Annex 2:

Satisfaction Certificate

To: [insert name of Supplier]

From: [insert name of Buyer]

[insert Date dd/mm/yyyy]

Dear Sirs,

Satisfaction Certificate

Deliverable/Milestone(s): [Insert relevant description of the agreed Deliverables/Milestones].

We refer to the agreement (**"Call-Off Contract"**) [insert Call-Off Contract reference number] relating to the provision of the [insert description of the Deliverables] between the [*insert Buyer name*] (**"Buyer"**) and [*insert Supplier name*] (**"Supplier"**) dated [*insert Call-Off Start Date dd/mm/yyyy*].

The definitions for any capitalised terms in this certificate are as set out in the Call-Off Contract.

[We confirm that all the Deliverables relating to [insert relevant description of Deliverables/agreed Milestones and/or reference number(s) from the Implementation Plan] have been tested successfully in accordance with the Test Plan [or that a conditional Satisfaction Certificate has been issued in respect of those Deliverables that have not satisfied the relevant Test Success Criteria].

[OR]

[This Satisfaction Certificate is granted on the condition that any Test Issues are remedied in accordance with the Rectification Plan attached to this certificate.]

[You may now issue an invoice in respect of the Milestone Payment associated with this Milestone in accordance with Clause 4 (Pricing and payments)].

Yours faithfully

[insert Name]

[insert Position]

acting on behalf of [insert name of Buyer]

Call-Off Schedule 15A (Health Supplier and Contract Management)

1. DEFINITIONS

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

"Agile"	a generic term to cover agile ways of working within the digital environment;
"Backlog"	has the meaning given to it in paragraph 2.3.1;
"Balanced Scorecard"	has the meaning given to it in paragraph 2.3.8;
"Buyer SM Event"	has the meaning given to it in paragraph 2.3.7;
"Call-Off Contract Management"	has the meaning given to it in paragraph 2.1.2;
"Call-Off Rate Card"	means the table of rates for different roles as captured in Call-Off Schedule 5A (Pricing Details);
"Collaborative Buyer/Supplier Event"	has the meaning given to it in paragraph 2.3.9;
"Call-Off Contract Manager"	the Call-Off Contract Manager appointed for the Supplier and for the Buyer in accordance with Annex 6 of this Schedule;
"Commercial Planning/Review Events"	has the meaning given to it in paragraph 2.3.4;
"Executive Sponsor"	has the meaning given to it in paragraph 6.26;
"Operational Board"	the board established in accordance with paragraph 2.3.64.1 of this Schedule;
"Operational Contract Manager"	the operational contract manager appointed for the Supplier and for the Buyer in Annex 6 of this Schedule;
"Operational Planning Event"	has the meaning given to it in paragraph 2.3.2;
"Operational Review Events"	has the meaning given to it in paragraph 2.3.3;
"Orange Book"	means the Orange Book: Management of Risks – Principles and Concepts accessible at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191513/The_Orange_Book.pdf
"Programme"	means a programme of work, as identified by a portfolio number or equivalent;

"Scrum Sprint"	means a time boxed period of time in which a useable product increment is created per the Scrum Guide™ (an Agile methodology);
"SOW Management"	has the meaning given to it in paragraph 2.1.1; and
"SOW Variation"	has the meaning given to it in paragraph 2.3.5.

2. OVERVIEW OF SUPPLIER AND CONTRACT MANAGEMENT

2.1 There are five levels of relationship and contract management covered by the various parts of this framework:

2.1.1 **Statement of Work Management** ("**SOW Management**") covering how Statements of Work (SOWs) are managed. SOW Management starts with SOWs being created and ends, typically with handover to the next SOW, as a SOW ends (see paragraph 3.1);

2.1.2 **Call-Off Contract Management** ("**Call-Off Contract Management**") covering the specific contract management obligations between Supplier and Buyer relating to a specific Call-Off Contract (see paragraph 3.8);

2.1.3 **Buyer/Supplier Management** covering individual relationships between the Buyer and a single Supplier. These relationships are anticipated to develop as an early part of Call-Off competition as Suppliers bid for potential work. These relationships are also anticipated to persist beyond individual Call-Offs for the duration of the Framework (and beyond, assuming Call-Offs extend beyond the formal term of the Framework) (see paragraph 3.31);

2.1.4 **Buyer Specific Framework Management**, involving the Buyer and all Suppliers under the Framework with whom the Buyer has a relationship. This level of relationship is anticipated to evolve as Call-Offs are awarded. This level of relationship is anticipated to persist beyond individual Call-Offs (see paragraph 3.40); and

2.1.5 **Framework Buyer/Supplier Management** covering "user group" topics such as:

- Innovation;
- New developments in technologies;
- Changes in digital services (e.g. the incorporation of SFIA 8 and changes to Digital, Data and Technology roles);
- Opportunities to improve the operation of the overall framework; and
- Proposed updates to the framework;

2.2 For the avoidance of doubt, by signing any individual Call-Off Contract, suppliers are obliged to meet the terms of this Schedule, as required by the Buyer, for the durations indicated at each level of relationship.

2.3 There are a number of key mechanisms for managing this Call-Off Contract set out below. This list is not an exclusive list but is designed to focus on the key principles underpinning each level of management. Also, whilst logically separated below, the Buyer may elect to combine such mechanisms:

2.3.1 **Product Backlog** (Scrum ™) or **Prioritised Requirements List** (AgilePM®) (the **"Backlog"**) which, within the context of this Contract, should be

considered to be the cornerstone of ongoing operational management. As such it should be considered to be a live contract artefact (see paragraph 4.1);

2.3.2 **"Operational Planning Events"** or equivalent, managing the granular level refinement from Commercial Planning/Review Event level (typically at requirement/Increment level down to Scrum Sprint / Timebox (AgilePM) sized task level (to be held at the frequency given at paragraph 3.6);

2.3.3 **"Operational Review Events"** or equivalent, which provide the basis for among other things, reviewing achievements out of individual Sprints/Timeboxes, learning lessons from the previous activity and understanding the actual effort used. A summary of this will be fed into the Commercial Planning/Review Events (Scrum Sprints or reporting performance and progress of tasks into the Commercial Planning/Review Events is described below at paragraph 3.7);

2.3.4 **"Commercial Planning/Review Events"** (usually combined but may be separate events for planning and review):

- These events will refine and prioritise the main Backlog (at Deliverable Increment/user story level and above) for feeding into the more detailed SOW task level backlog managed under the Operational Planning Events described above. If the Incremental Fixed Price charging mechanism is in use under a SOW, these events will agree the "price" for a Deliverable Increment (backed up by an estimate of effort linked to the Call-Off Rate Card).
- From a review perspective, the Commercial Planning/Review Event will assess completeness of tasks and map this into acceptance of Deliverables or Deliverable Increments as well as collate actual effort spent. Acceptance certificates may be used to acknowledge completeness. The review will typically lead to invoicing and payment.
- Whilst the frequency of Operational Planning Events is likely to reflect the operational practices specific to the SOW, Commercial Planning/Review Events will normally be held on a monthly basis.
- These events are seen at the main focus points for Call-Off Contract Management activities (see paragraph 3.8).

2.3.5 **Variation and Change Management** covers minor changes to Statements of Work (**"SOW Variations"**) and more formal changes to the contract (see paragraph 4.2 below);

2.3.6 Events such as **Operational Board meetings**, where the programme or project teams may escalate topics for resolution or where material decisions may need to be made. (see paragraph 6.21 below);

2.3.7 **"Buyer SM Events"** designed to aggregate Call-Off Contract activity into an overarching view of Supplier performance and provide a means to take a holistic view of the performance and relationship with the Supplier as well as address topics escalated from individual Call-Off Contracts. If the Buyer only has one or two Call-Off Contracts with an individual supplier these events may be combined with Commercial Planning/Review Events, however the intent is to focus at the Supplier level rather than the Call-Off Contract level (see paragraph 3.39 below);

2.3.8 The **"Balanced Scorecard"**, providing the mechanism to visually summarise the status of either the Call-Off and/or Supplier performance. Whilst a large individual Call-Off may warrant a dedicated Balanced

Scorecard, within the context of this framework it is anticipated the Balanced Scorecard will operate at the overall Buyer/Supplier level (and this is the assumption underpinning the illustrations making up the rest of this Schedule) (see 4.3 below);

2.3.9 **"Collaborative Buyer/Supplier Events"** intended to provide a mechanism to share learning, develop collective improvements, share future plans, and discuss topics which may be forwarded for consideration at the Framework level. (see 3.40 below); and

2.3.10 in order to manage the time dimension relevant to the Call-Off Contract the Buyer will require some form of delivery planning. This may be in the form of Gantt charts or project plans, or it may be in the form of agile tools such as roadmaps, Epic boards, Elaboration and/or Sprint Boards, Kanban boards, etc. (see paragraph **Error! Reference source not found.** below).

2.4 Throughout the lifetime of both individual Call-Off Contracts and the framework relationship between the Buyer and Suppliers there are risks. Risk management practices applied at Call-Off Contract level are described further at paragraph 5.

2.5 Suppliers should be aware that the Buyer will also undertake ongoing Supplier risk management activities (such as ongoing financial credit rating checks) as part of its Call-Off Contract management processes.

3. SUPPLIER AND CONTRACT MANAGEMENT LEVELS

Statement of Work Management

3.1 Other than the first SOWs under a Call-Off Contract, which will be defined by the Buyer, SOWs will generally be developed involving joint exploratory discussions between the Buyer and the Supplier. Generally speaking, inputs to the SOW are likely to include:

3.1.1 some form of road map (the context);

3.1.2 initial views on initial resource profile and technology stack and so on, used to inform the sizing of the SOW;

3.1.3 which Accountability Model (Sole Responsibility, Self-Directed Teams or Rainbow), each as defined in Framework Schedule 1 (Specification); and which pricing mechanism (Fixed Price, Capped Time and Material, or Incremental Fixed Priced); and

3.1.4 an initial Backlog (detailing requirements at an appropriate level of detail), provisional resource profile and technologies.

3.2 The operation of the Backlog is described under paragraph 4, however, at operational level it is intended to be the basis for agreeing, accepting and capturing tasks as well as related effort. There shall be a continuous alignment between the main Backlog held at Call-Off Contract level and any SOW Backlog (the Call-Off Contract level Backlog focuses on Deliverable Increments whilst the SOW Backlog level focuses on the more detailed tasks). At SOW level the Backlog should largely be operational and should be being refined to a level that can be allocated to the next sprint, timebox or equivalent (aiming to task size).

3.3 In addition to the Backlog, there will be information required by the Buyer for the purposes of recording resources (e.g. for controlling access to infrastructure), measuring performance (e.g. burn charts, etc), evidencing delivery (e.g. acceptance certificates) and so on. Annex 1 provides a provisional, non-exclusive, list of information types which may be used by the Buyer to initially specify typical requirements.

3.4 Whilst individual SOWs may operate under the Fixed Price or Incremental Fixed Price pricing mechanisms, all Call-Off Contracts shall be underpinned by an agreed set of Supplier Call-Off Rate Cards. Under all circumstances, regardless of pricing model, Suppliers shall maintain an accurate record of actual resource utilisation and to make this available to the Buyer on request.

3.5 When capturing effort, the Supplier is required to link such effort to the SOW and to the respective entry on the applicable Call-Off Rate Card as well as include period start and end date and utilised effort (in hours, days or fractions thereof as determined by the Buyer).

3.6 Operational Planning Events will be held at a frequency determined by the Buyer. The purpose will be to agree the next iteration of work (e.g. Scrum Sprint) and to refine the Backlog. The principle of ongoing refinement is a key Agile concept.

3.7 Operational Review Events will be held at a frequency determined by the Buyer. Typically, these will be at regular intervals (e.g. every month or every Scrum Sprint). Two contractual related purposes of Operational Review Events are to:

3.7.1 identify when tasks are completed and provide evidence to the Commercial Planning/Review Events that work is "done"; and

3.7.2 capture actual effort taken (versus the forecast) as a means of improving future estimates and providing the raw data for invoicing purposes.

Call-Off Contract Management

3.8 Within the context of this Call-Off Contract, taking into account the other levels of contract management, the primary purpose of Call-Off Contract Management includes:

3.8.1 establishing and managing the information flows relevant to the Call-Off Contract;

3.8.2 managing the overarching Backlog and ensuring it is continuously refined to reflect the evolving work;

3.8.3 establishing new SOWs, providing oversight of SOWs in progress and ensuring handover between SOWs as appropriate;

3.8.4 acting as the bridge between SOW management (operational) and commercial matters such as raising and managing invoices and payment, and tracking and managing commitment and spend against the overall Call-Off Contract value estimate;

3.8.5 providing oversight of the resources (Supplier Staff, Subcontractors, etc.) required to deliver the Deliverables under the Call-Off Contract;

3.8.6 creating and maintaining Implementation Plans (as set out in Call-Off Schedule 13A (Health Implementation Plan and Testing);

3.8.7   co-ordinating with stakeholders and the Operational Board if applicable;

3.8.8   managing overall Call-Off Contract level risks, issues, escalations and commercial matters;

3.8.9   managing formal Variations;

3.8.10   acting as the linkage point into Buyer/Supplier Management;

3.8.11   maintaining and updating the Contract specific Call-Off Rate Card(s);

3.8.12   contributing to the maintenance of programme/project artifacts such as business cases, procurement packages, roadmaps, etc;

3.8.13   ensuring smooth transition and hand-over to the recipient of Deliverables (always the Buyer, but it may also be to another supplier if there is another major phase of work to be undertaken by the other supplier under a separate Call-Off Contract or SOW); and

3.8.14   monitoring Supplier performance against Material KPIs.

3.9   Typically, the Buyer shall expect oversight of SOWs to form part of the role of a core team who will persist for the duration of the Call-Off Contract. The Buyer shall consider executing a dedicated SOW (typically a rainbow team, on a Capped Time and Materials basis) for defining and managing Call-Off Contract Management activities. This would be in addition to any specific delivery SOWs. This role is not anticipated to be full time, but rather periodic (e.g. no more than a few days per month). If a single SOW is operating at any given time, the role may to be combined with others.

3.10   Whereas SOWs will often be sequential, there is no restriction on the number of SOWs that are able to be effective at any point in time. Likewise it is highlighted that Service Provisions under this framework are not lots. This means a Call-Off Contract may involve more than one Service Provision (with individual SOWs possibly commissioned to deliver distinct services).

3.11   The above activities are logically defined under the heading of Call-Off Contract Management for the purposes of this Call-Off Contract however the Buyer may choose to capture the above requirements in a manner of their own choosing.

Establishing and Managing Information Flows

3.12   Annex 2 provides an initial list of information which may be requested by the Buyer in connection with Call-Off Contract Management. The Buyer may add to this list at any point in time by notifying the Supplier in writing.

3.13   The information set out in Annex 2 shall be expected to be kept up to date by the Supplier at the refresh frequency set out in that Annex. The Supplier is required to maintain tight version control and, where noted, obtain Buyer approval to updates as the work progresses.

Managing the Backlog

3.14   The Backlog is a key artifact for Call-Off Contract Management. The Backlog shall track Deliverable Increments as they are refined during the Call-Off Contract Period, will identify which SOWs cover each Deliverable Increment, will size them (and cost them under either the Fixed Price or Incremental Fixed Price models),will provide the basis for "accepting" them and will track various other information as set out in Annex 4.

3.15 Whilst the Buyer may choose to have a single Backlog covering each SOW and the Call-Off Contract, at Call-Off Contract level the Backlog is intended to capture the Deliverable Increments whilst delegating the detailed task-level management down to the SOW Backlog.

3.16 Payment under the either the Fixed Price or Incremental Fixed Price pricing mechanism will be based on the price agreed in advance. However, the Supplier will be expected to provide a resource estimate which, when combined with Call-Off Rate Card prices, will provide the transparent basis for the fixed price.

3.17 The Buyer may elect to use acceptance certificates for all Deliverable Increments agreed as "done" or only for key Deliverable Increments. Under the Fixed Price or Incremental Fixed Price pricing mechanisms, there shall be a clear linkage between an invoiced amount and the relevant Deliverable Increment.

3.18 In all cases there shall be a clear linkage between the Backlog and invoices submitted.

3.19 Invoice frequency may not align with Operational Review Events (e.g. invoicing may be monthly but review/planning events every two weeks). Under such circumstances, for clarity of receipting and audit purposes, unless agreed otherwise by the Buyer, work yet to be accepted at the Commercial Planning/Review Event shall be held back to the next appropriate invoice period.

Oversight of Statements of Work

3.20 Subsequent to the first SOW, new SOWs will be created and agreed under the concept of Call-Off Contract Management. It is anticipated that the team involved in Call-Off Contract Management shall develop the SOW requirements, work with the Supplier to agree the content of the SOW, and decide on the resourcing and pricing models prior to signing off the SOW.

3.21 It is the responsibility of the respective Call-Off Contract Managers to ensure SOWs are within the scope of the overarching Call-Off Contract and that budget is available under the Call-Off Contract.

3.22 It is envisaged that minor variations to in-place SOWs will be coordinated under the concept of Call-Off Contract Management

Providing oversight of resourcing

3.23 Whilst detailed planning of resource allocation to SOW tasks is handled at SOW Management level, there is an ongoing requirement to understand the total resourcing view and where resourcing is deployed at the Call-Off Contract level.

3.24 Under the Rainbow Team Accountability Model, the Buyer may have mandatory induction processes to be followed. The Supplier shall ensure that all such requirements are met where required prior to beginning work under any Call-Off Contract or SOW.

3.25 The Supplier is also responsible for ensuring that its staff (directly or indirectly employed) perform any data handover / cleansing obligations where applicable at the end of a Call-Off Contract. Call-Off Contract Management is accountable for ensuring this is done.

The bridge between SOW Delivery and payment / Call-Off Contract budget management

3.26 The Supplier shall, at all times, maintain an audit path linking delivery information together with invoice information.

3.27 In an Agile environment, the contract value agreed at Call-Off Contract level is typically a maximum possible value rather than a committed sum. Subject to the terms of this Call-Off Contract, committed charges shall be set out in each SOW.

3.28 At all times, the Supplier shall track budgets, forecasts and actuals at purchase order level, SOW level and Call-Off Contract level and shall provide a level of granularity (e.g. monthly) as required by the Buyer.

3.29 The Supplier shall update such financial summaries to reflect any changes agreed under the formal Variation process.

3.30 The Supplier shall notify the Buyer of any forecast overspend at least 60 days in advance of such an overspend occurring.

Buyer/Supplier Management

3.31 Buyer/Supplier Management covers the overall relationship between Buyer and Supplier. If there is only one Call-Off Contract in place between the Buyer and Supplier the below activities may be combined under Call-Off Contract Management. However, Buyer/Supplier Management contains obligations which extend beyond specific Call-Off Contracts as set out below.

3.32 Buyer/Supplier Management is considered to formally start on the commencement of the Call-Off Contract. However, it is anticipated that Suppliers start to engage in Buyer/Supplier Management on an informal basis as they first become involved in a Further Competition Procedure.

3.33 From the Call-Off Contract Start Date the Supplier shall nominate a Buyer Account Manager and the Buyer shall nominate a Supplier Manager

3.34 It is expected, as part of non-Call-Off Contract-specific Supplier engagement, that the Supplier makes efforts to "understand" the Buyer. In order to improve competition and ensure a level playing the Buyer shall support attempts by the Supplier to "understand" the Buyer, without prejudicing any Further Competition Procedure.

3.35 It is recommended that, where a Supplier has not previously had a relationship with the Buyer, or specific relevant parts of the Buyer's business, that "get to know events" are facilitated by the Buyer.

3.36 Buyer/Supplier Management is considered to end on the End Date of the last effective Call-Off Contract between the Buyer and Supplier.

3.37 Whilst it is recognised that Buyer/Supplier Management may be incorporated within Call-Off Contract Management, there is certain information which may be aggregated up or is pertinent to the relationship with the Supplier. Examples of such information are listed under Annex 3.

3.38 On an ongoing basis, the Buyer and Supplier shall collaborate to ensure appropriate prioritisation of resources, focus and continuous improvement across all Call-Off Contracts between the Buyer and the Supplier.

3.39 Buyer SM Events, for handling the above matters, shall be held at a frequency determined by the Buyer.