



Crown  
Commercial  
Service

RM 1557vii

G-CLOUD 7

Call-Off Agreement and Call-Off Terms

Schedule 2: Call-Off Terms

Effective Date	Order Reference
1 July 2016	

FROM:

Customer	Home Office "Customer"
Customer's Address	2 Marsham Street, London SW1P 4DF
Invoice Address	Home Office Shared Service Centre, HO Box 5015, Newport, NP20 9BB
Principal Contact	Name: Mark Huckerby Address: 2 Marsham Street, London SW1P 4DF Phone: 0785 447 1493 e-mail: Mark.Huckerby1@homeoffice.gsi.gov.uk

TO:

Supplier	IBM United Kingdom Ltd "Supplier"
Supplier's Address	North Harbour, Portsmouth, Hants, PO6 3AU
Account Manager	Name: Russ Latham Address: 76-78 Upper Ground, London, SE1 9PZ Phone: 07500 127894 e-mail: russ.latham@uk.ibm.com

1. TERM

1.1 Commencement Date

This Call-Off Agreement commences on: 01 July 2016

1.2 Expiry Date

This Call-Off Agreement shall expire on:

1.2.1 30 June 2017; or

1.2.2 the second (2) anniversary of the Commencement Date, whichever is the earlier, unless terminated earlier

pursuant to Clause CO-9 of the Call-Off Agreement.

**1.3 Services Requirements**

1.3.1 This Order is for the G-Cloud Services outlined below. It is acknowledged by the Parties that the volume of the G-Cloud Services utilized by Customer may vary from time to time during the course of this Call-Off Agreement, subject always to the terms of the Call-Off Agreement.

1.3.2 G-Cloud Services

1.3.2.1 Lot1 IaaS N/A;

1.3.2.2 Lot2 PaaS N/A;

1.3.2.3 Lot3 SaaS N/A; and

1.3.2.4 Lot 4 Service ID 7903864977915403 IBM Cloud DevOps and Support Services

1.3.3.1 Detailed Requirements

The Customer's detailed requirements are in Appendix 1

The Supplier's compliance with the requirements is included in Appendix 2a

The Supplier's proposal reflecting the compliance to requirements is in appendix 2

The Supplier will work as directed by the Customer throughout the Term of this contract.

1.3.3.2 Detailed Security Requirements

Supplier personnel will hold appropriate clearance levels in accordance with the Security Aspects Letter in Appendix 3.

Protectively marked data would be subject to the additional controls defined in the HMG Security Policy Framework

For information assets considered by the Customer to be of a sensitive nature (classified as "OFFICIAL-SENSITIVE") then only those personnel who have a genuine need to know should have access to that information.

The Supplier shall ensure that all systems, where they are operated by Supplier personnel in accordance with the requirements and proposal or as directed by the Customer, are operated in such a manner to support Customer compliance with: HMG Security Policy Framework which is located at <http://www.cabinetoffice.gov.uk/resource-library/security-policy-framework>

Supplier shall ensure that all appropriate CESG Good Practice Guides are followed within the bounds of the requirements and proposal or as directed by the Customer

Supplier shall ensure protection of HMG information assets and accreditation of the solution where appropriate.

A Security Aspects Letter with further details is attached as Appendix: 3

1.3.3.3 Detailed Reporting Requirements

See Appendix 1: Scope & Requirements: Section 8.2 Reporting

1.3.3.4 Detailed Commercial Requirements

a) Should a resource used to deliver the service (as identified in section 1.3.3.1) become unavailable, the Supplier may request the replacement of the resource by offering an alternative similarly-skilled CV for con-

sideration by the Customer. Customer retains the right not to accept the offered alternative resource.

b) IPR Indemnity

The Supplier shall at all times, during and after the term, on written demand indemnify the Customer and keep the Customer indemnified against all damages, costs or expenses and other liabilities (including legal fees) awarded against the Customer or agreed to be paid by the Supplier arising from an IPR claim relating to the provision of the Services; or any claim for infringement or alleged infringement of any patent used to provide the Services (and any reference to IPR claims in clauses 2 to 6 (inclusive) shall be construed to include such patent related claims).

1. The Customer agrees that:

it will notify the Supplier in writing of any IPR claim;

it will allow the Supplier to conduct all negotiations and proceedings and will provide the Supplier with such reasonable assistance required by the Supplier, each at the Supplier's cost, regarding the IPR claim; and

it will not, without first agreeing with the Supplier (such agreement by the Supplier not to be unreasonably withheld or delayed), make an admission relating to the IPR claim.

2. The Supplier shall consider and defend the IPR claim diligently using competent counsel and in such a way as not to bring the reputation of the Customer into disrepute.

3. The Supplier shall not settle or compromise any IPR claim without consulting with the Customer.

4. If an IPR claim is made, or the Supplier anticipates that an IPR claim might be made, the Supplier may, at its own expense and sole option, either:

procure for the Customer the right to continue using the relevant item which is subject to the IPR claim; or

replace or modify the relevant item with non-infringing substitutes provided that:

the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;

not used;

there is no additional cost to the Customer; and

the terms of the Agreement shall apply to the replaced or modified services.

5. If the Supplier elects to modify or replace an item pursuant to clause 5.2 or to procure a licence in accordance with clause 5.1, but this has not avoided or resolved the IPR claim, then the Customer may terminate this Call-Off Agreement by written notice with immediate effect and without prejudice to the indemnity set out in clause 1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute items and/or services including the additional costs of procuring, implementing and maintaining the substitute items.

6. The provisions of clauses 1 to 6 (inclusive) shall not apply in respect of any IPR claim caused by:

7. any use by or on behalf of the Customer of the software in combination with any item not supplied pursuant to this Call-Off Agreement; or

8. the use by or on behalf of the Customer of the software in a manner not reasonably to be inferred from the provisions of this Call-Off Agreement; or

9. the use by or on behalf of the Supplier of any Customer provided assets in accordance with the terms of this Call-Off Agreement.

1.3.3.5 Assumptions (extracted from Appendix 2)

a) Planning, coordinating and managing cross supplier implementations is out of scope of the Supplier's Level 2 responsibilities.



<https://www.gov.uk/government/publications/government-security-classifications>

(e) CESC Policies and Guidance:

<http://www.cesg.gov.uk/publications/Pages/category.aspx?cat=1> - Policy + %26+Guidance v.v.v

(f) Home Office Technology Principles and Standards – Enterprise Architecture

(g) Technology and Methodology Standards and Terms to provide context for ESBA Suppliers (non-exhaustive):

TOGAF ADM, BPMN 2.0, W3C WCAG, Archimate 2.0, UML2.0, DevOps, Continuous Integration, Build Automation, Agile Development

**4. ONBOARDING**

**4.1 On-boarding**

Not used.

**5. CUSTOMER RESPONSIBILITIES**

**5.1 Customer's Responsibilities (including items from Appendix 2)**

5.1.1 The Customer shall ensure that Deliverables are reviewed in a timely manner.

5.1.2 The Customer shall ensure that Achievement Certificates are reviewed and approved (if appropriate) in a timely manner.

5.1.3 The Customer is responsible for the selection of, and contracting with, the cloud hosting provider for the IPT and BSG programmes.

5.1.4 The Customer shall be responsible for clear release management governance that enables all candidate releases to be assessed for their test coverage, known issues, known deployment workarounds prior to agreement

5.1.5 The Customer shall be responsible for the provision of 3rd line support appropriate to the hours provided by Level 2, or agreement to park incidents requiring 3rd line support until the standard working day

5.1.6 Prioritisation of development supplier work to enable improvements as identified in the Service Improvement Plan, e.g. updates to work instructions and application alerting, as well as supplier owned enhancements identified during this contract as part of the Continuous Service Improvement cycle

5.1.7 The Customer shall be responsible for providing a Live Services Product owner to prioritise incidents

5.1.8 The Customer shall be responsible for providing a Home Office Technology ("HOT") owner responsible for the acceptance criteria of services to enter Level 2 support

5.1.9 The Customer shall ensure that the programmes (BSG and IPT) will each provide an experienced technical release and implementation manager to responsible for detailed assured release plans prior to any production deployment

5.1.10 The Customer shall be responsible for the provision of a production-like support environment that will be made available to Level 2 when required to allow problem determination, issue recreation and release rehearsals.

5.1.11 Desk space, internet wi-fi or CAT5 cables and POISE terminal access and desktops for access to systems with higher levels of security will be provide in Croydon for users in the Service Acceptance and ELS team

5.1.12 The Customer's IPT release management team will undertake all administrative change & release management activity as they do today and that this function will be duplicated for BSG

**5.2 Customer's equipment**

If required POISE desktop PC access will be provided by the Customer. This will be subject to relevant security clearances as described at Appendix 3 Security Aspects Letter.  
Licences for the IPT and BSG Programme tooling software will be provided by the Customer.  
Licences required by the Supplier to allow the Supplier to work on the IPT and BSG Programmes but, for the avoidance of doubt, excluding any licences required by the Supplier to deliver their Specialist Cloud Service will be provided by the Customer.

The Customer will provide laptops that can connect securely to the BSG environment from remote locations

**6. PAYMENT**

**6.1 Payment profile and method of payment**

Charges attributable to IPT and BSG are as tabled below and represent the total Time and Materials chargeable

The total Time and Materials Charges payable by the Customer during the Term shall not exceed £2,956,977 (Two million, Nine hundred and fifty six thousand, Nine hundred and seventy seven pounds (GBP)) except that this value may be increased at the sole discretion of the Customer via a notice to extend or agreed contract change.

The Charges have been calculated using the rate card in section 6.1.2 below and the resource model in Appendix 5

Table 6.1a: IPT and BSG Charges

	Phase 1	Phase 2	Maximum Price
BSG	Nil	£907,578	
IPT	£542,802	£1,506,597	
Totals	£542,802	£2,414,175	£2,956,977

**6.1.2 Time & Materials Service Charges**

The Service Charges for delivery are based upon the day rates set out in Appendix 2 Level 2 Support and Operations Service: IBM Proposal

Table 6.1: Rates included in the Supplier's Proposal compared to G-Cloud rates

SFIA	Grade	Proposal	G-Cloud Offer*	Reduction (%)
Strategy and Architecture	7	1400	1950	-28.2
Strategy and Architecture	5	1050	1300	-19.2
Solution Dev and Implementation	5	855	1100	-21.4
Solution Dev and Implementation	4	697	835	-16.5
Service Management	6	920	1150	-20.0
Service Management	5	772	905	-14.7
Service Management	4	691	745	-7.2
Service Management	3	550	620	-11.3
Service Management	2	480	530	-9.4

\*From IBM Cloud DevOps and Support Services - GBS SFIA Rate Card G-Cloud 7.

**6.1.3 Payment Mechanism**

Customer shall pay the monthly Charges against the signed Acceptance Certificate for timesheets and monthly Deliverables. At the end of each month the Parties shall review a report developed by the Supplier that summarised the works completed in the last period, the time sheet actuals for the Supplier team and will include a forecast of works and estimates for the next period. Once the Customer has approved this:

report it shall produce an Acceptance Certificate. The Supplier will issue invoices for issued Acceptance Certificates.

#### 6.1.4 Expenses

The Charges are inclusive of all Supplier travel and subsistence and all other expenses for work conducted within the M25 motorway.

Some travel is expected between those sites within the M25 and the Supplier's site in Hursley and it is expected that there will be some subsistence and travel expenses associated with work conducted at the Supplier's site. Such expenses shall be charged to the Customer without margin as incurred and will be arranged by the Supplier at the lowest logical fare or rate for each journey acting reasonably.

Any expenses payable by the Customer shall be reasonable and be subject to the approval of the Customer's Head of Delivery, Donna Lea-Dodd – [Donna.Lea-Dodd@homeoffice.gsi.gov.uk](mailto:Donna.Lea-Dodd@homeoffice.gsi.gov.uk)

#### 6.1.5 Method of Payment

Customer payment shall be via BACS.

#### 6.1.6 Payment Profile

For information only the level of service initially identified as required is as per the table 6.1a and is based on the forecast within appendix 05.

#### 6.2 Invoice format

6.2.1 The Supplier shall submit invoices electronically. Every invoice must quote a valid purchase order number

6.2.3 The Customer shall pay the Supplier within thirty (30) calendar days of receipt of a valid invoice, submitted in accordance with this paragraph 6.2, the payment profile set out in paragraph 6.1 above, and the provisions of this Call-Off Agreement.

### 7. DISPUTE RESOLUTION

#### 7.1 Level of Representative to whom disputes should be escalated to:

(Finance director or equivalent).

Supplier: "IBM Home Office Account Manager" [macoll@ul.ibm.com](mailto:macoll@ul.ibm.com)

Customer: "Commercial Director Home Office" [Paula.Taylor2@homeoffice.gsi.gov](mailto:Paula.Taylor2@homeoffice.gsi.gov)

#### 7.2 Mediation Provider

Centre for Effective Dispute Resolution.

### 8. LIABILITY

#### Subject to the provisions of Clause CO 11 'Liability' of the Call-Off Agreement:

8.1 The annual aggregate liability of either Party for all defaults resulting in direct loss of or damage to the property of the other Party (including technical infrastructure, assets, equipment or IPR) but excluding any loss or damage to the Customer Data or Customer Personal Data) under or in connection with this Call-Off Agreement shall in no event exceed the total contract value of this call-off order being £2.98m

8.2 The annual aggregate liability for all defaults resulting in direct loss, destruction, corruption, degradation or damage to the Customer Data or the Customer Personal Data or any copy of such Customer Data, caused by the Supplier's default under or in connection with this Call-Off Agreement shall in no event exceed fifty percent (50%) of

the Charges payable by the Customer to the Supplier during the Call-Off Agreement Period

8.3 The annual aggregate liability under this Call-Off Agreement of either Party for all defaults shall in no event exceed the greater of one hundred and twenty five percent (125%) per cent of the Charges payable by the Customer to the Supplier during the Call-Off Agreement Period.

## 9. INSURANCE

### 9.1 Minimum Insurance Period

Six (6) Years following the expiration or earlier termination of this Call-Off Agreement

9.2 To comply with its obligations under this Call-Off Agreement and as a minimum, where requested by the Customer in writing the Supplier shall ensure that:

- professional indemnity insurance is held by the Supplier and by any agent, Sub-Contractor or consultant involved in the supply of the G-Cloud Services and that such professional indemnity insurance has a minimum limit of indemnity of one million pounds sterling (£1,000,000) for each individual claim or such higher limit as the Customer may reasonably require (and as required by Law) from time to time;
- employers' liability insurance with a minimum limit of five million pounds sterling (£5,000,000) or such higher minimum limit as required by Law from time to time.

## 10. TERMINATION

### 10.1 Undisputed Sums Time Period

At least ninety (90) Working Days of the date of the written notice specified in Clause CO-9.4 of the Call-Off Agreement.

### 10.2 Termination Without Cause

At least thirty (30) Working Days in accordance with Clause CO-9.2 of the Call-Off Agreement.

## 11. AUDIT AND ACCESS

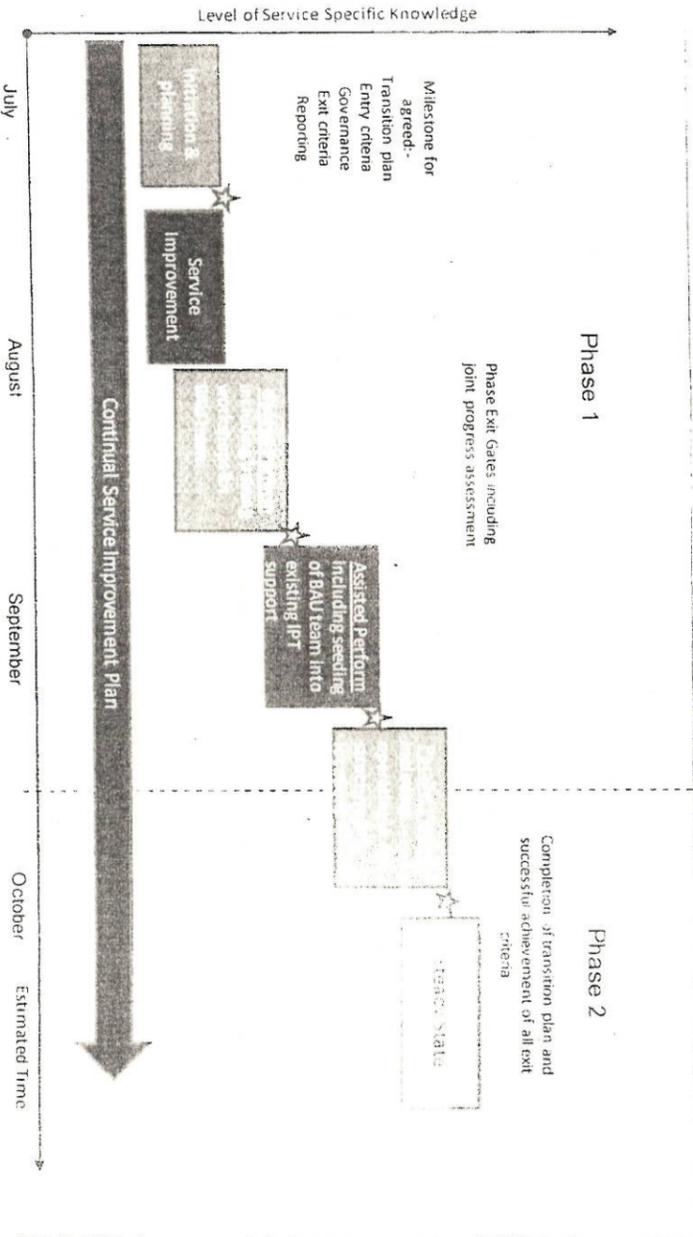
Twelve (12) Months after the expiry of the Call-Off Agreement Period or following termination of this Call-Off Agreement.

## 12. PERFORMANCE OF THE SERVICES AND DELIVERABLES

### 12.1 Implementation Plan and Milestones (including dates for completion)

The Supplier will deliver the services in line with Appendix 2 and 2a

Working under the Customer's direction and prioritisation the Supplier will seek to implement the Level 2 support programme to the following approximate timescales:



As part of the first month of the engagement commencing 1<sup>st</sup> July 2016 the Supplier will work with the Customer to agree the detailed transition plan including entry and exit criteria, governance and reporting, which are described in Appendix 2.

Over the following two months to the end of September 2016 the Supplier will seek to pass two phase exits gates where joint progress will be assessed and joint agreement reached on progression to subsequent phases.

The go-live date for BSG is planned for early October 2016. During Phase 1 the IBM Level 2 Service Support and Operations team must:

- Deliver a detailed on-boarding plan in collaboration with the BSG delivery team
- Ensure readiness to provide BAU 24x7 support for the BSG service.
- Work with HOT to agree the required operational procedures and processes and have the required staff in place to execute them for the start of Phase 2.
- Work with HOT to agree the service readiness criteria and to have completed the related skills transfer.

Progress to phase 2 will be dependent on sufficient progress on service improvement projects as documented in the Continued Service Improvement Plan (Appendix 6) as documented in Appendix 2

**12.2 Service Levels**

Extract from Appendix 1: Level 2 Support and Operations Service: Requirements

Section 4: Performance levels - Service Levels & KPIs

**12.2.1 Incident Resolution**

The Supplier shall be required to meet the following Incident Resolution Times (from the point of notification from the Level 1 HOT Service Desk or an alert generated by monitoring systems) The definitions for each priority level will be agreed by the supplier as part of service acceptance for each IT Service. The proposed definitions are captured in

Section 11.

- Priority 1: 100% < 4 hours
- Priority 2: 100% < 8 hours
- Priority 3: 95% < 5 days
- Priority 4: 90% < 5 days

The Supplier shall safeguard to ensure that:

- Zero repeat incidents occur in any service month unless caused by an identified problem awaiting resolution by Level 3 Support teams.
- Incidents are managed in alignment with the severity definitions agreed during service acceptance where the incidents within the Supplier's service scope and control as defined within Section 11.

Service Availability

The Supplier shall be responsible for contributing towards an overall Service Availability target:

Overall Service Availability Target:

- 99.90% (to be monitored by the Supplier) using capabilities provided by delivery programmes
- IPT and BSG availability to be measured and reported on separately as distinct, discrete service groups:
- For core hours
  - 24/7
  - The Service Target to apply during core hours

**13. COLLABORATION AGREEMENT**

In accordance with Clause CO-20 of this Call-off Agreement, the Customer has included a memorandum of understanding as Appendix 4: Memorandum of Understanding between Suppliers which the supplier is expected to adhere to as part of this call-off contract.

**14. IPR**

All Deliverables produced by the Supplier for the purposes of this GCloud Call-Off shall be Client Materials other than any Pre-Existing Works that may be included in Deliverables which are licenced to the Customer by the Supplier.

**BY SIGNING AND RETURNING THIS ORDER FORM THE SUPPLIER AGREES** to enter a legally binding contract with the Customer to provide the G-Cloud Services. The Parties hereby acknowledge and agree that they have read the Call-Off Terms and the Order Form and by signing below agree to be bound by the terms of this Call-Off Agreement.

**For and on behalf of the Supplier:**

Name and Title	MARK SCUNDS
Position	Authorised signatory
Signature	
Date	29/6/16

**For and on behalf of the Customer:**

Name and Title	Chris Allen
Position	General Manager
Signature	
Date	29/6/16