The Customer shall support the Contractor during the elaboration and/or design phase in the provision of detailed business requirements where the activity and/or function impacted is retained by the Customer.

5 Fully Detailed Customer Transformation Plan

- 5.1 The Contractor shall submit a draft Fully Detailed Customer Transformation Plan to the Customer within thirty (30) Working Days of the Service Start Date and shall submit updated drafts of the Fully Detailed Customer Transformation Plan every thirty (30) Working Days thereafter (or in a timescale agreed with the Customer). Each iteration of the draft Fully Detailed Customer Transformation Plan shall:
- (a) contain sufficient detail to enable the Customer to determine what the Contractor proposes to require of it over the following thirty (30) Working Days; and
 - (b) specify in outline, what the Contractor proposes to require of the Customer over the following sixty (60) Working Days, acknowledging that this is subject to change with each iteration of the draft Fully Detailed Customer Transformation Plan.

The Parties agree that one of the aims of developing the Fully Detailed Customer Transformation Plan is to enhance and develop the user acceptance testing criteria that will feed into the Test Strategy.

- 5.2 Each iteration of the documents that make up the Fully Detailed Customer Transformation Plan shall be provided in an electronic format agreed with the Customer and shall include the information required by Paragraph 5.3 to the level of detail as agreed between the Parties.
- 5.3 Each iteration of the draft Fully Detailed Customer Transformation Plan shall be provided in an electronic format agreed with the Customer and shall include:
- (a) each of the Milestones set out in the Outline Customer Transformation Plan;
 - (b) the Milestone Dates for each of the Milestones;
 - (c) the Milestone Achievement Criteria for each proposed Milestone;
 - (d) the tasks required to Achieve each Milestone;

- (e) the payment to be made (if any) upon Achievement of each Milestone;
 - (f) in respect of each task, whether the Contractor, the Customer or a Service Recipient is responsible for performing (or, procuring the performance of) the task; and
 - (g) the proposed start and end date for each task.
- 5.4 The Contractor shall report on the development of the draft Fully Detailed Customer Transformation Plan at each meeting of the Contract and Operations Board and shall provide a copy of its work in progress to the Contract and Operations Board on request.
- 5.5 Following receipt of the draft Fully Detailed Customer Transformation Plan (as applicable) from the Contractor, the Customer shall:
 - (a) review and comment on the draft Fully Detailed Customer Transformation Plan as soon as reasonably practicable; and
 - (b) notify the Contractor in writing that it approves or rejects the draft Fully Detailed Customer Transformation Plan (as applicable) no later than ten (10) Working Days after the date on which the draft Fully Detailed Customer Transformation is first delivered to the Customer.
- 5.6 If the Customer rejects the draft Fully Detailed Customer Transformation Plan:
 - (a) the Customer shall inform the Contractor in writing of its reasons for its rejection; and
 - (b) the Contractor shall then revise the draft Fully Detailed Customer Transformation Plan (taking reasonable account of the Customer's comments) and shall re-submit a revised draft Fully Detailed Customer Transformation to the Customer for the Customer's approval within ten (10) Working Days of the date of the Customer's notice of rejection. The provisions of Paragraph 5.5 and this Paragraph 5.6 shall apply again to any resubmitted draft Fully Detailed Customer Transformation, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.
- 5.7 If the Customer approves:
 - (a) the draft Fully Detailed Customer Transformation Plan it shall replace the Outline Customer Transformation Plan from the date of the Customer's notice of approval.
- 5.8 Unless and until:
 - (a) a Fully Detailed Customer Transformation Plan is agreed in accordance with this Paragraph 4, the Outline Customer Transformation Plan shall prevail.
- 6 Updates to the Outline or Fully Detailed Customer Transformation Plans**
- 6.1 Save as agreed in accordance with the Change Control Procedure, no amendments to either the Outline Customer Transformation Plan or the Fully Detailed Customer Transformation Plan shall:
 - (a) change the Milestones or their associated Milestone Dates;
 - (b) vary any of the Milestone Achievement Criteria for the Milestones; or
 - (c) create any new, or vary any, obligations of the Customer set out in this Call-Off Agreement (including any Customer Responsibilities).
- 6.2 Subject to Paragraph 6.1:
 - (a) both Parties acknowledge that:
 - (i) the Fully Detailed Customer Transformation Plan will evolve prior to and during Customer Transformation;
 - (ii) new tasks will be added into the Fully Detailed Customer Transformation Plan prior to and during Customer Transformation;
 - (iii) the tasks and their start and end dates in the Fully Detailed Customer Transformation Plan may change

- (b) the Contractor shall maintain and update the Fully Detailed Customer Transformation Plan as necessary to reflect the current state of Customer Transformation;
- (c) the Contractor shall provide the Contract and Operations Board with weekly reports on its progress against the Fully Detailed Customer Transformation Plan; and
- (d) the Contractor shall provide the Contract and Operations Board with a copy of the latest version of monthly reports on its progress against the Customer Transformation Plan.

7 Resource

- 7.1 The Customer and/or Service Recipients have appointed a Project Manager for the Customer Transformation.
- 7.2 The Customer's or Service Recipient's Project Manager will:
 - (a) act as the first point of contact for the Contractor in relation to the Customer Transformation; and
 - (b) handle requests for access to individuals or organisations necessary to complete the Customer Transformation.

Part 3 Migration

8 Migration Plan

- 8.1 The Detailed Migration Plan is set out in the Call-Off Order Form.
- 8.2 The Contractor shall monitor its performance against the Detailed Migration Plan.
- 8.3 All changes to the Migration Plan shall be made in accordance with the Change Control Procedure.
- 8.4 Notwithstanding Paragraph 8.3, the Parties shall not make any change to the Migration Plan where this change would affect any Multi-Customer Milestone in the Transformation Plan or the Stabilisation Plan.
- 8.5 Where the Framework Authority and the Contractor agree a change to any Multi-Customer Milestone set out in the Transformation Plan or the Stabilisation Plan and that change affects a Milestone set out in the Migration Plan, the Parties agree to change such Milestone in order to align it with the revised Multi-Customer Milestone in the Transformation Plan or the Stabilisation Plan.

9 Detailed Migration Plan

- 9.1 The Detailed Migration Plan shall be in an electronic format agreed with the Customer and shall include:
 - (a) each of the Milestones relating to Migration;
 - (b) the Milestone Dates for each of the Milestones;
 - (c) the Milestone Achievement Criteria for each proposed Milestone;
 - (d) the tasks required to Achieve each Milestone;
 - (e) the payment to be made (if any) upon Achievement of each Milestone;
 - (f) in respect of each task, whether the Contractor, the Customer or a Service Recipient is responsible for performing (or, procuring the performance of) the task; and
 - (g) the proposed start and end date for each task.

10 Updates to and Maintenance of the Detailed Migration Plan

- 10.1 Save as agreed in accordance with the Change Control Procedure, no amendment to the Detailed Migration Plan shall:
 - (a) change the Milestones or their associated Milestone Dates;
 - (b) vary any of the Milestone Achievement Criteria for the Milestones; or
 - (c) create any new, or vary any, obligations of the Customer set out in this Call-Off Agreement (including any Customer Responsibilities).

10.2 Subject to Paragraph 10.1, the Contractor shall:

- (a) maintain and update the Detailed Migration Plan as necessary to reflect the current state of Migration;
- (b) provide the Migration Board with weekly reports on its progress against the Detailed Migration Plan; and
- (c) provide the Migration Board with a copy of the latest version of monthly reports on its progress against the Detailed Migration Plan.

11 Resource

11.1 The Customer and/or Service Recipients have appointed a Project Manager for the Migration.

11.2 The Customer's or Service Recipient's Project Manager will:

- (a) act as the first point of contact for the Contractor in relation to the relevant Migration; and
- (b) handle requests for access to individuals or organisations necessary to complete that Migration.

Part 4 Testing

12 Testing Overview

12.1 The Contractor shall be responsible for and manage all Testing required in respect of Customer Transformation or Migration (other than the Customer's interface testing and the Customer's internal systems testing) and any change to this Call-Off Agreement in accordance with the relevant Test Strategy (if applicable) and Test Plan.

12.2 In relation to the Testing required by this Schedule the Contractor shall:

- (a) conduct the Test planning and execution in accordance with the Contractor's standard test management processes and Good Industry Practice and the Customer shall participate in the execution of such tests as require Customer resources;
- (b) be responsible for the provision, management and maintenance of the test environments in accordance with the requirements of this Schedule;
- (c) be responsible for test data provision, which includes definition, creation and maintenance of test data;
- (d) provide the Customer with Test Plans, Test Scripts and Test Reports as Deliverables by the dates set out in the relevant Test Strategy (or as otherwise agreed between the Parties);
- (e) where possible utilise automated tests for Testing;
- (f) record manage and resolve defects identified during Testing;
- (g) conduct Test review sessions and defect progress sessions and notify the Customer a reasonable period in advance of these sessions and allow the Customer to attend such sessions at its discretion; and
- (h) report on the status of test planning, execution of the tests and defect progress to the Customer through weekly reports as set out in the relevant Test Strategy (or as otherwise agreed between the Parties).

12.3 Where agreed between the Customer and the Contractor, the Customer shall be responsible for the testing of interfaces between the Contractor's Solution and the Customer's internal systems and shall follow the testing practices and procedures as set out in the Test Strategy.

12.4 Any disputes between the Customer and the Contractor regarding this Testing shall be referred to the Dispute Resolution Procedure.

12.5 Subject to Clauses 42 (Delays due to Contractor Default) and 43 (Relief Events), the Contractor and the Customer shall each bear their own costs in respect of all Testing.

13 Test Phases

13.1 The Contractor shall complete the following Test Phases in respect of Customer Transformation and Migration:

- (a) Unit Testing – the test of each individual component performed by the developer on the development environment before it is promoted to the production environment.
- (b) Factory Acceptance Testing (FAT) – a series of sessions with key users to test the functionality of the applicable portions of the system, introduce the application to the organisation and reduce issues during user acceptance testing.
- (c) System Integration Testing (SIT) – once all components (including data feeds) are built, have passed FAT and have been promoted to the SIT environment, all functionality will be retested with the relevant data, security and workflow in place.
- (d) Performance Testing – after SIT has been successfully completed, the system will be stress-tested by simulating normal, heavy and extremely heavy user conditions to measure the response time and make adjustments as necessary.
- (e) User Acceptance Testing (UAT)—key users are given representative tasks that closely simulate their regular interactions. Users shall be asked to sign-off that the system works as intended.
- (f) Regression Testing – to verify that, once deployed to the production environment, any iteration or change will not result in any errors in the provision of the Available Services or reduction in the quality of the Available Services provided by the Contractor;
- (g) a Lifecycle Test - the test required to validate the end to end operation of the Services across the Customer, the Contractor and any other related service providers.

14 Test Strategy

14.1 The Test Strategy shall include:

- (a) an overview of how Testing will be conducted in accordance with the agreed Fully Detailed Customer Transformation Plan;
- (b) the process to be used to capture and record Test results and the categorisation of Test Issues;
- (c) the Test Success Criteria for each Test;
- (d) the method for mapping the expected Test results to the Test Success Criteria;
- (e) the procedure to be followed if a Deliverable fails to satisfy the Test Success Criteria;
- (f) the procedure to be followed to sign off each Test;
- (g) the process for the production and maintenance of Test Reports and reporting, including templates for the Test Reports and the Test Issue Management Log and a sample plan for the resolution of Test Issues;
- (h) the names and contact details of the Customer's and Contractor's Test representatives;
- (i) a high level identification of the resources required for Testing, including facilities, infrastructure, personnel and Customer involvement in the conduct of the Tests;
- (j) the technical environments required to support the Tests; and
- (k) the procedure for managing the configuration of the Test environments.

14.2 The Contractor shall submit a draft Test Strategy for Customer Transformation to the Customer for approval within forty (40) Working Days of the Effective Date.

14.3 Following receipt of the draft Test Strategy from the Contractor, the Customer shall:

- (a) review and comment on the draft Test Strategy as soon as reasonably practicable; and
- (b) notify the Contractor in writing that it approves or rejects the draft Test Strategy no later than twenty (20) Working Days after the date on which the draft Test Strategy is first delivered to the Customer.

14.4 If the Customer rejects the draft Test Strategy:

- (a) the Customer shall inform the Contractor in writing of its reasons for its rejection; and
- (b) the Contractor shall then revise the draft Test Strategy (taking reasonable account of the Customer's comments) and shall re-submit a revised draft Test Strategy to the Customer for approval within ten (10) Working Days of the date of the Customer's notice of rejection. The provisions of Paragraph 15.2 and this Paragraph 14.4 shall apply again to any resubmitted draft Test Strategy, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

15 Test Plans

15.1 The Contractor shall develop Test Plans for Customer Transformation in accordance with the Test Strategy and by the dates specified in the agreed Fully Detailed Customer Transformation Plan.

15.2 Each Test Plan shall include as a minimum:

- (a) the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being Tested and, for each Test, the specific Test Success Criteria to be met;
- (b) a detailed procedure for the Tests to be carried out, including:
 - (i) the timetable for the Tests, including start and end dates;
 - (ii) the Testing mechanism and relevant Test Phases;
 - (iii) dates and methods by which the Customer can inspect Test results or witness the Tests in order to establish that the Test Success Criteria have been met;
 - (iv) the mechanism for ensuring the quality, completeness and relevance of the Tests;
 - (v) the format and an example of Test progress reports and the process with which the Customer accesses daily Test schedules;
 - (vi) the process which the Customer will use to review Test Issues and the Contractor's progress in resolving these in a timely basis;
 - (vii) the Test schedule;
 - (viii) the re-Test procedure, the timetable and the resources which would be required for re-Testing; and
 - (ix) the process for escalating Test Issues from a re-test situation to the taking of specific remedial action to resolve the Test Issue.

15.3 The Customer shall not unreasonably withhold or delay its approval of the Test Plans provided that the Contractor shall incorporate any reasonable requirements of the Customer in the Test Plans.

16 Test Specification

16.1 Following approval of a Test Plan, the Contractor shall develop the Test Specification for the relevant Deliverables as soon as reasonably practicable and in any event at least thirty (30) Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise agree in writing) prior to the start of the relevant Testing (as specified in the Customer Transformation Plan or Migration Plan).

16.2 Each Test Specification shall include as a minimum:

- (a) the specification of the Test data, including its source, scope, volume and management, a request (if applicable) for relevant Test data to be provided by the Customer and the extent to which it is equivalent to live operational data;

- (b) a plan to make the resources available for Testing;
- (c) Test Scripts;
- (d) Test pre-requisites and the mechanism for measuring them; and
- (e) expected Test results, including:
 - (i) a mechanism to be used to capture and record Test results; and
 - (ii) a method to process the Test results to establish their content.

17 Testing

- 17.1 Before submitting any Deliverables for Testing the Contractor shall subject the relevant Deliverables to its own internal quality control measures.
- 17.2 The Contractor shall manage the progress of Testing in accordance with the relevant Test Plan and shall carry out the Tests in accordance with the relevant Test Specification. Tests may be witnessed by the Test Witnesses in accordance with Paragraph 19.
- 17.3 The Contractor shall notify the Customer at least fourteen (14) Working Days (or such other period as the Parties may agree in writing) in advance of the date, time and location of the relevant Tests and the Customer shall ensure that the Test Witnesses attend the Tests, except where the Customer has specified in writing that such attendance is not necessary.
- 17.4 Subject to the Contractor having complied with its obligations under paragraph 16.3, the Contractor shall not delay execution of Testing in the absence of the Customer Test witnesses attending any testing session(s).
- 17.5 The Customer will perform UAT in accordance with the UAT Test Plan agreed between the Customer and the Contractor.
- 17.6 The Customer may raise and close Test Issues during the Test witnessing process.
- 17.7 The Contractor shall provide the Customer:
 - (a) with a draft Test Report not less than five (5) Working Days (or such other period as the Parties may agree in writing) prior to the date on which any Tests are planned to end; and
 - (b) with the final Test Report within five (5) Working Days (or such other period as the Parties may agree in writing) of completion of the Testing.
- 17.8 Each Test Report shall provide a full report on the Testing conducted in respect of the relevant Deliverables, including:
 - (a) an overview of the Testing conducted;
 - (b) identification of the relevant Test Success Criteria that have been satisfied;
 - (c) identification of the relevant Test Success Criteria that have not been satisfied together with the Contractor's explanation of why those criteria have not been met;
 - (d) the Tests that were not completed together with the Contractor's explanation of why those Tests were not completed;
 - (e) the Test Success Criteria that were passed, failed or which were not tested, and any other relevant categories, in each case grouped by severity level in accordance with Paragraph 18.1; and
 - (f) the specification for any hardware and software used throughout Testing and any changes that were applied to that hardware and/or software during Testing.

18 Test Issues

- 18.1 Where a Test Report identifies a Test Issue, the Parties shall agree the classification of the Test Issue using the criteria specified in Annex 1 to this Schedule and the Test Issue Management Log maintained by the Contractor shall log Test Issues reflecting the severity classifications allocated to each Test Issue.

- 18.2 The Contractor shall be responsible for maintaining the Test Issue Management Log and for ensuring that its contents accurately represent the current status of each Test Issue at all relevant times. The Contractor shall make the Test Issue Management Log available to the Customer upon request.
- 18.3 The Customer shall confirm the classification of any Test Issue unresolved at the end of a Test in consultation with the Contractor. If the Parties are unable to agree the classification of any unresolved Test Issue, the Dispute shall be dealt with in accordance with the Dispute Resolution Procedure.

19 Test Witnessing

- 19.1 The Customer may, in its sole discretion, require the attendance at any Test of one or more Test Witnesses. Test Witnesses will be selected by the Customer, each of whom will have appropriate skills to fulfil the role of a Test Witness.
- 19.2 The Contractor shall give the Test Witnesses access to any documentation and Testing environments reasonably necessary and requested by the Test Witnesses to perform their role as a Test Witness in respect of the relevant Tests.
- 19.3 The Test Witnesses:
- (a) will actively review the Test documentation;
 - (b) will attend and engage in the performance of the Tests on behalf of the Customer so as to enable the Customer to gain an informed view of whether a Test Issue may be closed or whether the relevant component should be re-Tested;
 - (c) will not be involved in the execution of any Test;
 - (d) will be required to verify that the Contractor conducted the Tests in accordance with the Test Success Criteria and the relevant Test Plan and Test Specification;
 - (e) may produce and deliver their own independent reports on Testing, which may be used by the Customer to assess whether the Tests have been Achieved;
 - (f) may raise Test Issues on the Test Issue Management Log in respect of any Testing; and
 - (g) may require the Contractor to demonstrate the modifications made to any defective Deliverable before a Test Issue is closed.

20 Test Quality Audit

- 20.1 The Customer may perform on-going quality audits in respect of any part of the Testing (each a "Testing Quality Audit").
- 20.2 The focus of the Testing Quality Audits will be on:
- (a) adherence to an agreed methodology;
 - (b) adherence to the agreed Testing process;
 - (c) review of status and key development issues; and
 - (d) identification of key risk areas.
- 20.3 The Contractor shall allow sufficient time in the Test Plan to ensure that adequate responses to a Testing Quality Audit can be provided.
- 20.4 The Customer will give the Contractor at least five (5) Working Days' written notice of the Customer's intention to undertake a Testing Quality Audit and the Contractor may request, following receipt of that notice, that any Testing Quality Audit be delayed by a reasonable time period if in the Contractor's reasonable opinion, the carrying out of a Testing Quality Audit at the time specified by the Customer will materially and adversely impact the relevant Customer Transformation Plan or Migration Plan.
- 20.5 A Testing Quality Audit may involve document reviews, interviews with the Contractor Personnel involved in or monitoring the activities being undertaken pursuant to this Schedule, the Customer witnessing Tests and demonstrations of the Deliverables to the Customer. Any Testing Quality Audit shall be limited in duration to a maximum time to be agreed between the Contractor and the

Customer on a case by case basis (such agreement not to be unreasonably withheld or delayed). The Contractor shall provide all reasonable necessary assistance and access to all relevant documentation required by the Customer to enable it to carry out the Testing Quality Audit.

- 20.6 If the Testing Quality Audit gives the Customer concern in respect of the Testing Procedures or any Test, the Customer will:
- (a) discuss the outcome of the Testing Quality Audit with the Contractor, giving the Contractor the opportunity to provide feedback in relation to specific activities; and
 - (b) subsequently prepare a written report for the Contractor detailing its concerns and the Contractor shall, within a reasonable timeframe, respond in writing to the Customer's report.
- 20.7 In the event of an inadequate response to the Customer's report from the Contractor, the Customer (acting reasonably) may withhold a Test Certificate (and consequently delay the grant of a Milestone Achievement Certificate) until the issues in the report have been addressed to the reasonable satisfaction of the Customer.

21 Outcome of Testing

- 21.1 The Customer shall issue a Test Certificate in the form set out in Annex 2 to this Schedule when the Deliverables satisfy the Test Success Criteria in respect of the User Acceptance Testing.
- 21.2 If the Deliverables (or any relevant part) do not satisfy the Test Success Criteria then the Customer shall notify the Contractor and:
- (a) the Customer may issue a Test Certificate conditional upon the remediation of the Test Issues;
 - (b) where the Parties agree that there is sufficient time prior to the relevant Milestone Date, the Customer may extend the Test Plan by such reasonable period or periods as the Parties may reasonably agree and require the Contractor to rectify the cause of the Test Issue and re-submit the Deliverables (or the relevant part) to Testing; or
 - (c) where the failure to satisfy the Test Success Criteria results, or is likely to result, in the failure (in whole or in part) by the Contractor to meet a Milestone then, without prejudice to the Customer's other rights and remedies, such failure shall constitute a Notifiable Default for the purposes of Clause 41 (Rectification Plan Process).
- 21.3 The Customer shall be entitled, without prejudice to any other rights and remedies that it has under this Call-Off Agreement, to recover from the Contractor any reasonable additional costs it may incur as a direct result of further review or re-Testing which is required for the Test Success Criteria for that Deliverable to be satisfied.

22 Gate Milestones

- 22.1 The Contractor shall not carry out any work in respect of any connected Milestones in the Customer Transformation Plan or Migration Plan which:
- (a) occur after the Milestone Date for a Gate Milestone in the Transformation Plan or Migration Plan (as applicable); and
 - (b) are subject to Achievement of the Gate Milestone;
- until that Gate Milestone has been Achieved.

23 Issue of a Milestone Achievement Certificate

- 23.1 Subject to Clause 22.7, the Customer will issue a Milestone Achievement Certificate in the form set out in Annex 3 to this Schedule in respect of a given Milestone as soon as reasonably practicable following:
- (a) the issuing by the Customer of Test Certificates and/or conditional Test Certificates in respect of all Deliverables related to that Milestone which are due to be Tested; and
 - (b) performance by the Contractor to the reasonable satisfaction of the Customer of any other tasks identified in the relevant the Customer Transformation Plan or the Migration Plan

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).

- 23.2 Subject to Paragraph 23.3, the grant of a Milestone Achievement Certificate will entitle the Contractor to the receipt of a payment in respect of that Milestone in accordance with the provisions of Schedule 3.1 (Charges and Invoicing).
- 23.3 Where a Milestone is a Multi-Customer Milestone, the Contractor shall Achieve the Multi-Customer Milestone only when each of the Customers to which the Multi-Customer Milestone relates have issued a Milestone Achievement Certificate in accordance with Paragraph 23.1.
- 23.4 If a Milestone is not Achieved, the Customer:
- (a) shall promptly issue a report to the Contractor setting out:
 - (i) the applicable Test Issues; and
 - (ii) any other reasons for the relevant Milestone not being Achieved; and
 - (b) may at its discretion (without waiving any rights in relation to the other options) choose to:
 - (iii) issue a Milestone Achievement Certificate conditional on the remediation of the Test Issues, or the non-conformities of the Deliverable where no Testing has taken place, in accordance with an agreed Rectification Plan; or
 - (iv) if the Test Issue is a Material Test Issue, refuse to issue a Conditional Milestone Achievement Certificate and to escalate the matter in accordance with the Dispute Resolution Procedure and if the matter cannot be resolved exercise any right it may have under Clause 45 (Termination Rights).
- 23.5 Where the Customer issues a Conditional Milestone Achievement Certificate, it can choose (but does not have to) to revise the failed Milestone Date and any subsequent Milestone Date.
- 23.6 Any Rectification Plan shall be agreed before the issue of a Conditional Milestone Achievement Certificate unless the Customer agrees otherwise (in which case the Contractor shall submit a Rectification Plan for approval by the Customer within ten (10) Working Days of receipt of the Customer's report pursuant to Paragraph 23.4(a).
- 23.7 Where, pursuant to Clause 6.21 or 6.22 of the Framework Agreement, the charges and Milestones for implementing changes to the SOP Design and SOP required by the Customer (the "**SOP Milestones**") are incorporated into this Call-Off Agreement, the Customer shall keep the Framework Authority informed of the progress of the Contractor against the SOP Milestones. Where the Customer believes that the Contractor has Achieved a SOP Milestone it shall, prior to issuing a Milestone Achievement Certificate, provide the Framework Authority with the draft Milestone Achievement Certificate, the relevant acceptance criteria and the supporting evidence to demonstrate Achievement for the Framework Authority's approval. The Framework Authority shall approve or reject the issue of the Milestone Achievement Certificate to the Contractor (such approval not to be unreasonably withheld) within seven (7) Working Days of receipt. If the Framework Authority approves the Milestone Achievement Certificate or fails to reject the Milestone Achievement Certificate within such seven (7) Working Day period, the Customer may issue the Milestone Achievement Certificate to the Contractor. If the Framework Authority rejects the Milestone Achievement Certificate, the Customer shall not issue such Milestone Achievement Certificate and the Customer and Framework Authority shall promptly meet to discuss the Framework Authority's reasons for rejection and acting in good faith attempt to resolve the matter within five (5) Working Days.

Annex 1

Test Issues – Severity Levels

1. **SEVERITY 1: CRITICAL** – a severe defect that may render, or, has, rendered the system inoperable – that is some business function is no longer possible or an error causes non-recoverable conditions.
2. **SEVERITY 2: MAJOR** – a severe defect for which, as reasonably determined by the Customer, there is no practicable workaround available, and which:
 - (a) causes the system or an element of the Services to become unstable; or
 - (b) causes a lack of functionality, or unexpected functionality, that has an impact on the current Test; or
 - (c) has an adverse impact on any other Services.
3. **SEVERITY 3: SERIOUS** – a defect that may seriously degrade, or has seriously degraded, but not disabled, some business function, amounting to failure.
4. **SEVERITY 4: MINOR** – a defect that may result, or has resulted, in low key disruption to business operations, causing user inefficiency but which does not prevent operation of the business functionality and which has no impact on the current Test or other areas of the Services.

Repeated or persistent instances of a test issue of Severity 4 may, at the discretion of the Customer, acting reasonably, constitute a Test Issue of Severity 2 or Severity 3.
5. **SEVERITY 5: COSMETIC** - a defect that may be, or is, related to layout or presentation of data, but which results in no corruption of data (and no incorrect values). This type of defect will not have any real impact on user operations, will require no workaround and will have no impact on the current Test or other areas of the Services.

Annex 2

Test Certificate

To: [CONTRACTOR]

FROM: [CUSTOMER]

[Date]

Dear Sirs,

TEST CERTIFICATE

Deliverables: [*insert description of Deliverables*]

We refer to this Call-Off Agreement relating to the provision of the [] Services between the Customer and the Contractor dated [].

The definitions for terms capitalised in this certificate are set out in Schedule 1 (Definitions) to this Call-Off Agreement.

[We confirm that the Deliverables listed above have been tested successfully in accordance with the Test Plan relevant to those Deliverables.]

OR

[This Test Certificate is issued pursuant to Paragraph 21.1 of Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing) of this Call-Off Agreement on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]*

**delete as appropriate*

Yours faithfully

[Name]

[Position]

acting on behalf of [Customer]

Annex 3

Milestone Achievement Certificate

To: [CONTRACTOR]

FROM: [CUSTOMER]

[Date]

Dear Sirs,

MILESTONE ACHIEVEMENT CERTIFICATE

Milestone: *[insert description of Milestone]*

We refer to the Call-Off Agreement relating to the provision of the [] Services between the Customer and the Contractor dated [].

The definitions for terms capitalised in this certificate are set out in Schedule 1 (Definitions) to this Call-Off Agreement.

[We confirm that all the Deliverables relating to Milestone Number [] have been tested successfully in accordance with the Test Plan relevant to this Milestone [or that a conditional Test Certificate has been issued in respect of those Deliverables that have not satisfied the relevant Test Success Criteria.]]*

OR

[This Milestone Achievement Certificate is granted pursuant to Paragraph 23.1 of Schedule 2 (Customer Stabilisation, Customer Transformation, Migration and Testing) of the Call-Off Agreement on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]*

Yours faithfully

[Name]

[Position]

acting on behalf of [Customer]

Annex 4

In-Flight Project Process

1 Continuation of In-Flight Projects

- 1.1 This Annex sets out the process by which the Contractor shall take on projects commissioned by a Legacy SSC or a Beneficiary prior to the Effective Date and which are work in progress on the Effective Date including those projects set out in the In-Flight Projects List (each an "**In-Flight Project**").
- 1.2 Three categories of In-Flight Project are identified in the In-Flight Projects List. The three categories are:
 - (a) those which are underway at the Effective Date but which are expected to be completed by the Customer before the Service Start Date and which are not expected to require management or service input from the Contractor ("**Concluding Projects**");
 - (b) those which are underway at the Effective Date but which the Contractor will be required to assume responsibility for delivering from the Service Start Date ("**Takeover Projects**");
 - (c) those which have been identified at the Effective Date but which have not been started by the Customer or the Contractor ("**Planned Projects**").
- 1.3 The Customer neither intends nor anticipates that the delivery and implementation of any of the In-Flight Projects shall cause the Customer to develop or vary any of its SOP Design requirements that would cut across the core SOP Design developed by the Framework Authority and Contractor under the Framework Agreement.

2 In-Flight Project Delivery - Takeover Projects

- 2.1 The Contractor is responsible for delivering the Takeover Projects in accordance with the requirements set out in the In-Flight Projects List and the requirements of paragraph 5 of this Annex 4.
- 2.2 Any changes to the In-Flight Projects List which are requested by either Party may only be made with the agreement of the other Party, which shall not be unreasonably withheld or delayed.
- 2.3 The Customer shall not be required to pay to the Contractor any sum in excess of the agreed budget, from time to time, with respect to the completion and delivery of any particular In-Flight Project.

3 In-Flight Project Delivery – Planned Projects

- 3.1 Periodically, the Parties shall meet to review and appraise any Planned Projects which have not commenced and the Parties shall act reasonably and in good faith in agreeing the terms on which such Planned Project will be delivered.

4 In-Flight Project Delivery – Concluding Projects

- 4.1 It is not anticipated that the Contractor will assume responsibility for the delivery of Concluding Projects provided that any services provided under a Concluding Project shall form part of the Ordered Services.
- 4.2 Notwithstanding paragraph 4.1, if the Customer wishes the Contractor to assume responsibility for the delivery of a Concluding Project it shall notify the Contractor accordingly. The parties shall, after such notification, discuss in good faith the parameters for the effective completion of the Concluding Project in question. The Contractor shall assume responsibility for the Concluding Project, provided the parties agree the relevant parameters. Following such agreement, the parties shall update the In-Flight Projects list with the applicable parameters and shall reclassify the project as a Takeover Project. Once the project is reclassified as a Takeover Project, the provisions of paragraph 2 shall apply to it.

5 Project Handover and Reporting

- 5.1 On or shortly before the date on which the Contractor is to assume responsibility for a Takeover Project, and no later than [three Working Days] before the date on which the Contractor is to assume responsibility for a Concluding Project in accordance with paragraph 4.2, the Customer shall provide to the Contractor a handover report ("**Handover Report**") with respect to such In-Flight Project. The Handover Report shall specify the expected status of the project upon takeover by the Contractor and shall provide reasonable detail for the Contractor to be able to assume responsibility for the delivery of the project, including confirming the remaining budget for the project, the required date for completing the project and detailing the progress of the project as at the date of the Handover Report. The Handover Report shall also clarify the frequency of reporting required by the Customer with respect to such project once the Contractor commences delivery of it.
- 5.2 Within [five Working Days] of receipt of a Handover Report, and without prejudice to the Contractor's obligation to commence responsibility for the project on the date required, the Parties shall meet, if the Contractor notifies the Customer accordingly, and discuss in good faith the budget and timescale set out in the Handover Report. If, following such meeting, the Contractor believes that the budget or timescale set out in the Handover Report for a project are insufficient by at least 10% it shall notify the Customer in writing accordingly.
- 5.3 If the Contractor does not submit a notice in accordance with paragraph 5.2 with respect to a project, the Contractor must deliver such project within 110% of the budget set out in the Handover Report and within 110% of the required timescale set out in the Handover Report.
- 5.4 If the Contractor does submit a notice under paragraph 5.2 with respect to a project, the Parties shall seek to agree revised parameters as soon as possible. In the absence of such agreement within five (5) Working Days either Party may refer the matter to the Dispute Resolution Procedure.
- 5.5 Nothing in this Annex is intended to relieve the Contractor from responsibility for using all reasonable endeavours to deliver the Takeover Projects within the Customer's requirements.

6 In-Flight Project Charges

- 6.1 Unless not specified, the basis for the Contractor's Charges with respect to any In-Flight Project shall be as set out in the relevant Handover Report or as otherwise agreed (in the case of a Planned Project).
- 6.2 The Contractor shall be entitled to submit a monthly invoice for any Charges accrued in the preceding month for In-Flight Projects. The invoice shall be itemised by In-Flight Project and, where Charges are to be allocated against either of the Resource Pools shall indicate the appropriate deduction to be made, subject to the Customer's approval, to the relevant Resource Pool.

7 In-Flight Project Breakage Costs

- 7.1 The Customer may decide to cancel any In-Flight Project at any time. If the cancelled project is a Takeover Project or a Planned Project then the Contractor shall be entitled to be paid for the work carried out by it on such In-Flight Project in accordance with the agreed budget in the In-Flight Projects List (on a time and materials basis unless otherwise agreed) using the Day Rate.
- 7.2 If the Contractor has, with the prior agreement of the Customer, entered into an agreement with a third party service provider in order to deliver an In-Flight Project that is to be cancelled, the Contractor shall, if the agreement is solely for the purposes of the relevant In-Flight Project, be entitled to terminate such third party agreement and to recover from the Customer any reasonable breakage costs associated with such termination provided they have been agreed in advance in writing with the Customer and cannot be avoided (such Customer consent to unavoidable costs not to be unreasonably withheld, delayed or subject to unreasonable conditions).

Appendix 10 (MoJ Requirements)

| Reference | Requirement |
|------------------|---|
| 1 | Contractor Personnel Security Status |
| 1.1 | REDACT |
| 1.2 | REDACT |
| 1.3 | REDACT |
| 1.4 | REDACT |
| 1.5 | REDACT |
| 1.6 | REDACT |
| 2 | Employee Secondments |

The parties shall co-operate reasonably with each other in relation to any request from one to the other for a secondment of a member of Contractor Personnel or an employee of the Customer or a Service Recipient (as the case may be), taking into account the Contractor's obligations to deliver the Services. Where the parties agree to such a secondment, the term of the secondment shall be agreed and shall be subject to extension by mutual consent. The cost of any employee secondment payable by the party to whom the employee is seconded shall be the usual contractual cost of employment of the secondee (salary, national insurance contributions, applicable contractual benefits (other than bonuses)) along with reasonable expenses including travel and subsistence, if applicable, and the party by whom the secondee is employed must prepare a valid invoice, monthly in arrears and payable within 30 days, for such charges. Any supporting evidence for such charges reasonably requested by a party shall be supplied by the other party. The charges for a secondment shall not be based on the Charges set out elsewhere in the Call-Off Agreement and shall be on a pass-through basis only, without mark-up.

3 Assistive Technology

The Contractor shall deliver the Services in accordance with the "MoJ Assistive Technology suite and policy" and shall, without prejudice to any other provision of this Call-Off Agreement, provide to the Customer advance details of any changes to the way Users will interface with Services setting out reasonable detail as to how such new or revised interfaces will comply with the MoJ Assistive Technology suite and policy. The Contractor may not introduce or revise any interfaces that do not comply. The MoJ Assistive Technology suite and policy requires that web based applications must be compliant with the Web Content Accessibility Guidelines v2.0 (WCAG).

4 Business Improvement

The Contractor shall provide reasonable assistance to the Customer as requested, without additional charge, if the Customer wishes to better understand how it may make improvements or refinements to its general business operations, to the extent they are connected with the Services. Such assistance may include participating in working groups or ad hoc informal conversations or providing information. The Customer may not make unreasonable demands on the Contractor's resources under this provision.

5 Support at Meetings

Where the Customer is required to attend a meeting or make a presentation (of whatever sort) and the Customer believes that the participation of the Contractor in such meeting or presentation would assist the Customer's objectives (due to the Contractor's expertise in relation to the processes underpinning the Services), the Contractor shall, subject to the requirement to deliver the Services, use its reasonable endeavours to provide such information to the Customer or such attendance of Contractor Personnel as the Customer may reasonably request (taking into account the notice given by the Customer to the Contractor).

6 Branding of Documentary Output

The Customer's processes prior to the Service Start Date in relation to the delivery of the Services involve the production of certain documentary outputs to employees, potential employees, suppliers and other third parties (including, for example, employment contracts, payslips, purchase orders) which carry the branding of the Customer or a Service Recipient (as applicable). Where such outputs are branded and the Contractor is required to deliver such outputs after the Service Start Date, the Contractor shall ensure that such outputs bear the appropriate branding, in conformance with the Customer's previous practices. The Contractor will procure, whenever reasonably possible branded stationary or other printed matter to enable the Customer Requirement. The use by the Contractor of the branding of the Customer or any Service Recipient is subject to the licence terms set out in Clause 22 of the Call-Off Agreement.

7 Business Criticality and Emergencies

The Contractor shall provide reasonable assistance to the Customer in dealing with any business critical events or emergencies which affect the Customer

8 SOP Data Specification

The Contractor shall provide to the Customer the documents which detail the data used in the SOP (collectively, the "**Data Specification**"). The Data Specification, shall be kept up-to-date throughout the Term and shall be re-issued (or part re-issued) as soon as reasonably practicable, as and when necessary, to take into account any changes in the SOP architecture. The Data Specification is to ensure that the Customer can interpret and use the data from the SOP in its business operations and can fully understand the meaning and limitations of the data. The Data Specification shall define each variable, outline the permitted range of values for each variable and explain how the data in the variable field is managed (how it is entered, validated, stored, calculated, reported, overwritten or subject to any other process steps).

9 **Hosting Assistance**

The Contractor shall provide reasonable assistance to the Customer in relation to, and shall not refuse a reasonable request for, the hosting of communications, interfaces or processes for Users which the Customer has a requirement for but notwithstanding that such communications may not directly relate to the Services. If the hosting required by the Customer cannot be delivered by the Contractor without incurring additional third party costs then the Customer will be required to request such hosting in accordance with Schedule 4.1 (Change Control Procedure). The Customer shall communicate any hosting request to the Contractor.

10 **Guaranteed System Availability**

The Customer shall give the Contractor reasonable notice of: a) time periods which are business critical for it (such as year-end financial processing periods); and b) any other periods during which the Customer will require uninterrupted use of the Contractor System. Notwithstanding any Service Levels which relate to the availability of the Customer System or the Services, the Contractor shall ensure that there is no planned downtime for the Customer System or the Services during any of the time periods referred to in this requirement. If there is unavoidable unplanned downtime during such periods shall use its best endeavours to minimise such downtime.

11 **REDACT Desks**

The Contractor shall make available for the Customer's uninterrupted use throughout the Term of the Call-Off Agreement ten desks at **REDACT** along with access to utility services at such address (without prejudice to any other agreement between the Customer and Contractor providing the Customer with access rights to **REDACT**).

12 **IT/SOP Requirements**

REDACT
13

Environments

REDACT

Appendix 11

Compensation Payment

Annex

Compensation Payment

Annex

Compensation Payment

1 Option 1

- 1.1 Where the Call-Off Period has expired and all other Call-Off Agreements have expired or are the subject of notice of termination the Compensation Payment payable by the Customer to the Contractor shall subject to Paragraph 1.2 **Error! Reference source not found.** of this Annex be calculated as:

$$\text{Compensation Payment} = (A - B) + D$$

Where

- A** is in the event of termination in accordance with Clauses 45.(1)(a)(iii) or 45.4(a)(i) the value of CS1 which corresponds to the Contract Year in which date of termination of this Call-Off Agreement occurs; and
- B** is the sum of all Other Compensation Payments already paid to the Contractor or which are payable to the Contractor without set-off or other adjustment in respect of CS1 by Other Customers:
- (i) who have notified the Contractor in writing that they are terminating their Call-Off Agreements pursuant to Clause 45.1(a)(iii) of the Standard Terms so as to take effect prior to the date of termination of this Call-Off Agreement; and/or
 - (ii) to whom the Contractor has given notice that it is terminating their Call-Off Agreements pursuant to Clause 45.4(a)(i) so as to take effect prior to the date of termination of this Call-Off Agreement; and

- CS1** is the part of the Compensation Sum representing the Framework Management Fee set out in Row 1 of the table in Paragraph 5.2 or 5.3 (which applies at the time of the expiry or termination of this Call-Off Agreement) of this Annex; and
- CS2** is the part of the Compensation representing the Contractor's loss of profit set out in Row 2 of the table in Paragraph 5.2 or 5.3 (which applies at the time of the expiry or termination of this Call-Off Agreement) of this Annex; and
- CS3** is the part of the Compensation Sum representing the Contractor's financial engineering costs set out in Row 3 of the table in Paragraph 5.2 or 5.3 (which applies at the time of the expiry or termination of this Call-Off Agreement) of this Annex; and
- CS4** is the payment in respect of Work in Progress against the Milestone Charges set out in Paragraph 16 of the Call Off Order Form as set out in paragraph 5.1 below for the Contract Year quarter in which the date of termination of this Call Off Agreement occurs.

D is:

- (i) in the event of termination in accordance with Clauses 45.(1)(a)(iii) or 45.4(a)(i) the sum of CS2, CS3 and CS4; or
- (ii) in the event of termination in accordance with Clause 45.1(a)(ii) or Clause 45.4(a)(ii) is the sum of CS3 and CS4;

A worked example of "Option 1" is set out in Paragraph 3 below.

- 1.2 The calculation of the Compensation Sum shall in no event result in a payment from the Contractor to the Customer.
- 1.3 In the event of a Partial Termination by the Customer for convenience, the elements of the Compensation Payment other than CS4 shall be pro-rated based on the ratio of the Charges paid for that terminated Service(s) and the total Charges payable by the Customer for all Services (including that terminated Service(s)).

2 Option 2

- 2.1 In all other circumstances and subject to Paragraph 2.2 of this Annex, the Compensation Payment payable by the Customer to the Contractor shall be calculated as:

$$\text{Compensation Payment} = A * (C / D) + E$$

Where

- A** is in the event of termination in accordance with Clauses 45.(1)(a)(iii), 45.1(b)(ii), or 45.4(a)(i): the value of CS1 which corresponds to the Contract Year in which the date of termination for this Call-Off Agreement occurs; and

- C** is (subject to Paragraph 2.4 below) the Charges paid by the Customer to the Contractor without set-off or other adjustment in the twelve (12) month period immediately preceding the date of termination of this Call-Off Agreement;
- CS1** is the part of the Compensation Sum representing the Framework Management Fee set out in Row 1 of the table in Paragraph 5.2 or 5.3 (which applies at the time of the termination of this Call-Off Agreement) of this Annex;
- CS2** is the part of the Compensation Sum representing the Contractor's loss of profit set out in Row 2 of the table in Paragraph 5.2 or 5.3 (which applies at the time of the termination of this Call-Off Agreement) of this Annex;
- CS3** is the part of the Compensation Sum representing the Contractor's financial engineering costs set out in Row 3 of the table in Paragraph 5.2 or 5.3 (which applies at the time of the termination of this Call-Off Agreement) of this Annex; and
- CS4** is the payment in respect of Work in Progress against the Milestone Charges set out in Paragraph 16 of the Call Off Order Form as set out in paragraph 5.1 below for the Contract Year quarter in which the date of termination of this Call Off Agreement occurs.
- D** is the total Charges paid by the Customer and all Other Customers to the Contractor without set-off or other adjustment in the twelve (12) month period immediately preceding the date of the termination of this Call-Off Agreement; and
- E** is:
- (i) in the event of termination in accordance with Clauses 45.(1)(a)(iii), 45.1(b)(ii) or 45.4(a)(i) the sum of CS2, CS3 and CS4; or
 - (ii) in the event of termination in accordance with Clause 45.1(a)(ii) or Clause 45.4(a)(ii) is the sum of CS3 and fifty percent (50%) of CS4;

A worked example of "Option 2" is set out in Paragraph 4 below.

- 2.2 The calculation of the Compensation Sum shall in no event result in a payment from the Contractor to the Customer.
- 2.3 In the event of a Partial Termination by the Customer for convenience, the elements of the Compensation Payment other than CS4 shall be pro-rated based on the ratio of the Charges paid for that terminated Service(s) and the total Charges payable by the Customer for all Services (including that terminated Service(s)).
- 2.4 The Charges to be taken into account for the purposes of establishing the value of C shall exclude

(a) Charges for the SOP Activities (which shall be recovered through the SOP Milestone Charges (Milestones 1-5 under paragraph 16 of the Call-Off Order), and

(b) **REDACT**.

2.5 References to CS1, CS2 and CS3 above and in the Worked Examples below shall be deemed to be a reference to the value set out in the Table in Paragraph 5.2 or 5.3 as appropriate, depending on whether the Customer has exercised Option 2.

3 Option 1 Worked Example: Termination for Convenience

3.1 Customer A serves a Termination Notice on the Contractor in Contract Year 7 in which states that the Customer has decided to terminate its Call-Off Agreement pursuant to Clause 45.1(a)(iii) with effect from the first day of Contract Year 8.

3.2 The Call-Off Period has expired. All other Call-Off Agreements have expired so Option 1 applies to the calculation of the Compensation Payment. None of the other Call-Off Agreements were terminated for convenience, so no other Compensation Payments have been paid to the Contractor.

3.3 The Compensation Payment is calculated as:

$$\text{Compensation Payment} = (A - B) + D$$

A is the sum of CS1 REDACT), which is determined by reference to the column headed "Contract Year 8" in the table in Paragraph 5 and is REDACT.

B is the sum of all Other Compensation Payments in respect of CS1 already paid to the Contractor or which are payable by Other Customers to the Contractor without set-off or other adjustment prior to the date of termination of this Call-Off Agreement, which is £0;

D is the sum of CS2 REDACT) and CS3 REDACT) which is determined by reference to the column headed "Contract Year 8" in the table in Paragraph 5 and is £ REDACT, and CS4 (which is £ REDACT as termination occurs after Contract Year 2Q2).

3.4 The Compensation Payment is £ REDACT).

4 Option 2 Worked Example: Termination for Convenience

4.1 Customer A serves a Termination Notice on the Contractor in Contract Year 3 in which states that the Customer has decided to terminate its Call-Off Agreement pursuant to Clause 45.1(a)(iii) with effect from the first day of Contract Year 4.

4.2 The Call-Off Period has not expired and there are twelve other Call-Off Agreements, so Option 2 applies to the calculation of the Compensation Payment. None of the other Call-Off Agreements were terminated for convenience, so no other Compensation Payments have been paid to the Contractor. This example is based upon the REDACT table assuming the procedures REDACT have been completed.

$$\text{Compensation Payment} = A * (C / D) + E$$

- A** is the sum of CS1 REDACT)), which is determined by reference to the column headed "Contract Year 4" in the REDACT in Paragraph 5.2;*
- C** is the Charges paid by the Customer to the Contractor without set-off or other adjustment in the twelve (12) month period immediately preceding the date of termination of this Call-Off Agreement, which totalled ten million pounds REDACT) in Contract Year 3;*
- D** is the total Charges paid by the Customer and all Other Customers to the Contractor without set-off or other adjustment in the twelve (12) month period immediately preceding the date of the termination of this Call-Off Agreement, which totalled REDACT in Contract Year 3; and*
- E** is the sum of CS2 REDACT) and CS3 REDACT) which is determined by reference to the column headed "Contract Year 4" in the table in Paragraph 5.2 and is £ REDACT, and CS4 (which according to the Table in Paragraph 5.1 is £ REDACT as termination occurs after Contract Year 2Q2).*

4.3 The Compensation Payment is £ REDACT being CS1 of REDACT, plus CS2 and CS3 of REDACT, plus CS4 of £ REDACT = £ REDACT.

5 Compensation Sum

5.1 The maximum CS4 values for MOJ are set out in the table below. The actual values will comprise the Contractor's costs (including cost incurred with subcontractors) incurred up to the date that termination takes effect as evidenced by time sheets, staff costs data and invoices.

| £ | Contract Year 1 Q1 Nov-14 to Jan-15 | Contract Year 1 Q2 Feb-15 to Apr-15 | Contract Year 1 Q3 May-15 to Jul-15 | Contract Year 1 Q4 Aug-15 to Oct-15 | Contract Year 2 Q1 Nov-15 to Jan-16 | Contract Year 2 Q2 onwards |
|---|--|--|--|--|--|----------------------------|
|---|--|--|--|--|--|----------------------------|

| | | | | | | |
|--|--------|--------|--------|--------|--------|--------|
| CS4; Work-in-progress – maximum value | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |
|--|--------|--------|--------|--------|--------|--------|

5.2 REDACT.

| | Contract Year 1 | Contract Year 2 | Contract Year 3 | Contract Year 4 | Contract Year 5 | Contract Year 6 | Contract Year 7 | Contract Years 8 – 15 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|
| CS1: Framework Management Fee Compensation | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |
| CS2: Loss of Profit Compensation | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |
| CS3: Financial Engineering Compensation | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |

5.3 REDACT.

| | Contract Year 1 | Contract Year 2 | Contract Year 3 | Contract Year 4 | Contract Year 5 | Contract Year 6 | Contract Year 7 | Contract Years 8 – 15 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------------|

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|---|--------|--------|--------|--------|--------|--------|--------|--------|
| CS1: Framework Management Fee Compensation | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |
| CS2: Loss of Profit Compensation | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |
| CS3: Financial Engineering Compensation | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT | REDACT |

REDACT

Appendix 12

Appendix 13
Transformation Milestones

PART A

Milestones are expected to be completed in numerical order with the exception of Milestones 0, **REDACT** which may be approved out of sequence.

| Milestone ID | Related To | Milestone | Sign-off by | Target Milestone Date | Milestone Payment £s | Milestone Deliverables/ Achievement Criteria |
|--------------|------------------|---|-------------|-----------------------|-------------------------|--|
| 0 | SOP | Quality Plan | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> Quality Plan for SOP Delivery approved |
| 1 | Migration | Migration exit criteria complete and cut over has taken place | MoJ | REDACT | REDACT | Migration plan delivered: Cut over has taken place Migration completion report undertaken |
| 2 | Transformation | Detailed Transformation Plans Complete | MoJ | REDACT | REDACT | - Detailed transformation plan to be completed and base lined and agreed with COF and MoJ - Review and agreement of the service catalogue and service levels. Detailed Transformation Plan: All deliverables meet Steria Business Management Systems Standards. The Detailed Transformation Plan for SSCL accords with the Outline Transformation Plan and is in sufficient detail to plan |
| 3 | MOJ Steady State | MOJ Steady State exit criteria complete with all actions completed or plans agreed and in place to complete | MoJ | REDACT | REDACT | MOJ Steady State activities defined, exit criteria complete with all actions completed or plans agreed and in place to complete: (TUPE population) set up on P1 and payroll completed <ul style="list-style-type: none"> Floor walking and surgeries carried out Roadshows / show and tell activities carried out Business Stabilisation Complete Report undertaken |
| 4 | SOP | SOP infrastructure procurement | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> Documentary and or physical evidence of the infrastructure hardware and software assets' delivery to the Contractor's UK premises. Delivery format: Asset Register. |

| | | | | | | |
|--------|--------------|--|-----|--------|--------|--|
| 5 | SOP | Design Phase complete (BR100s, MD050s, CV040s) | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • CV010 & CV040s approved for each Phoenix Module mapped to the relevant SOP Module • RD050 & MD050 documents approved for: <ul style="list-style-type: none"> - Digital Vetting Solution - MyServices Portal - Intergrated Scanning and Content Manangement Solution - Fixed Assets (RAM) Solution - Secure Cheque Printing Solution - Sick Absence Solution - Front end Solution (OA Framework) - Weekly payrolls - HR & payroll (payroll elements / absences schemes / pensions schemes / pay dates / person types / max salary / payrolls / industrial action absence plan) - Grades and grade rates/ spinal points - Oracle Time & Labour (overtime cards) - Terminations via SSHR - HR – Exit questionnaire automated process - Custom Form organisation access (cross organisational hierachy) - EIT/SITs (additional information plus notifications) - Additional HR Responsibilities - Notifications on certain absence reasons - Variation in Approval rules - iExpenses (additional templates) - Buyer workload management - Local cashier (over the counter) - Mass update of supplier records |
| REDACT | REDACT | REDACT | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> - Grouping of Notifications - Middle Office Systems (analysis and design) - Invoice hold resolution - e-Mail AR invoices - Hyperion • MoJ Specific BR100 design specification covering all MoJ Config Requirements for each module and for each business group approved • Data Migration Strategy & Plan approved • Testing Strategy & Plan approved • Training Strategy & Plan approved • SOP Transition Strategy & Plan approved • Data Archiving, Retention and Retrieval Strategy and Plan approved • Coding Standards approved • Reporting Strategy approved • MOJ SOP Specific Change Control Procedure (CM010) approved • BF130 approved |
| 6 | IT Readiness | IT Connectivity | MoJ | REDACT | REDACT | <p>No milestone criteria.</p> <p>WAN connectivity in place between the REDACT delivery centre and the SSCL REDACT DC. Connectivity from an SSCL desktop in Newport to the SOP and SSCL network successfully; Additional capacity added to existing SSCL REDACT network (REDACT) in line with Target Oper Model. Connectivity and performance testing</p> |
| 7 | SOP | Application Build complete | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • MD070 documents approved • CV060 documents approved • TE020 approved • Updated BR100's approved |

| | | | | | | |
|--------|------------------|----------------------------------|-----|--------|--------|--|
| 8 | SOP | SOP infrastructure commissioning | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • SOP technical architecture hardware commissioned and available for use in Live/DR environments as appropriate. • Infrastructure application software installed consistent with the Low Level Design Documents' build instructions. • The Acceptance Tests to be undertaken by the Contactor to demonstrate that this Deliverable meets the above Acceptance Criteria shall consist of: Completion of Unit, System, Regression and Performance Testing for the SOP technical architecture hosted within the Live and/or DR Data Centres as appropriate. |
| 9 | SOP | System Test complete | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • TE040 approved • TE110 approved |
| REDACT | REDACT | REDACT | MoJ | REDACT | REDACT | MoJ decision confirmed via email from MoJ Evolve Programme SRO |
| 10 | SOP | UAT complete | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • TE130 approved • Final BR100 approved • Detailed Cut-Over Plan approved |
| 11 | IT Readiness | IT Equipment & Service Readiness | MoJ | REDACT | REDACT | ARoll-out desktops and end user computing facilities to all SSCL staff involved in delivery to MoJ. Desktop connectivity and performance testing complete |
| 12 | SOP | Parallel Run complete | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • MoJ Go/No Decision approves go live • Contingency and DR Plan approved |
| 13 | SOP | Cut over | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • MoJ Evolve Programme SRO Confirmation of successful deployment of SOP to each MoJ Business Group • All Cut-over Plan activities confirmed as completed by the MoJ Evolve Programme SRO • All services operating to full service spec or interim spec if approved • Approved Data Archiving solution deployed |
| 14 | Transformation | Transformation Implementation | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • MoJ Evolve Programme SRO Confirmation of successful deployment • All Cut-over Plan activities confirmed as completed by the MoJ Evolve Programme SRO • All services operating to full service spec or interim spec if approved • All agreed training delivered |
| 15 | Hyperion project | | MoJ | REDACT | REDACT | Hyperion solution live for MoJ Business Group |
| 16 | Transformation | Overall Transformation Complete | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> - Security accreditations achieved - ISMS approved - Transformation complete Transformation activities defined, exit criteria complete with all actions completed or plans approved and in place to complete: Transformation activities completed |
| 17 | SOP | Exit post go-live support | MoJ | REDACT | REDACT | <ul style="list-style-type: none"> • Post go-live support period complete |
| | | | | | REDACT | |

PART B

FURTHER DETAIL FOR MILESTONES 1, 2, 4, 6, 11, 14, 15

| Milestone | Description |
|--------------|---|
| IT Readiness | New Resilient MPLS WAN Link to REDACT |
| | Additional Bandwidth REDACT |
| | Servers & Racks |
| | Remote Access Solution |
| | Telephony & VC |
| | Desktops, Laptops, Monitors, MS Office Licences |
| | Printers, Scanners |
| | Other licences (Sharepoint/ BPO tools) |
| | Set-Up and Configuration (Contact Centre Technology, E-mail etc.) |
| | Protective monitoring |
| | Project Management, Architects, DBA, Testing, Security |

| Milestone | Description - Example activities |
|---|---|
| Migration & MOJ Steady State | <u>Project Management</u> <ul style="list-style-type: none"> •Overall project governance •PMO activities •RAID capture & reporting •Progress Reporting •Develop the Quality plan •Supporting the board meetings |
| | <u>Commercial, Finance & Procurement</u> <ul style="list-style-type: none"> •Initiate commercial dashboard •Agree commercial processes and establish contact with Supply Chain •Finalise 3rd Party agreements •Reporting •Contract novations, preparation, process and team build •Handover to operational finance |
| | <u>Migration</u> <ul style="list-style-type: none"> •Day 1 to 90 contract obligations |

- Transfer staff to SSCL Payroll
- Set up new user with access to Steria / SSCL systems
- Provide Steria assets where required such as laptops, phones, blackberries etc
- Order new corporate cards and government procurement cards
- Confirm services to be transferred and update the service catalogue
- Update the BC / DR plans with the new Day 1 reporting lines and structures
- Develop and manage the Readiness checklist in preparation for the Go / No Go decision
- Deliver training on SSCL / Steria systems as required for Payroll, Expenses etc
- Provide Security resource to ensure compliance with MoJ security requirements
- Update the corporate MoJ and SSCL Finance systems with the new arrangements – purchase orders, cost centres, billing arrangements, new mobile phones, blackberries etc
- Process Mapping
- Lessons learned and Post Implementation reviews
- Confirm the banking arrangements and that they can be transferred to SSCL

HR & Comms

- All stakeholder analysis – all user groups
- External and internal communications
- Staff interviews and inductions
- Employee surgeries

| | |
|--|--|
| | <ul style="list-style-type: none"> •Manage the Day one activities such as the executive presentations and induction pack •Welcome presentations and HR goody bags •Update the websites |
| | <p><u>Facilities</u></p> <ul style="list-style-type: none"> •Agree the on site facilities provision and associated processes •Site fit out and signage •Validate Health & Safety |

| Milestone | Description |
|--|---------------------------------|
| Transformation (People Activities, Process Optimisation (Pre-SOP), Process Optimisation (SOP), Centres of Excellence, REDACT) | Governance & Project Management |
| | People |
| | Communications |
| | Design & Architecture |
| | Process Change & Optimisation |
| | Facilities |
| | Security |

PART C

Asset Register of assets required to be procured by the Contractor under Transformation Milestone 4 SOP Infrastructure Procurement.

REDACT