

THE SECRETARY OF STATE FOR HEALTH AND SOCIAL CARE

AND

PT. ESSENTRA

CONDITIONS OF CONTRACT FOR THE PROVISION OF SERVICES (FULL VERSION)
TESTING OF TAR NICOTINE AND CARBON MONOXIDE (TNCO) (2023-27)

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THE AUTHORITY	The Secretary of State for Health and Social Care of 39 Victoria St, Westminster, London SW1 0EU acting as part of the Crown
THE CONTRACTOR	PT. Essentra Plc which is a company registered in Indonesia with registration number 8120007800475 and DUNS 72-870-4925 and whose registered office is at Surabaya Industrial Estate Rungkut, 16-20, Jl. Berbek Industri I, Berbek, Waru, 61256, East Java, Indonesia
DATE	24/10/2022

1. BACKGROUND

- 1.1. The Authority placed a contract notice in the Find a Tender Service under the following reference C75064 on 08/08/2022 seeking tenders from providers for the delivery of TNCO testing in cigarettes services interested in entering into an arrangement for the supply of such services to the Authority.
- 1.2. On 08/08/2022 the Authority issued an invitation to tender (the “Invitation to Tender”). In response to the Invitation to Tender, the Contractor submitted a tender to the Authority on 12/09/2022 (“the Tender”). On the basis of the Tender, the Authority selected the Contractor to enter into an agreement to provide such services to the Authority.

2. THE CONTRACT

- 2.1. This Contract is made on the date set out above subject to the Order Form and the terms set out in the schedules annexed to the Contract (the “**Schedules**”). The Authority and the Contractor undertake to comply with the provisions of the Schedules in the performance of this Contract.
- 2.2. The Contractor shall supply to the Authority, and the Authority shall receive and pay for, the Services on the terms of this Contract.
- 2.3. In this Contract, unless otherwise provided or the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 3 (Definitions and Interpretation) or the relevant Clause or Schedule in which that capitalised expression appears.

Order Form

1. Contract Reference and Title	C105384- Testing of Tar Nicotine and Carbon Monoxide (TNCO) (2023-27)
2. Contract Commencement Date	01/01/2023
3. Authority	Secretary of State for Health and Social Care 39 Victoria Street, Westminster, London SW1H 0EU
4. Contractor	PT. Essentra which is a company registered in Indonesia with DUNS 72-870-4925 and whose registered office is at Surabaya Industrial Estate Rungkut, 16- 20, Jl. Berbek Industri I, Berbek, Waru, 61256, East Java, Indonesia
5. The Contract	<p>The Contractor shall supply the Services described below on the terms set out in this Order Form and the Schedules and any Annexes.</p> <p>Unless the Contract otherwise requires, capitalised expressed used in this Order Form have the same meanings as in Schedule 3 (Definition and Interpretation).</p> <p>In the event of any conflict between this Order Form and the Schedules, this Order Form shall prevail.</p> <p>Please do not attach any contractor terms and conditions to this Order Form as they will not be accepted by the Authority and may delay conclusion of the Contract.</p>
6. Services to be Supplied	C75064 Testing of Tar Nicotine and Carbon Monoxide (TNCO) (2023-27), as more particularly set out in Schedule 4 (Specification):
7. Optional Services	NA
8. Term	The Term shall commence on 01/01/2023 .

	<p>And the Expiry Date shall be 31/12/2025 unless it is otherwise extended or terminated in accordance with the terms and conditions of the contract.</p> <p>The Authority may extend the Contract for a period or periods of up to 24 months by giving not less than one 1 Month notice in writing to the Contractor prior to the Expiry Date. The terms and conditions of the Contract shall apply throughout any such extended period. The duration of this Contract shall be no longer than 5 years in total.</p>
9. Contract Price	The Contract Price for provision of the Services shall be as set out in Schedule 6 (Pricing).
10. Payment	<p>All invoices must be send quoting a valid Purchase Order number.</p> <p>mb-paymentqueries@dhsc.gov.uk</p> <p>Within 10 Working Days of receipt of your countersigned copy of the Contract, we will send you a unique Purchase Order number (the “PO Number”). You must be in receipt of a valid PO Number before submitting an invoice.</p> <p>All invoices must be send quoting a valid PO Number. Every payment request must be accompanied by a current statement of accounts; this is a standard commercial process and should show all invoices raised and amounts outstanding. Copy invoices requiring payment must be sent with all statement of accounts with supporting documents. The minimum supporting documents required are an invoice and packing list.</p> <p>To avoid delay in payment it is important that the invoice is compliant and that it includes a valid PO Number, PO item number (if applicable) and the details (name and telephone number) of your Authority contact (i.e. Authority Representative). Non-compliant invoices will be sent back to you, which may lead to a delay in payment.</p> <p>If you have a query regarding an outstanding payment, please contact our Accounts Payable section by email to:</p> <p>accountspayable@dhsc.gov.uk</p>
11. Authority Representative(s)	<p>For general liaison your contact will be:</p> <div style="background-color: black; width: 100%; height: 20px;"></div>

	<div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div>	
12. Contractor Representative(s)	For general liaison your contact will be <div>[REDACTED]</div> <div>[REDACTED]</div> <div>[REDACTED]</div>	
13. Address for notices	Authority: Department of Health and Social Care, 39 Victoria Street, Westminster, London SW1H 0EU <div>[REDACTED]</div>	Contractor: PT Essentra, Surabaya Industrial Estate Rungkut, 16-20, Jl. Berbek Industri I, Berbek, Waru, 61256, East Java, Indonesia <div>[REDACTED]</div>

14. Key personnel	NA	NA
15. Contractor Personnel Vetting	<p>The Authority may require the Contractor to ensure that any person employed in the provision of the Services has undertaken a Disclosure and Barring Service check.</p> <p>The Contractor shall ensure that no person who discloses that they have a conviction that is relevant to the nature of the Contract, relevant to the work of the Authority, or is of a type otherwise advised by the Authority (each such conviction a “Relevant Conviction”), or is found by the Contractor to have a Relevant Conviction (whether as a result of a police check, a Disclosure and Barring Service check or otherwise) is employed or engaged in the provision of any part of the Services.</p>	
16. Policies and Procedures	<p>The Supplier shall perform the Service in accordance with the following Authority and cross-government policies and procedures:</p> <p>DHSC Fraud, Bribery and Corruption Policy and Response Plan;</p> <p>Transparency in Supply Chains;</p> <p>Open Standards Principles;</p>	
17. Service Levels	<p>Critical Service Failure shall mean the failure to achieve at least ‘Requires Improvement’ band in more than 3 Key Performance Indicators as set out in heading</p>	

[Redacted]	
[Redacted]	

**SCHEDULE 1
KEY PROVISIONS**

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STANDARD KEY PROVISIONS

1. APPLICATION OF THE KEY PROVISIONS

- 1.1. The standard Key Provisions at Clauses 1 to 3 of this Schedule 1 shall apply to this Contract.
- 1.2. The optional Key Provisions at Clauses 4 to 20 of this Schedule 1 shall only apply to this Contract where they have been checked and information completed as applicable.

2. ORDER OF PRECEDENCE

- 2.1. If there is any conflict between any part of this Contract and the Schedules and/or any Annexes to the Schedules, the conflict shall be resolved in accordance with the following order of precedence:
 - 2.1.1. Order Form;
 - 2.1.2. Schedule 1 (Key Provisions);
 - 2.1.3. Schedule 2 (General Terms and Conditions);
 - 2.1.4. Schedule 3 (Definitions and Interpretation);
 - 2.1.5. Schedule 4 (Specification);
 - 2.1.6. any other Schedules and their Annexes (other than Schedule 5 (Tender)); and
 - 2.1.7. Schedule 5 (Tender) and its Annexes (if any).

3. APPLICATION OF TUPE AT THE COMMENCEMENT OF THE PROVISIONS OF SERVICES

- 3.1. The Parties agree that:
 - 3.1.1. where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Schedule 10 shall apply as follows:
 - (a) where the Relevant Transfer involves the transfer of Transferring Authority Employees, Part A of Schedule 10 shall apply;

- (b) where the Relevant Transfer involves the transfer of Transferring Former Contractor Employees, Part B of Schedule 10 shall apply;
 - (c) where the Relevant Transfer involves the transfer of Transferring Authority Employees and Transferring Former Contractor Employees, Parts A and B of Schedule 10 shall apply; and
 - (d) Part C of Schedule 10 shall not apply;
- 3.1.2. where the commencement of the provision of the Services or a part of the Service does not result in a Relevant Transfer:
- (a) Part C of Schedule 10 shall apply and Parts A and B of Schedule 10 shall not apply; and
 - (b) Part D of Schedule 10 shall apply on the expiry or termination of the Services or any part of the Services

OPTIONAL KEY PROVISIONS

4. QUALITY ASSURANCE STANDARDS

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED AND STANDARDS INSERTED)**

- 4.1.** The following quality assurance standards shall apply to the provision of the Services:
- 4.1.1. ISO 8243: 2013: Cigarettes -Sampling
 - 4.1.2. ISO 3308:2012: Routine analytical cigarette-smoking machine – Definitions and standard conditions
 - 4.1.3. ISO 3402:1999: Tobacco and Tobacco Products - Atmosphere for Conditioning and Testing
 - 4.1.4. ISO 4387:2019: Cigarettes - Determination of total and nicotine-free dry particulate matter (NFDPM) using a routine analytical smoking machine.
Tar Yield (mg per cigarette)
 - 4.1.5. ISO 8454:2007/ AMD 1:2009/AMD 2: 2019 – Cigarettes: Determination of carbon monoxide in vapour phase of cigarette smoke - NDIR method
Carbon Monoxide Yield (vapour phase) (mg per cigarette)
 - 4.1.6. ISO 10315:2021 – Cigarettes: Determination of nicotine in total particulate matter from the mainstream smoke – Gas chromatographic method.
Nicotine Yield (mg per cigarette)
 - 4.1.7. ISO 10362-1: 2019– Cigarettes: Determination of water in smoke condensates – Part 1: Gas chromatographic method.

Water yield (mg per cigarette)

5. PURCHASE ORDERS

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

- 5.1. The Authority shall issue a Purchase Order to the Contractor in respect of any Services to be supplied to the Authority under this Contract. The Contractor shall comply with the terms of such Purchase Order as a term of this Contract and shall ensure that the any Purchase Order is clearly noted on each invoice. For the avoidance of doubt, any actions or work undertaken by the Contractor under this Contract prior to the receipt of a Purchase Order covering the relevant Services shall be undertaken at the Contractor's risk and expense and the Contractor shall only be entitled to invoice for Services covered by a valid Purchase Order.

6. IMPLEMENTATION PHASE

(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED AND THE SCHEDULE INSERTED)

- 6.1. This Clause, the following definitions shall apply:

- 6.1.1. **"Delay"**: a delay in the successful achievement of a Milestone.
- 6.1.2. **"Detailed Implementation Plan"**: the detailed plan for the implementation of the Services that is developed in accordance with Clause 6.3 of this Schedule 1, as amended from time to time in accordance with the Change Control Process.
- 6.1.3. **"Implementation Plan"**: the Outline Implementation Plan unless and until it is superseded by the Detailed Implementation Plan.
- 6.1.4. **"Key Milestone"**: any Milestone which is identified as "key" in the Implementation Plan or by operation of the Change Control Process.
- 6.1.5. **"Key Milestone Date"**: the date for completion of any Key Milestone as set out in the Implementation Plan.
- 6.1.6. **"Milestone"**: an event or task described in the Implementation Plan which, if applicable, shall be completed by the relevant Milestone Date.

6.1.7. **“Milestone Date”**: the date set against the relevant Milestone in the Implementation Plan by which the Milestone shall be completed.

6.1.8. **“Outline Implementation Plan”**: the outline plan set out in Schedule [insert schedule number] for the implementation of the Services

Development of the Detailed Implementation Plan

6.2. Prior to commencement of delivery of the Services, there is an implementation phase and therefore all references in Clause 1.5 (Provision of Services) of Schedule 2 to the Implementation Plan shall apply.

6.3. The Detailed Implementation Plan shall be agreed as follows:

6.3.1. the Contractor shall prepare and deliver to the Authority for the Authority's approval a draft of the Detailed Implementation Plan within [thirty (30)] Working Days of the Commencement Date;

6.3.2. the Contractor shall not be entitled to propose any Variation to the Key Milestone Dates set out in the Outline Implementation Plan;

6.3.3. the Authority shall review and comment on the draft Detailed Implementation Plan as soon as reasonably practicable.

6.3.4. following such review and consultation, the Authority shall formally approve or reject the draft Detailed Implementation Plan no later than [twenty (20)] Working Days after the date on which the draft Detailed Implementation Plan is first delivered to the Authority. If the Authority rejects the draft Detailed Implementation Plan, the provision of Clause 6.4 (Rejection of Detailed Implementation Plan) of this Schedule 1 shall apply.

6.3.5. Once the draft Detailed Implementation Plan is approved, it shall replace the Outline Implementation Plan.

Rejection of Detailed Implementation Plan

6.4. The following shall apply if the Authority rejects the draft Detailed Implementation Plan:

6.4.1. the Authority shall inform the Contractor in writing of its reasons for its rejection.

6.4.2. The Contractor shall then revise the draft Detailed Implementation Plan (taking reasonable account of the Authority's comments) and shall re-submit a revised

draft Detailed Implementation Plan to the Authority for the Authority's approval within [20] Working Days of the date of the Authority's notice of rejection.

The provisions of Clause 6.3 (Development of the Implementation Plan) of this Schedule 1 and this Clause 6.4 (Rejection of Detailed Implementation Plan) shall apply again to any resubmitted draft Detailed Implementation Plan, provided that either party may refer any disputed matters for resolution in accordance with Clause 19 (Dispute Resolution) of Schedule 2 at any time.

Implementation

- 6.5.** The Contractor shall perform each of the tasks identified in the Implementation Plan by the applicable Milestone Date assigned to the particular task in the Implementation Plan.
- 6.6.** If the Contractor is relying on a dependency to be performed by the Authority in order to achieve a Milestone or Key Milestone, the Contractor shall ensure that any such dependency is:
 - 6.6.1. incorporated into the Implementation Plan; and
 - 6.6.2. notified to the Authority at least ten (10) days prior to the date when the Contractor requires the dependency to be performed and completed by the Authority.
- 6.7.** In the event that the Contractor fails to comply with Clause 6.6, above, any non-performance of a dependency by the Authority shall not be treated as a Default by the Authority and the Authority shall use reasonable endeavours to complete such dependency as soon as reasonably practicable.
- 6.8.** If, at any time, the Contractor becomes aware that it will not (or is unlikely to) successfully achieve any Milestone by the applicable Milestone Date, it shall immediately notify the Authority of the fact of the Delay, the reasons for the Delay, the consequences of the Delay for the rest of the Implementation Plan and how the Contractor proposes to mitigate the Delay.
- 6.9.** Subject to Clause 6.10.2 of this Schedule 1, the Parties acknowledge that the Contract Price shall not be increased as a result of a Delay.
- 6.10.** The Parties acknowledge that:

- 6.10.1. where a Delay is caused by a Default of the Contractor, the Authority shall be entitled to claim any direct loss and/or expense that cannot be mitigated that it incurs as a result of the Default of the Contractor; and
 - 6.10.2. where a Delay is caused by a Default of the Authority (and for the purposes of this Clause 6.10.2, a Delay caused by a failure of the Authority to perform a dependency specified in the Implementation Plan shall only be treated as a Default of the Authority in accordance with the provisions of Clauses 6.6 and 6.7 of this Schedule 1) and the Contractor has demonstrated to the Authority's satisfaction that it has incurred a direct loss and/or expense as a result of the Default of the Authority, in which circumstance the Contractor shall be entitled to compensation to the extent that it cannot mitigate that loss or expense.
- 6.11. Any disputes about or arising out of Delays shall be resolved through the dispute resolution procedure set out in Clause 19 (Dispute Resolution) of Schedule 2. Pending the resolution of the dispute, both parties shall continue to work together to resolve the causes of, and mitigate the effects of, the Delay.

7. SERVICES COMMENCEMENT DATE

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED AND THE DATE IS INSERTED IN CLAUSE 7.1 OF THIS Schedule 1)

- 7.1. The Services Commencement Date shall be 01/01/2023

8. PRICE ADJUSTMENT ON EXTENSION OF TERM

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

- 8.1. The Contract Price shall apply for the Term. In the event that the Authority agrees to extend the Term pursuant to Clause 6.2 (Term) of Schedule 2 the Authority shall, in the six (6) Month period prior to the expiry of the Term or, as the case may be, in such other period as may be appropriate, enter into discussion, in good faith, with the Contractor (for a period of not more than thirty (30) Working Days) to agree a Variation to the Contract Price.
- 8.2. If the Parties are unable to agree a Variation to the Contract Price in accordance with Clause 8.1 of this Schedule 1, the Contract shall terminate at the end of the Term.
- 8.3. If a Variation in the Contract Price is agreed between the Authority and the Contractor, the revised Contract Price will take effect from the first day of any period of extension and shall apply during such period of extension.

- 8.4.** Any increase in the Contract Price pursuant to Clause 8.1 of this Schedule 1 shall not exceed the percentage change in the Office of National Statistics' Consumer Prices Index or another such index as may be specified in Schedule 6 (Pricing).

9. OPTIONAL SERVICES

(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

- 9.1.** The Authority may require the Contractor to provide any or all of the Optional Services at any time by giving notice to the Contractor in writing. The Contractor acknowledges that the Authority is not obliged to take any Optional Services from the Contractor and that nothing shall prevent the Authority from receiving services that are the same as or similar to the Optional Services from any third party.
- 9.2.** If a Variation to the Contract is proposed, the Contractor shall, whether as part of the Change Control Process or otherwise, provide details of the impact (if any) that the proposed Variation will have on the relevant Optional Services.
- 9.3.** Following receipt of the Authority's notice pursuant to Clause 9.1 of this Schedule 1:
- 9.3.1. The Parties shall document the inclusion of the relevant Optional Services within the Services as a Variation or the Change Control Process, if applicable, modified to reflect the fact that the terms and conditions on which the Contractor shall provide the relevant Optional Services have already been agreed;
- 9.3.2. any additional charges for the Optional Services shall be incorporated in the Contract Price as specified in Schedule 6 (Pricing); and
- 9.3.3. the Contractor shall, from the date specified by the Authority provide the relevant Optional Services.

10. TERMINATION FOR CONVENIENCE

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)**

- 10.1.** The Authority may terminate this Contract at any time by issuing a Termination Notice to the Contractor giving one (1) Month's written notice. The Authority may extend the period of notice at any time before it expires, subject to agreement on the level of Services to be provided by the Contractor during the period of extension of such notice. Such notice shall not be served within six (6) Months of the Services Commencement Date.

- 10.2.** Subject to Clauses 14 (Indemnity and Limitation of Liability) and 15 (Insurance) of Schedule 2, should the Authority terminate this Contract in accordance with this Clause 10 (Termination for Convenience) of this Schedule 1, then the Authority shall indemnify the Contractor against any commitments, liabilities or expenditure which represent an unavoidable direct loss to the Contractor by reason of the termination of the Contract, provided that the Contractor takes all reasonable steps to mitigate such loss. Where the Contractor holds insurance, the Authority shall only indemnify the Contractor for those unavoidable direct costs that are not covered by the insurance available. The Contractor shall submit a fully itemised and costed list of unavoidable direct loss which it is seeking to recover from the Authority, with supporting evidence, of losses reasonably and actually incurred by the Contractor as a result of termination under this Clause 10 (Termination for Convenience) of this Schedule 1.
- 10.3.** The Authority shall not be liable under this Clause 10 (Termination for Convenience) of this Schedule 1 to pay any sum which:
- 10.3.1. was claimable under insurance held by the Contractor, and the Contractor has failed to make a claim on its insurance, or has failed to make a claim in accordance with the procedural requirements of the insurance policy;
 - 10.3.2. when added to any sums paid or due to the Contractor under the Contract, exceeds the total sum that would have been payable to the Contractor if the Contract had not been terminated prior to the expiry of the Term; or
 - 10.3.3. is a claim by the Contractor for loss of profit, due to early termination of the Contract.

11. DIFFERENT LEVELS AND/OR TYPES OF INSURANCE

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED AND THE TABLE SETS OUT THE REQUIREMENTS)**

- 11.1.** The Contractor shall put in place and maintain in force the following insurances with the following minimum cover per claim:

Type of insurance required	Minimum cover
Employer's Liability	£5,000,000

Public Liability	£5,000,000
Professional Indemnity	£1,000,000

11 A INSURANCE, CLAIM NOTIFICATIONS AND LIMITS

(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED AND THE TABLE SETS OUT THE REQUIREMENTS)

PART A: INSURANCE CLAIM NOTIFICATION

- 11 A. 1 Except where the Authority is the claimant party, the Contractor shall give the Authority notice within 20 Working Days after any insurance claim in excess of **£[to be determined by the Authority]** relating to or arising out of the provision of the Services or this Contract on any of the Insurances or which, but for the application of the applicable policy excess, would be made on any of the Insurances and (if required by the Authority) full details of the incident giving rise to the claim.

PART B: THIRD PARTY PUBLIC AND PRODUCTS LIABILITY INSURANCE

11 A. 2 Insured

11 A.2.1 The Contractor

11 A. 3 Interest

11 A. 3.1 To indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as damages, including claimant's costs and expenses, in respect of accidental:

- (a) death or bodily injury to or sickness, illness or disease contracted by any person; and
- (b) loss of or damage to physical property;

happening during the period of insurance (as specified in Paragraph 5) and arising out of or in connection with the provision of the Services and in connection with this Contract.

11 A. 3.2 Limit of indemnity

11 A. 3.2.1 Not less than **£[to be determined by the Authority]** in respect of any one occurrence, the number of occurrences being unlimited in any annual policy period, but **£[to be determined by the Authority]** in the aggregate per annum in respect of products and pollution liability (to the extent insured by the relevant policy).

11 A. 3.3 Territorial limits

[United Kingdom]

11 A. 3.4 Period of insurance

From the date of this Contract for the period of the Contract and renewable on an annual basis unless agreed otherwise by the Authority in writing.

11 A. 3.5 Cover features and extensions

Indemnity to principals clause under which the Authority shall be indemnified in respect of claims made against the Authority in respect of death or bodily injury or third party property damage arising out of or in connection with the Contract and for which the Contractor is legally liable.

11 A. 3.6 Principal exclusions

- a) War and related perils.
- b) Nuclear and radioactive risks.
- c) Liability for death, illness, disease or bodily injury sustained by employees of the Insured arising out of the course of their employment.
- d) Liability arising out of the use of mechanically propelled vehicles whilst required to be compulsorily insured by applicable Law in respect of such vehicles.
- e) Liability in respect of predetermined penalties or liquidated damages imposed under any contract entered into by the Insured.
- f) Liability arising out of technical or professional advice other than in respect of death or bodily injury to persons or damage to third party property.
- g) Liability arising from the ownership, possession or use of any aircraft or marine vessel.
- h) Liability arising from seepage and pollution unless caused by a sudden, unintended, unexpected and accidental occurrence.

11 A. 3.7. Maximum deductible threshold

Not to exceed £ [Insert: figure on contract award based on the Contractor's acceptable response to the Invitation To Tender] for each and every third party property damage claim (personal injury claims to be paid in full).

PART C: UNITED KINGDOM COMPULSORY INSURANCES

The Contractor shall meet its insurance obligations under applicable Law in full, including, United Kingdom employers' liability insurance and motor third party liability insurance.

PART D: ADDITIONAL INSURANCES

NA

12. INCLUSION OF A CHANGE CONTROL PROCESS

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)**

- 12.1.** Any changes to this Contract, including to the Services, may only be agreed in accordance with the Change Control Process set out in this Clause 12 (Inclusion of a Change Control Process) of this Schedule 1.
- 12.2.** Either Party may request a Variation to the Contract provided that such Variation does not amount to a substantial modification of the Contract within the meaning of the Regulations and the Law.
- 12.3.** A Party may request a Variation by completing a draft Variation Form to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.
- 12.4.** The Contractor must provide an Impact Assessment of the proposed Variation on the Services either:
- 12.4.1. with the Variation Form, where the Contractor requests the Variation; or
 - 12.4.2. within 10 Working Days following receipt of a draft Variation Form requested by the Authority, or such other time agreed by the Parties.
- 12.5.** The Parties may agree to adjust the time limits specified in the Variation Form to allow for the preparation of the Impact Assessment.
- 12.6.** In the event that the Variation to the Contract cannot be agreed or resolved by the Parties, the Authority can either:
- 12.6.1. agree that the Contract continues without the Variation;
 - 12.6.2. terminate the Contract with immediate effect, unless the Contractor has already provide part or all of the Services, or where the Contractor can show evidence of substantial work being carried out to provide the Services; or
 - 12.6.3. refer the matter to be resolved in accordance with the dispute resolution procedure in accordance with Clause 19 (Dispute Resolution) of Schedule 2.

12.7. If the Parties agree the Variation, the Contractor shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in the Contract.

12.8. Within ten (10) Working Days of the Parties agreeing the Variation the Contractor shall deliver to the Authority a copy of this Contract updated to reflect all Variations agreed in the relevant Variation Form and annotated with a reference to the Variation Form pursuant to which the relevant Variations were agreed. Upon receipt of the updated Contract from the Contractor the Authority shall review such updated Contract to verify its accuracy and shall thereafter notify the Contractor whether such updated Contract is approved. Following approval, the Contractor shall provide to the Authority such further copies of the updated Contract as the Authority may from time to time request.

13. GUARANTEE

(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

13.1. Promptly following the execution of this Contract, the Contractor shall, if it has not already delivered an executed deed of guarantee to the Authority, deliver the executed deed of guarantee to the Authority as required by the procurement process followed by the Authority. Failure to comply with this Key Provision, if applicable, shall be an irremediable breach of this Contract.

14. MEASURES TO PROMOTE TAX COMPLIANCE

ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

14.1. The Procurement Policy Note: Measures to Promote Tax Compliance Action 03/14 applies and therefore all references in Clauses 9.2 (Warranties) and 16.2.9 (Termination) of Schedule 2 together with the associated definitions in Schedule 3 (Definitions and Interpretation), shall apply.

15. AUTHORITY STEP-IN RIGHTS

(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED AND THE SCHEDULE INSERTED)

15.1. If the Contractor is unable to provide the Services then the Authority shall be entitled to exercise Step-In Rights set out in Schedule 15.

16. EXIT AND SERVICE TRANSFER

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)**

- 16.1.** In the event of the termination or expiry of the Contract for any reason the Contractor shall provide the Transitional Assistance Services to the Authority in accordance with the requirements of the Exit Plan and both Parties shall comply with their respective obligations set out in Schedule 12 (Exit Plan and Service Transfer Arrangements). The Contractor shall co-operate with the Authority and/or the Replacement Contractor to the extent reasonably required to facilitate the smooth migration of the Services from the Contractor to the Authority or the Replacement Contractor.
- 16.2.** The Authority shall pay the Transitional Assistance Services Charges in respect of the provision of the Transitional Assistance Services, except in circumstances where the Authority has terminated the Contract pursuant to Clause 16 (Termination) of Schedule 2.
- 16.3.** The Contractor shall, within three (3) Months after the Commencement Date, produce an Exit Plan based on the principles set out in Schedule 12 (Exit Plan and Service Transfer Arrangements) for the orderly transition of the Services from the Contractor to the Authority or any Replacement Contractor in the event of any termination or expiry of the Contract. Within ten (10) Working Days after the submission of that Exit Plan, the Parties shall meet and use all reasonable endeavours to agree the contents of that Exit Plan, based on the principles set out in Schedule 12 (Exit Plan and Service Transfer Arrangements). If the Parties are unable to agree the contents of the Exit Plan within that ten (10) Working Day period, the principles set out in Schedule 12 (Exit Plan and Service Transfer Arrangements) shall apply and either Party may refer the dispute for resolution in accordance with the dispute resolution procedure set out at Clause 19 (Dispute Resolution) of Schedule 2.
- 16.4.** The Contractor shall update the Exit Plan no less than once during each Contract Year to reflect changes in the Services and shall keep the Exit Plan under continuous review. Following each update, the Contractor shall:
- 16.4.1. submit the revised Exit Plan to the Authority for review;
- 16.4.2. within ten (10) Working Days after the submission of the revised Exit Plan, the Parties shall meet and use all reasonable endeavours to agree the contents of the revised Exit Plan, based on the principles set out in Schedule 12 (Exit Plan and Service Transfer Arrangements) and the changes that have occurred in the Services since the Exit Plan was last agreed; and

- 16.4.3. if the Parties are unable to agree the contents of the revised Exit Plan within that ten (10) Working Day period, the previous version shall continue to apply and either Party may refer the dispute for resolution in accordance with the dispute resolution procedure set out at Clause 19 (Dispute Resolution) of Schedule 2.
- 16.5.** Until the agreement of the Exit Plan, the Contractor shall provide the Transitional Assistance Services in accordance with the principles set out in Schedule 12 (Exit Plan and Service Transfer Arrangements) and the last-approved version of the Exit Plan (insofar as this still applies) to the Authority in good faith. The Contractor shall ensure that it is able to implement the Exit Plan at any time.
- 16.6.** Within thirty (30) days after service of a Termination Notice by either Party or six (6) Months prior to the expiration of the Contract:
- 16.6.1. the Contractor shall update the Exit Plan into a final form that could be implemented immediately and in doing so, provide as much detail as is appropriate given the nature of the termination or expiry and the timing of termination, so that such Exit Plan can be submitted to the Authority for review and approval; and
- 16.6.2. the Parties shall meet and use their respective reasonable endeavours to agree the contents of such Exit Plan based on the principles set out in Schedule 12 (Exit Plan and Service Transfer Arrangements) ; and
- 16.6.3. until the agreement of the updated Exit Plan, the Contractor shall provide the Transitional Assistance Services in accordance with the last-approved version of the Exit Plan (insofar as this still applies) to the Authority in good faith.

17. SUPPLY CHAIN VISIBILITY

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

Visibility of Sub- Contract Opportunities in the Supply Chain

- 17.1.** The Contractor shall:
- 17.1.1. subject to clause 17.3, advertise on Contracts Finder all Sub-Contract opportunities arising from or in connection with the provision of the Services above a minimum threshold of £25,000 that arise during the Term;

- 17.1.2. within 90 days of awarding a Sub-Contract to a Sub-contractor, update the notice on Contract Finder with details of the successful Sub-contractor;
 - 17.1.3. monitor the number, type and value of the Sub-contract opportunities placed on Contracts Finder advertised and awarded in its supply chain during the Term;
 - 17.1.4. provide reports on the information at clause 17.1.3 to the Authority in the format and frequency as reasonably specified by the Authority; and
 - 17.1.5. promote Contracts Finder to its suppliers and encourage those organisations to register on Contracts Finder.
- 17.2. Each advert referred to at clause 17.1.1 of this Schedule 1 shall provide a full and detailed description of the Sub-Contract opportunity with each of the mandatory fields being completed on Contracts Finder by the Contractor.
- 17.3. The obligation on the Contractor set out at clause 17.1 shall only apply in respect of Sub-Contract opportunities arising after the Commencement Date.
- 17.4. Notwithstanding clause 17.1, the Authority may by giving its prior approval, agree that a Sub-Contract opportunity is not required to be advertised by the Contractor on Contracts Finder.

Visibility of Supply Chain Spend

- 17.5. In addition to any other management information requirements set out in the Contract, the Contractor agrees and acknowledges that it shall, at no charge, provide timely, full, accurate and complete SME management information reports (the “**SME Management Information Reports**”) to the Authority, which shall include:
- 17.5.1. the total contract revenue received directly on the Contract;
 - 17.5.2. the total value of sub-contracted revenues under the Contract (including revenues for non-SMEs/non-VCSEs); and
 - 17.5.3. the total value of sub-contracted revenues to SMEs and VCSEs.
- 17.6. The SME Management Information Reports shall be provided by the Contractor in the correct format as required by the Authority from time to time. The Contractor agrees that it shall provide the information detailed at Clause 17.5, above, and acknowledges that the required information may be changed from time to time (including the data required and/or

format) by the Authority. The Authority agrees to give at least thirty (30) days' notice in writing of any such change.

- 17.7.** The Contractor further agrees and acknowledges that it may not make any amendment to any required Supply Chain Information Report template without the prior approval of the Authority.
- 17.8.** Without prejudice to Clause 25 (Assignment, Novation and Sub-contracting) of Schedule 2, the Contractor shall:
- 17.8.1. pay any sums which are due from it to any Sub-contractor or Unconnected Sub-contractor pursuant to any invoice (or other notice of an amount for payment) on the earlier of:
 - (a) the date set out for payment in the relevant Sub-contract or Unconnected Sub-contract; or
 - (b) the date that falls 60 days after the day on which the Contractor receives an invoice (or otherwise has notice of an amount for payment); and
 - 17.8.2. include within the management information produced by it pursuant Clause 7 (Contract Management and Monitoring of Contractor's Performance) of Schedule 2 and Schedule 7 (Contract Monitoring) a summary of its compliance with this Clause 17.8, such data to be certified every six Months by a director of the Contractor as being accurate and not misleading.
- 17.9.** If the Contractor fails to pay 95% or above of all Sub-contractor or Unconnected Sub-contractor invoices (or other notice of an amount for payment) within 60 days in either of the previous two six Month periods, the Contractor shall provide to the Authority within 15 Working Days of submission of the management information required by Clause 17.8.2, above, an action plan (the "**Action Plan**") for improvement. The Action Plan shall include, but not be limited to, the following:
- 17.9.1. identification of the primary causes of failure to pay 95% or above of all Sub-contractor or Unconnected Sub-contractor invoices (or other notice of an amount for payment) within 60 days of receipt;
 - 17.9.2. actions to address each of the causes set out in sub-paragraph 17.9.1; and
 - 17.9.3. mechanism for and commitment to regular reporting on progress to the Contractor's board of directors.

- 17.10.** The Action Plan shall be certificated by a director of the Contractor and the Action Plan or a summary of the Action Plan published on the Contractor's website within 10 Working Days of the date on which the Action Plan is provided to the Authority.
- 17.11.** Where the Contractor fails to pay any sums due to any Sub-contractor or Unconnected Sub-contractor in accordance with the terms set out in the relevant Sub-contract or Unconnected Sub-contract, the Action Plan shall include details of the steps the Contractor will take to address this.
- 17.12.** The Contractor shall comply with the Action Plan or any similar action plan connected to the payment of Sub-contractors or Unconnected Sub-contractors which is required to be submitted to the Authority as part of the procurement process and such action plan shall be included as part of the Contractor's Tender (to the extent it is not already included).

18. TACKLING MODERN SLAVERY

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)**

- 18.1.** The Contractor shall, and procure that each of its Sub-contractors shall, comply with any anti-slavery policy of the Authority that is notified to the Contractor as provided to the Contractor ("**Authority's Anti-slavery Policy**").
- 18.2.** The Contractor shall:
- 18.2.1. implement due diligence procedures for its Sub-contractors and other participants in its supply chains, to ensure that there is no slavery or trafficking in its supply chains;
 - 18.2.2. respond promptly to all slavery and trafficking due diligence questionnaires or any modern slavery risk assessment or identification tools issued to it by the Authority from time to time and shall ensure that its responses to all such questionnaires are complete and accurate;
 - 18.2.3. maintain a complete set of records to trace the supply chain of all Services provided to the Authority regarding the Contract;
 - 18.2.4. permit the Authority and its third party representatives, on reasonable notice during normal business hours, but without notice in case of any reasonably suspected breach of this Clause 18 (Tackling Modern Slavery) of this Schedule 1 or Clause 30.8 (Modern Slavery) of Schedule 2, to have access to and take copies of the Contractor's records and any other information and to meet with

the Contractor Personnel to audit the Contractor's compliance with its obligations this clause;

- 18.2.5. implement annual audits of its compliance and its Sub-contractors' and contractor's compliance with the Authority's Anti-slavery Policy, either directly or through a third party auditor. The first set of audits shall be completed by the date agreed between the parties; and
- 18.2.6. implement a system of training for its employees to ensure compliance with the Modern Slavery Act 2015 and the Authority's Anti-slavery policy.

19. BUSINESS CONTINUITY AND DISASTER RECOVERY

☒ **(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)**

- 19.1.** Within ninety (90) Working Days from the Services Commencement Date the Contractor shall prepare and deliver to the Authority for the Authority's written approval a BCDR Plan, which shall detail the processes and arrangements that the Contractor shall follow to:
 - 19.1.1. ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services; and
 - 19.1.2. the recovery of the provision of the Services in the event of a disaster
- 19.2.** Following receipt of the draft BCDR Plan from the Contractor, the Parties shall use reasonable endeavours to agree the contents of the BCDR Plan. If the Parties are unable to agree the contents of the BCDR Plan within twenty (20) Working Days of its submission, then such dispute shall be resolved in accordance with Clause 19 (Dispute Resolution) of Schedule 2.
- 19.3.** The Contractor shall test its BCDR Plan at reasonable intervals, and in any event no less than once every twelve (12) Months or such other period as may be agreed between the Parties taking into account the criticality of this Contract to the Authority and the size and scope of the Contractor's business operations. The Contractor shall promptly provide to the Authority, at the Authority's written request, copies of its BCDR Plan, reasonable and proportionate documentary evidence that the Contractor tests its BCDR Plan in accordance with the requirements of this Clause 19.3 of this Schedule 1 and reasonable and proportionate information regarding the outcome of such tests. The Contractor shall provide to the Authority a copy of any updated or revised BCDR Plan within fourteen (14) Working Days of any material update or revision to the BCDR Plan.

- 19.4. The Authority may suggest reasonable and proportionate amendments to the Contractor regarding the BCDR Plan at any time. Where the Contractor, acting reasonably, deems such suggestions made by the Authority to be relevant and appropriate, the Contractor will incorporate into the BCDR Plan all such suggestions made by the Authority in respect of such BCDR Plan. Should the Contractor not incorporate any suggestion made by the Authority into such BCDR Plan it will explain the reasons for not doing so to the Authority.
- 19.5. Should a Business Continuity Event occur at any time, the Contractor shall implement and comply with its BCDR Plan and provide regular written reports to the Authority on such implementation. During and following a Business Continuity Event, the Contractor shall use reasonable endeavours to continue to supply the Services in accordance with this Contract.

20. NOT USED

21. SUSTAINABILITY REPORTING

(ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

Sustainability Reporting

- 21.1. The Contractor shall complete the Sustainability Report in relation its provision of the Services under this Contract and provide the Sustainability Report to the Authority on the date and frequency outlined in Clause 21.2 of this Schedule 1.

Reporting Requirements

- 21.2. The Contractor shall provide to the Authority the following sustainability reporting requirements (the “Sustainability Report”) at the specified intervals. The Contractor acknowledges that the Authority may make reasonable adjustments to the Sustainability Report reporting requirements during the Term.

Sustainability Report Name	Content of Report	Frequency of Report
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21 A. SOCIAL VALUE – KEY PERFORMANCE INDICATORS

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

21 A.1. The Contractor shall complete the table of Social Value Key Performance Indicators (“SV KPIs”) for each year of the Contract term in relation its provision of the Services under this Contract and provide the SV KPIs to the Authority on the date and frequency outlined in Clause 21 A.4 of this Schedule 1.

SV KPIs

21 A.2. the contractor shall provide to the authority the following sv kpis: fighting climate change, effective stewardship of the environment mac 4.1 deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions. The Contractor acknowledges that the Authority may make reasonable adjustments to the SV KPIs during the Term.

21 A.3. The Contractor shall provide such SV KPIs in accordance with guidance provided by the Guide to using the Social Value Model by the Government Commercial Function.

21 A.4. Table of SV KPIs

SV KPI Description	Year	Target	GOOD	APPROACHING TARGET	REQUIRES IMPROVEMENT	INADEQUATE
Reduction in emissions of greenhouse gases arising from the performance of the contract, measured in metric tonnes carbon dioxide equivalents (MTCDE).	1-5	Energy (kWh)	308	310	320	325
	1-5	Carbon Emission (ton GHG)	3753	3800	3900	3950
Reduction in water use arising from the performance of the contract, measured in litres.	1-5	Reduction of water consumption	25%	20%	15%	10%
Reduction in waste to landfill arising from the performance of the contract, measured in metric tonnes.	1-5	Waste to Landfill	0	0.2	0.5	1

22. SERVICE LEVELS – KEY PERFORMANCE INDICATORS

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

22.1. This Clause, the following definitions shall apply:

- 22.1.1. "Critical Service Level Failure": has the meaning given to it in the Order Form;
- 22.1.2. "Escalation Meeting" means a meeting between the authorised representatives of the Contractor and the Authority to address issues that have arisen during the Rectification Plan Process;
- 22.1.3. "Notifiable Default" means
 - (a) the Contractor commits a material Default; and/or
 - (b) the performance of the Contractor is likely to cause or causes a Critical Service Level Failure;
- 22.1.4. "Rectification Plan" means the Contractor's plan (or revised plan) to rectify its breach using the template at Annex to Part C which shall include:
 - (a) full details of the Notifiable Default that has occurred, including a root cause analysis;
 - (b) the actual or anticipated effect of the Notifiable Default; and
 - (c) the steps which the Contractor proposes to take to rectify the Notifiable Default (if applicable) and to prevent such Notifiable Default from recurring, including timescales for such steps and for the rectification of the Notifiable Default (where applicable);
- 22.1.5. "Rectification Plan Process" means the process set out in the Annex to Part C;
- 22.1.6. "Service Credits" any service credits specified in the Annex to Part A of this Clause 22 of this Schedule 1 being payable by the Contractor to the Authority in respect of any failure by the Contractor to meet one or more Service Levels;
- 22.1.7. "Service Credits Cap" has the meaning given to it in the Order Form;
- 22.1.8. "Service Level Failure" means a failure to meet the Service Level Performance Measure in respect of a Service Level;

22.1.9. "Service Level Performance Measure" shall be as set out against the relevant Service Level in the Annex to Part A of this Clause 22 of this Schedule 1;

22.1.10. "Service Level Threshold" shall be as set out against the relevant Service Level in the Annex to Part A of this Clause 22 of this Schedule 1; and

22.1.11. "Service Period" has the meaning given to it in the Order Form.

Service Levels

22.2. The Contractor shall at all times provide the Services to meet or exceed the Service Level Performance Measure for each Service Level.

22.3. The Contractor acknowledges that any Service Level Failure shall entitle the Authority to the rights set out in Part A of this Clause 22 of this Schedule 1 including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Losses that may be suffered by the Authority as a result of the Contractor's failure to meet any Service Level Performance Measure.

22.4. The Contractor shall send Performance Monitoring Reports to the Authority detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Clause 22 of this Schedule 1.

22.5. A Service Credit shall be the Authority's exclusive financial remedy for a Service Level Failure except where:

22.5.1. the Contractor has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or

22.5.2. the Service Level Failure:

(a) exceeds the relevant Service Level Threshold;

(b) has arisen due to a Prohibited Act or wilful Default by the Contractor;

(c) results in the corruption or loss of any Authority Data; and/or

(d) results in the Authority being required to make a compensation payment to one or more third parties; and/or

22.5.3. the Authority is otherwise entitled to or does terminate this Contract pursuant to Clause 16 of Schedule 2 (Termination).

22.6. Not more than once in each Contract Year, the Authority may, on giving the Contractor at least three (3) months' notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Contractor shall not be entitled to object to, or increase the Contract Price as a result of such changes, provided that:

22.6.1. the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the commencement of the Term;

22.6.2. the principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards; and

22.6.3. there is no change to the Service Credit Cap.

Critical Service Level Failure

22.7. On the occurrence of a Critical Service Level Failure:

22.7.1. any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and

22.7.2. the Authority shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any Contract Price which would otherwise have been due to the Contractor in respect of that Service Period ("Compensation for Critical Service Level Failure"),

provided that the operation of this Clause 22.7 of this Schedule 1 shall be without prejudice to the right of the Authority to terminate this Contract and/or to claim damages from the Contractor for material Default.

Part A: Service Levels and Service Credits

Service Levels

22.8. If the level of performance of the Contractor:

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

22.8.2. is likely to cause or causes a Critical Service Level Failure to occur, the Contractor shall immediately notify the Authority in writing and the Authority, in its absolute discretion and without limiting any other of its rights, may:

- (A) require the Contractor to immediately take all remedial action that is reasonable to mitigate the impact on the Authority and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring;
- (B) instruct the Contractor to comply with the Rectification Plan Process;
- (C) if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Contractor to the Authority; and/or
- (D) if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for material Default).

Service Credits

- 22.9.** The Authority shall use the Performance Monitoring Reports supplied by the Contractor to verify the calculation and accuracy of the Service Credits, if any, applicable to each Service Period.
- 22.10.** Service Credits are a reduction of the amounts payable in respect of the Services and do not include VAT. The Contractor shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in the Annex to Part A of this Clause 22 of this Schedule 1.

ANNEX TO PART A: SERVICES LEVELS AND KEY PERFORMANCE INDICATORS

As set out in Table 7 of the Specifications

No Service Credits apply to this contract

Part B: Performance Monitoring

Performance Monitoring and Performance Review

- 22.11.** Within twenty (20) Working Days of the Commencement Date the Contractor shall provide the Authority with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
- 22.12.** The Contractor shall provide the Authority with performance monitoring reports ("Performance Monitoring Reports") in accordance with the process and timescales

agreed pursuant to paragraph 22 of Part B of this Clause 22 of this Schedule 1 which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:

- 22.12.1. for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
 - 22.12.2. a summary of all failures to achieve Service Levels that occurred during that Service Period;
 - 22.12.3. details of any Critical Service Level Failures;
 - 22.12.4. for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
 - 22.12.5. the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
 - 22.12.6. such other details as the Authority may reasonably require from time to time.
- 22.13.** The Parties shall attend meetings to discuss Performance Monitoring Reports ("Performance Review Meetings") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Contractor and the Authority of the Performance Monitoring Reports. The Performance Review Meetings shall:
- 22.13.1. take place within one (1) week of the Performance Monitoring Reports being issued by the Contractor at such location and time (within normal business hours) as the Authority shall reasonably require;
 - 22.13.2. be attended by the Contractor's Representative and the Authority's Representative; and
 - 22.13.3. be fully minuted by the Contractor and the minutes will be circulated by the Contractor to all attendees at the relevant meeting and also to the Authority's Representative and any other recipients agreed at the relevant meeting.
- 22.14.** The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Contractor's Representative and the Authority's Representative at each meeting.

22.15. The Contractor shall provide to the Authority such documentation as the Authority may reasonably require in order to verify the level of the performance by the Contractor and the calculations of the amount of Service Credits for any specified Service Period.

Satisfaction Surveys

22.16. The Authority may undertake satisfaction surveys in respect of the Contractor's provision of the Services. The Authority shall be entitled to notify the Contractor of any aspects of their performance of the provision of the Services which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract.

ANNEX TO PART C: RECTIFICATION PLAN PROCESS

Rectifying issues

22.17. If there is a Notifiable Default, the Contractor must notify the Authority within 3 Working Days and the Authority can, without limiting its other rights, may request that the Contractor provide a Rectification Plan within 10 Working Days alongside any additional documentation that the Authority requires.

22.18. When the Authority receives a requested Rectification Plan it can either:

- 22.18.1. reject the Rectification Plan or revised Rectification Plan, giving reasons; or
- 22.18.2. accept the Rectification Plan or revised Rectification Plan (without limiting its rights) in which case the Contractor must immediately start work on the actions in the Rectification Plan at its own cost, unless agreed otherwise by the Parties.

22.19. Where the Rectification Plan or revised Rectification Plan is rejected, the Authority:

- 22.19.1. will give reasonable grounds for its decision; and
- 22.19.2. may request that the Contractor provides a revised Rectification Plan within 5 Working Days.

Escalating issues

22.20. If the Contractor fails to:

- 22.20.1. submit a Rectification Plan or a revised Rectification Plan within the timescales set out in Clauses 22.17 or 22.19; and

- 22.20.2. adhere to the timescales set out in an accepted Rectification Plan to resolve the Notifiable Default.
- 22.20.3. or if the Authority otherwise rejects a Rectification Plan, the Authority can require the Contractor to attend an Escalation Meeting on not less than 5 Working Days' notice. The Authority will determine the location, time and duration of the Escalation Meeting(s) and the Contractor must ensure that the authorised representative of the Contractor is available to attend.
- 22.21. The Escalation Meeting(s) will continue until the Authority is satisfied that the Notifiable Default has been resolved, however, where an Escalation Meeting(s) has continued for more than 5 Working Days, either Party may treat the matter as a Dispute to be handled through the dispute resolution set out in Clause 19 (Dispute Resolution) of Schedule 2.
- 22.22. If the Contractor is in Default of any of its obligations under this Clause 22, the Authority shall be entitled to terminate this Agreement.

The Rectification Plan

Request for [Revised] Rectification Plan		
Details of the Default	[Guidance: Explain the Default, with clear schedule and clause references as appropriate]	
Deadline for receiving the [Revised] Rectification Plan	[add date (minimum 10 days from request)]	
Signed by Authority		
Date		
Contractor [Revised] Rectification Plan		
Cause of the Default	[add cause]	
Anticipated impact assessment	[add impact]	
Actual effect of Default	[add effect]	
Steps to be taken to rectification	Steps	Timescale
	1.	[date]
	2.	[date]
	3.	[date]
Timescale for complete Rectification of Default	[X] Working Days	
Steps taken to prevent recurrence of Default	Steps	Timescale
	1.	[date]
	2.	[date]
	3.	[date]

Signed by the Contractor	
Date	
Review of Rectification Plan Contractor	
Outcome of review	[Plan Accepted] [Plan Rejected] [Revised Plan Requested]
Reasons for rejection (if applicable)	[add reasons]
Signed by Contractor	
Date	

23. THE COLLABORATIVE WORKING PRINCIPLES

☒ (ONLY APPLICABLE TO THE CONTRACT IF THIS BOX IS CHECKED)

23.1. The Parties agree that the Collaborative Working Principles will apply, the Contractor must co-operate and provide reasonable assistance to any Authority Third Party and act at all times in accordance with the following principles:

- 23.1.1. proactively leading on, mitigating and contributing to the resolution of problems or issues irrespective of its contractual obligations, acting in accordance with the principle of "fix first, settle later";
- 23.1.2. being open, transparent and responsive in sharing relevant and accurate information with Authority Third Parties;
- 23.1.3. adopting common working practices, terminology, standards and technology and a collaborative approach to service development and resourcing with Authority Third Parties;
- 23.1.4. providing cooperation, support, information and assistance to Authority Third Parties in a proactive, transparent and open way and in a spirit of trust and mutual confidence; and
- 23.1.5. identifying, implementing and capitalising on opportunities to improve Service and deliver better solutions and performance throughout the relationship lifecycle.

24. INTELLECTUAL PROPERTY RIGHTS - OPTIONS

☒ **OPTION 2 (ONLY APPLICABLE TO THE CONTRACT AND REPLACES CLAUSE 10 (INTELLECTUAL PROPERTY) BELOW IF THIS BOX IS CHECKED)**

Intellectual Property Rights

24.1. Each Party keeps ownership of its own Existing IPR. Neither Party has the right to use the other Party's IPR, including any use of the other Party's names, logos or trademarks, except as expressly granted elsewhere under the Contract or otherwise agreed in writing.

24.2. Except as expressly granted elsewhere under the Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.

24.3. Licences granted by the Contractor: Contractor Existing IPR

24.3.1. Where the Authority orders Services which contain or rely upon Contractor Existing IPR, the Contractor hereby grants the Authority a Contractor Existing IPR Licence on the terms set out in Paragraph 24.3.2.

24.3.2. The Contractor Existing IPR Licence granted by the Contractor to the Authority is a non-exclusive, perpetual, royalty-free, irrevocable, transferable, worldwide licence to use, change and sub-license any Contractor Existing IPR which is reasonably required by the Authority to enable it:

(a) or any End User to use and receive the Services; or

(b) to use, sub-licence or commercially exploit (including by publication under Open Licence) the New IPR and New IPR Items,

for any purpose relating to the exercise of the Authority's (or, if the Authority is a Public Sector Body, any other Public Sector Body's) business or function.

24.4. Licences granted by the Authority and New IPR

24.4.1. Any New IPR created under the Contract is owned by the Authority. The Authority gives the Contractor a licence for the duration of the contract to use the Authority Existing IPR and the New IPR which the Contractor reasonably requires for the purpose of fulfilling its obligations during the Term or using or exploiting the New IPR developed under the Contract, including (but not limited to) the right to grant sub-licences to Subcontractors provided that:

(a) any relevant Subcontractor has entered into a confidentiality undertaking with the Contractor on the same terms as set out in this Contract; and

- 24.4.2. Unless otherwise agreed in writing, the Contractor and the Authority will record any New IPR in the table at Annex 1 to this clause 24 and keep this updated throughout the Term.

24.5. Third Party IPR

- 24.5.1. The Contractor shall not use in the delivery of the Services any Third Party IPR unless Prior written consent of the Authority is granted by the Authority and it has procured that the owner or an authorised licensor of the relevant Third Party IPR has granted a Third Party IPR Licence on the terms set out in Paragraph 24.5.2. If the Contractor cannot obtain for the Authority a licence on the terms set out in Paragraph 24.5.2 in respect of any Third Party IPR the Contractor shall:

- (a) notify the Authority in writing; and
- (b) use the relevant Third Party IPR only if the Authority has provided authorisation in writing, with reference to the acts authorised and the specific IPR involved.

- 24.5.2. In spite of any other provisions of the Contract and for the avoidance of doubt, award of this Contract by the Authority and the ordering of any Services under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 Section 12 of the Registered Designs Act 1949 or Sections 240 – 243 of the Copyright, Designs and Patents Act 1988.

- 24.5.3. The Third Party IPR Licence granted to the Authority shall be a non-exclusive, perpetual, royalty-free, irrevocable, transferable, worldwide licence to use, change and sub-licence any Third Party IPR which is reasonably required by the Authority to enable it or any End User to receive and use the Services and make use of the deliverables provided by a Replacement Contractor.

24.6. Termination of licences

- 24.6.1. The Contractor Existing IPR Licence granted pursuant to Paragraph 24.3 and the Third Party IPR Licence granted pursuant to Paragraph 24.5 shall survive the Expiry Date and termination of this Contract.
- 24.6.2. The Contractor shall, if requested by the Authority in accordance with Schedule 12 (Exit Plan and Service Transfer Arrangements) and to the extent reasonably necessary to ensure continuity of service during exit and transition to any

Replacement Contractor, grant (or procure the grant) to the Replacement Contractor a licence to use any Contractor Existing IPR or Third Party IPR on terms equivalent to the Contractor Existing IPR Licence or Third Party IPR Licence (as applicable) subject to the Replacement Contractor entering into reasonable confidentiality undertakings with the Contractor.

24.6.3. On expiry of the licence granted to the Contractor pursuant to Paragraph 24.4 (Licence granted by the Authority) the Contractor shall:

- (a) immediately cease all use of the New IPR and Authority Existing IPR (including the Authority Data within which the Authority Existing IPR may subsist);
- (b) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the New IPR, Authority Existing IPR and the Authority Data, provided that if the Authority has not made an election within six months of the termination of the licence, the Contractor may destroy the documents and other tangible materials that contain any of the New IPR, the Authority Existing IPR and the Authority Data (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any new IPR, Authority Existing IPR and Authority Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Contractor containing such New IPR, Authority Existing IPR or Authority Data.”

24.7. Contractor Exploitation of New IPR

24.7.1. Notwithstanding the Contractor's ownership of the New IPR or licence which allows it to exploit and commercialise the New IPR:

- (a) the Contractor must always offer a price and solution to the Authority which is in accordance with the Contract Price and must licence the New IPR and Contractor Existing IPR to the Authority on equivalent terms as apply under this Contract;
- (b) where the Contractor proposes to exploit the New IPR, that it provides a detailed proposal of its plans for exploitation of the New IPR and the forecast returns, including (but not limited to) details of the goods and services to be offered by the Contractor which use the New IPR, the target

markets and territory, the estimated level of orders, the marketing strategy; full details of the estimated costs, prices, revenues and profits; impact assessment on services delivered under the Contract; and any other information that would reasonably be required by the Authority to enable it to consider the commercial, legal and financial implications to the Parties of the proposal and any further information which the Authority may reasonably request; and

- (c) where the Contractor proposes to discount the prices offered to the Authority in return for the right to exploit the New IPR, that it provides clear evidence to demonstrate how the exploitation plans and financial information provided under Paragraph 24.7.1 above have been applied to the price for the Services offered to the Authority and other potential End Users;

24.7.2. The Authority shall be under no obligation to:

- (a) offer the New IPR (where this is owned by the Authority) or the Authority Existing IPR on an exclusive licence basis or on any other alternative terms of licensing and ownership; or
- (b) accept any alternative arrangement proposed by the Contractor under this Clause and the Authority shall be entitled to require the Contractor to deliver the solution on the basis of the same position on ownership and licensing of the New IPR (where this is owned by the Authority) or Authority Existing IPR applies as applies under this Contract. Such agreement does not confer any exclusive right on the Contractor to negotiate with the Authority in relation to the New IPR (where this is owned by the Authority), Authority Existing IPR or any Crown IPR and the Authority shall be entitled to licence, assign and otherwise deal with such IPR (where it owns such IPR) with any other person (except to the extent that the Authority has entered into an exclusive licence with the Contractor in respect of such IPR pursuant to this Contract).

24.7.3. The Contractor acknowledges and agrees that the Authority is under an obligation to comply with procurement Laws and state aid rules when considering proposals for alternative IPR arrangements and the Authority will need to consider its position and approach on a case by case basis.

SCHEDULE 2 GENERAL TERMS AND CONDITIONS

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GENERAL TERMS AND CONDITIONS

1. PROVISION OF SERVICES

1.1. The Contractor shall ensure that the Services:

- 1.1.1. comply in all respects with the Specification;
- 1.1.2. are supplied promptly and in any event within any time limits as may be set out in this Contract;
- 1.1.3. are supplied in accordance with the Contractor's Tender and the provisions of this Contract.

1.2. The Contractor shall:

- 1.2.1. perform its obligations under this Contract, including in relation to the supply of the Services in accordance with:
 - (a) all applicable Law;
 - (b) in accordance with the Anti-slavery Policy and if Key Provision 18 (Tackling Modern Slavery) shall apply in accordance with the Authority's Anti-slavery Policy; and
 - (c) Good Industry Practice;
 - (d) any quality assurance standards as set out in the Key Provisions; and
 - (e) the Contractor's own established procedures and practices to the extent that the same do not conflict with the requirements of Clauses 1.2.1(a) to 1.2.1(d), above; and
- 1.2.2. deliver the Services using efficient business processes and ways of working having regard to the Authority's obligation to ensure value for money.

1.3. In the event that the Contractor becomes aware of any inconsistency between the requirements of Clauses 1.2.1(a) to 1.2.1(d) of this Schedule 2, the Contractor shall immediately notify the Authority Representative in writing of such inconsistency and the Authority Representative shall, as soon as practicable, notify the Contractor which requirement the Contractor shall comply with.

- 1.4. The Authority may inspect and examine the manner in which the Contractor supplies the Services during normal business hours on reasonable notice.
- 1.5. Immediately following the Commencement Date, the Contractor shall, if specified in the Key Provisions, implement the Services fully in accordance with the Implementation Plan.
- 1.6. The Contractor shall commence delivery of the Services on the Services Commencement Date, if specified in Clause 7 (Services Commencement Date) of Schedule 1.
- 1.7. The Contractor shall comply fully with its obligations set out in the Specification and the Tender.
- 1.8. If the Authority informs the Contractor in writing that the Authority reasonably believes that any part of the Services does not meet the requirements and/or standards of the Contract or differs in any way from those requirements, and this is other than as a result of a Default by the Authority, the Contractor shall at its own expense re-schedule and carry out the Services in accordance with the requirements of the Contract within such reasonable time as may be specified by the Authority.
- 1.9. The Contractor shall notify the Authority as soon as it becomes aware of:
 - 1.9.1. any breach, or potential breach, of the Anti-slavery Policy and if Key Provision 18 applies, any breach, or potential breach, of the Authority's Anti-slavery Policy; or
 - 1.9.2. any actual or suspected slavery or human trafficking in a supply chain which has a connection with this Contract.

2. KEY PERSONNEL

- 2.1. The Contractor acknowledges that the Key Personnel are essential to the proper provision of the Services to the Authority.
- 2.2. The Contractor shall not remove or replace any Key Personnel unless:
 - 2.2.1. requested to do so by the Authority;
 - 2.2.2. the person concerned resigns, retires or dies or is on maternity or long-term sick leave;

- 2.2.3. the person's employment or contractual arrangement with the Contractor or a Sub-contractor is terminated for material breach of contract by the employee; or
 - 2.2.4. the Contractor obtains the Authority's prior written consent.
- 2.3.** The Authority shall not unreasonably withhold its consent under Clause 2.2.4 of this Schedule 2. Such consent shall be conditional on appropriate arrangements being made by the Contractor to minimise any adverse impact on the Contract which could be caused by a change in Key Personnel.

3. CONTRACTOR PERSONNEL

- 3.1.** At all times, the Contractor shall ensure that:
- 3.1.1. each of the Contractor Personnel responsible for providing the Services is suitably qualified, adequately trained and capable of providing the applicable Services in respect of which they are engaged;
 - 3.1.2. there is an adequate number of Contractor Personnel to provide the Services properly and in accordance with the Contract;
 - 3.1.3. only those people who are authorised by the Contractor are involved in providing the Services; and
 - 3.1.4. all of the Contractor Personnel comply with all of the Authority's policies, rules, regulations and requirements (including those relating to security arrangements) as may be in force from time to time for conduct when at or outside the Premises of the Authority.
- 3.2.** The Authority may refuse to grant access to and remove any of the Contractor Personnel who do not comply with Clause 3.1 of this Schedule 2 or if they otherwise present a security threat or the Authority reasonably determines their presence to be undesirable.
- 3.3.** The Contractor shall replace any of the Contractor Personnel who the Authority reasonably decides have failed to carry out their duties with reasonable skill and care to a professional standard. Following the removal of any of the Contractor Personnel for any reason, the Contractor shall ensure such person is replaced promptly with another person with the necessary training and skills to meet the requirements of the Services.
- 3.4.** At the Authority's written request, the Contractor shall provide a list of the names and addresses of all persons who may require admission in connection with the Contract to

the Premises, specifying the capacities in which they are concerned with the Contract and the Services and giving such other particulars as the Authority may reasonably request. The Contractor shall ensure at all times that it has the right to provide these records under Data Protection Legislation.

- 3.5. The Contractor shall comply with the Authority's procedures for the vetting of personnel and as advised to the Contractor by the Authority in respect of all persons employed or engaged in the provision of the Services. The Contractor confirms that all persons employed or engaged by the Contractor were vetted and recruited on a basis that is equivalent to and no less strict than the Authority's procedures for the vetting of personnel.
- 3.6. If the Contractor fails to comply with Clause 3.4 of this Schedule 2 within one (1) Month of the date of the request and, in the reasonable opinion of the Authority, such failure may be prejudicial to the interests of the Crown, then the Authority may terminate the Contract with immediate effect by giving written notice to the Contractor at any time after the end of that one (1) Month period, such termination shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to the Authority.
- 3.7. The decision of the Authority as to whether any person is to be refused access to the Premises and/or as to whether the Contractor has failed to comply with Clause 3.4 of this Schedule 2 shall be final and conclusive.

Income Tax and National Insurance Contributions

- 3.8. Where the Contractor or any Contractor Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under the Contract, the Contractor shall:
 - 3.8.1. at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and
 - 3.8.2. indemnify the Authority against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made (whether before or after the making of a demand pursuant to the indemnity hereunder) in connection with the provision of the Services by the Contractor or any Contractor Personnel.
- 3.9. In the event that any one of the Contractor Personnel is a Worker as defined in Clause 1 of Schedule 3 (Definitions and Interpretation) who receives consideration relating to the

Services, then the Contractor shall ensure that its contract with the Worker contains the following requirements:

- 3.9.1. that the Authority may, at any time during the Term, request that the Worker provides information which demonstrates how the Worker complies with the requirements of Clause 3.8 of this Schedule 2, or why those requirements do not apply to it. In such case, the Authority may specify the information which the Worker must provide and the period within which that information must be provided;
- 3.9.2. that the Worker's contract may be terminated at the Authority's request if:
 - (a) the Worker fails to provide the information requested by the Authority within the time specified by the Authority under Clause 3.9.1 of this Schedule 2; and/or
 - (b) the Worker provides information which the Authority considers is inadequate to demonstrate how the Worker complies with Clause 3.8 of this Schedule 2 or confirms that the Worker is not complying with those requirements; and
- 3.9.3. that the Authority may supply any information it receives from the Worker to HMRC for the purpose of the collection and management of revenue for which they are responsible.

4. MANNER OF CARRYING OUT THE SERVICES

- 4.1. The Contractor shall begin performing the Services on the Services Commencement Date and continue to perform them for the Term. The Authority may, by written notice, require the Contractor to execute the Services in such order as the Authority may decide. In the absence of such notice the Contractor shall submit such detailed programmes of work and progress reports as the Authority may from time to time require.
- 4.2. The Contractor shall at all times comply with the Quality Standards. To the extent that the standard of Services has not been specified in the Contract, the Contractor shall agree the relevant standard of the Services with the Authority prior to the supply of the Services and, in any event, the Contractor shall perform its obligations under the Contract in accordance with the Law and Good Industry Practice.
- 4.3. The Contractor shall ensure that all Contractor Personnel supplying the Services shall do so with all due skill, care and diligence and shall possess such qualifications, skills and experience as are necessary for the proper supply of the Services.

- 4.4.** The Contractor will be responsible for providing and delivering the Services in each and every respect with all relevant provisions of the Contract at all times and will ensure continuity of supply (at no extra cost to the Authority) in accordance with Schedule 4.

5. USE OF AUTHORITY EQUIPMENT

- 5.1.** Where the Authority issues Property free of charge to the Contractor such Property shall be and remain the property of the Authority. The Contractor irrevocably licences the Authority and its agents to enter upon any premises of the Contractor during normal business hours on reasonable notice to recover any such Property. The Contractor shall take all reasonable steps to ensure that the title of the Authority to the Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-contractors and other appropriate persons and shall, at the Authority's request, store the Property separately and ensure that it is clearly identifiable as belonging to the Authority.

- 5.2.** The Property shall be deemed to be in good condition when received by or on behalf of the Contractor unless the Contractor notifies the Authority otherwise within five (5) Working Days of receipt.

- 5.3.** Upon receipt of the Property the Contractor shall subject it to:

5.3.1. a reasonable visual inspection, and

5.3.2. such additional inspection and testing as may be necessary and practicable in order to check that the Property is not defective or deficient for the purpose for which it has been provided.

- 5.4.** The Authority shall replace or re-issue issued Property agreed by the Parties to be defective within a reasonable period.

- 5.5.** The Contractor shall ensure the security of all the Property whilst in its possession.

- 5.6.** The Contractor shall be liable for all loss of, or damage to, the Property (excluding fair wear and tear), unless such loss or damage was caused by the Default of the Authority. The Contractor shall inform the Authority within two (2) Working Days of any loss of, or damage to, the Property occurring.

6. TERM

- 6.1.** This Contract shall commence on the Services Commencement Date and, unless terminated earlier in accordance with the terms of this Contract or the general law, shall continue until the end of the Term.

- 6.2.** The Authority shall be entitled to extend the Term on one or more occasions by giving the Contractor written notice not less than three (3) Months prior to the date on which this Contract would otherwise have expired, provided that the duration of this Contract shall be no longer than the total term specified in the Order Form. The provisions of the Contract will apply and take effect mutatis mutandis (subject to any Variation or adjustment to the Contract Price pursuant to Clause 8 (Price Adjustment on Extension of Term) of the Key Provisions, if applicable) throughout any such extended period.

7. CONTRACT MANAGEMENT AND MONITORING OF CONTRACTOR'S PERFORMANCE

- 7.1.** The Parties shall each appoint a contract manager to be known respectively as the Authority Representative and the Contractor Representative. The Authority Representative and the Contractor Representative shall meet at least Monthly (unless otherwise notified by the Authority) to discuss the Contractor's performance and other matters connected to the delivery of the Contract.
- 7.2.** The Contractor shall comply, as the Authority shall require, with the monitoring arrangements set out in Schedule 7 (Contract Monitoring) including, but not limited to, providing such data and information as the Contractor may be required to produce under the Contract.
- 7.3.** The Contractor shall comply with any and all of the monitoring arrangements that the Authority shall reasonably require from time to time. This shall include, but shall not be limited to, providing such information as the Authority may require the Contractor to produce under the Contract.
- 7.4.** At the Authority's request, within five (5) Working Days of such request, the Contractor shall supply such management information to the Authority as the Authority may reasonably request from time to time (including without limit any information about the Contractor's supply chain and its compliance in relation to sustainability requirements).
- 7.5.** The Contractor shall provide the Authority with such supporting documentation as the Authority may require to establish and verify the Contractor's levels of performance.
- 7.6.** The Contractor shall meet with the Authority following the completion of the provision of the Services to discuss:
- 7.6.1. whether the Contractor believes the objectives of the Contract were achieved;
- 7.6.2. how far the intended benefits sought in the Authority's Specification and that had been forecast in the Tender were achieved; and

7.6.3. to identify any lessons learnt for future projects.

7.7. The Authority shall be able to share and use any information arising from such meetings referred to in Clause 7.6 of this Schedule 2 as it sees fit.

8. PRICE AND PAYMENT

Contract Price

8.1. In consideration of the Contractor carrying out its obligations under the Contract, including the provision of the Services, the Authority shall pay the Contractor the Contract Price in accordance with this Clause 8 (Price and Payment) of this Schedule 2. The Contract Price shall remain fixed for the Term.

8.2. The Contractor shall not suspend the supply of the Services unless the Contractor is entitled to terminate the Contract under Clause 16.5 (Termination) of this Schedule 2 for failure to pay undisputed sums of money. Interest shall be payable by the Authority on the late payment of any undisputed sums of money properly invoiced in accordance with the Late Payment of Commercial Debts (Interest) Act 1998.

8.3. The Authority may retain or set-off any amount owed by the Contractor to the Crown or any part of the Crown (including the Authority) against any amount due to the Contractor under this Contract or under any agreement between the Contractor and the Authority.

VAT

8.4. The Contract Price is stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a valid VAT invoice.

8.5. The Contractor shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, that is levied, demanded or assessed on the Authority at any time in respect of the Contractor's failure to account for or to pay any VAT relating to payments made to the Contractor under this Contract. Any amounts due under this Clause 8.5 shall be paid in cleared funds by the Contractor to the Authority not less than five Working Days before the date upon which the tax or other liability is payable by the Authority.

Invoicing

8.6. The Contractor shall submit an invoice to the Authority Monthly in arrears. The Contractor shall ensure that each invoice contains all appropriate references and a detailed breakdown of the Services supplied and that it is supported by any other documentation as may be reasonably required by the Authority to substantiate such invoice. Where travel

and subsistence is claimed, all claims must comply with the provisions set out in the Schedule 6 and must be accompanied by appropriate receipts to cover the total amount claimed.

- 8.7. The Authority shall verify and pay each valid and undisputed invoice received in accordance with Clause 8.6 of this Schedule 2 within thirty (30) days of receipt of such invoice at the latest. If there is undue delay in verifying the invoice in accordance with this Clause 8.7 of this Schedule 2, the invoice shall be regarded as valid and undisputed for the purposes this Clause 8.7 after a reasonable time has passed

Recovery of Sums Due

- 8.8. The Authority shall be entitled to withhold payment due under this Clause 8 (Price and Payment) of this Schedule 2 for so long as the Contractor, in the Authority's reasonable opinion, has failed to comply with its obligations to pay any Sub-contractors promptly in accordance with Clause 25.11 (Assignment, Novation and Sub-contracting) of this Schedule 2. For the avoidance of doubt the Authority shall not be liable to pay any interest or penalty in withholding such payment.

Electronic Invoicing

- 8.9. The Authority shall accept and process for payment an electronic invoice submitted for payment by the Contractor where the invoice is undisputed and where it complies with the standard on electronic invoicing.
- 8.10. For the purposes of clause 8.9, an electronic invoice complies with the standard on electronic invoicing where it complies with the European standard and any of the syntaxes published in Commission Implementing Decision (EU) 2017/1870.
- 8.11. The Authority's right to request paper form invoicing shall be subject to procurement policy note 11/15 (https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/437471/PN_e-invoicing.pdf) in respect of the Authority's obligation to accept unstructured electronic invoices from the Contractor where and as required under that procurement policy note (as amended from time to time).

9. WARRANTIES

- 9.1. The Contractor represents and warrants that:

- 9.1.1. it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;

- 9.1.2. it has full capacity and authority (including, where its procedures so require, the consent of its parent company) to enter into and perform its obligations under the Contract;
- 9.1.3. this Contract is executed by a duly authorised representative of the Contractor;
- 9.1.4. all necessary rights, authorisations, licences, consents and regulatory approvals (including in relation to IPR) are in place to enter into this Contract, enable the Contractor to perform its obligations under the Contract and for the Authority to receive the Services;
- 9.1.5. in entering the Contract it has not committed any Fraud;
- 9.1.6. all written statements and representations in any written submissions made by the Contractor as part of the procurement process, including without limitation its response to the selection questionnaire and invitation to tender (if applicable), its tender and any other documents submitted remain true, accurate and not misleading, save as may have been specifically disclosed in writing to the Authority prior to execution of the Contract;
- 9.1.7. it has notified the Authority in writing of any actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge any threatened against it or any of its Affiliates that might affect its ability to perform its obligations under the Contract;
- 9.1.8. its execution, delivery and performance of its obligations under this Contract will not constitute a breach of any Law or obligation applicable to it and will not cause or result in a default under any agreement by which it is bound;
- 9.1.9. its obligations under this Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law);
- 9.1.10. it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under the Contract;
- 9.1.11. no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Contractor or

for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Contractor's assets or revenue;

9.1.12. it owns, has obtained, valid licences for all Intellectual Property Rights that are necessary for the performance of its obligations under the Contract and/or the receipt of the Services by the Authority;

9.1.13. in the three (3) years prior to the Commencement Date:

(a) it has conducted all financial accounting and reporting activities in compliance in all material respects with the generally accepted accounting principles that apply to it in any country where it files accounts;

(b) it has been in full compliance with all applicable securities and tax laws and regulations in the jurisdiction in which it is established; and

(c) it has not done or omitted to do anything which could have a material adverse effect on its assets, financial condition or position as an ongoing business concern, ability to fulfil its obligations under the Contract or provide the Services; and

9.2. The Contractor warrants and undertakes to the Authority that as at the Commencement Date, it has notified the Authority in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in that is in connection with any Occasions of Tax Non-Compliance. If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Contractor shall:

9.2.1. notify the Authority in writing of such fact within five (5) Working Days of its occurrence; and

9.2.2. promptly provide to the Authority:

(a) details of the steps which the Contractor is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and

(b) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

9.3. The Contractor warrants and undertakes to the Authority that:

- 9.3.1. its responses to the Authority's slavery and human trafficking due diligence questionnaire, if any, are complete and accurate; and
- 9.3.2. neither the Contractor nor any of its Contractor Personnel:
 - (a) has been convicted of any offence involving slavery and human trafficking; and
 - (b) having made reasonable enquiries, so far as it is aware, has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or Regulatory Body regarding any offence or alleged offence of or in connection with slavery and human trafficking; and
- 9.3.3. it shall at all times conduct its business in a manner that is consistent with any anti-slavery policy of the Authority that is notified to the Contractor and shall provide to the Authority any reports or other information that the Authority may request as evidence of the Contractor's compliance with this Clause 9.3.3 and/or as may be requested or otherwise required by the Authority in accordance with its anti-slavery policy.
- 9.4. The Contractor shall implement due diligence procedures for its own suppliers, Sub-contractors and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.
- 9.5. The representations and warranties set out in this Clause 9 (Warranties) of this Schedule 2 shall be deemed to be repeated by the Contractor on the Services Commencement Date (if later than the date of signature of this Contract) by reference to the facts then existing.
- 9.6. Each of the representations and warranties set out in this Clause 9 (Warranties) of this Schedule 2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any other undertaking in this Contract.
- 9.7. If at any time the Contractor becomes aware that a representation or warranty given by it under this Clause 9 (Warranties) has been breached, is untrue or is misleading, it shall immediately notify the Authority of the relevant occurrence in sufficient detail to enable the Authority to make an accurate assessment of the situation.
- 9.8. For the avoidance of doubt, the fact that any provision within this Contract is expressed as a warranty shall not preclude any right of termination which the Authority may have in respect of breach of that provision by the Contractor.

- 9.9.** Except as expressly stated in this Contract, all warranties and conditions whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by Law.

10. INTELLECTUAL PROPERTY

- 10.1.** Each Party keeps ownership of its own Existing IPR. Neither Party has the right to use the other Party's IPR, including any use of the other Party's names, logos or trademarks, except as expressly granted elsewhere under the Contract or otherwise agreed in writing.

- 10.2.** Except as expressly granted elsewhere under the Contract, neither Party acquires any right, title or interest in or to the IPR owned by the other Party or any third party.

10.3. Licences granted by the Contractor: Contractor's Existing IPR

- 10.3.1.** Where the Authority orders Services which contain or rely upon Contractor's Existing IPR, the Contractor hereby grants the Authority a Contractor's Existing IPR Licence on the terms set out in Paragraph 10.3.2.

- 10.3.2.** The Contractor gives the Authority a non-exclusive, perpetual, royalty-free, irrevocable, transferable, worldwide licence to use, change and sub-license the Contractor's Existing IPR which is reasonably required by the Authority to enable it:

(A) or any End User to use and receive the Services; or

(B) to use, sub-license or commercially exploit (including by publication under Open Licence) the New IPR and New IPR Items,

for any purpose relating to the exercise of the Authority's or any other Public Sector Body's) business or function.

10.4. Licences granted by the Authority and New IPR

- 10.4.1.** Any New IPR created under the Contract is owned by the Authority. The Authority gives the Contractor a licence to use any Existing IPRs and New IPRs for the purpose of fulfilling its obligations during the Term.

- 10.4.2.** Where a Party acquires ownership of IPR incorrectly under this Contract it must do everything reasonably necessary to complete a transfer assigning them in writing to the other Party on request and at its own cost.

- 10.4.3. Unless otherwise agreed in writing, the Contractor and the Authority will record any New IPR in the table at Annex 1 to this Clause 10 of this Schedule 2 and keep this updated throughout the Term.

10.5. Open Licence Publication

- 10.5.1. Subject to Paragraph 10.5.4, the Contractor agrees that the Authority may at its sole discretion publish under Open Licence all or part of the New IPR Items.
- 10.5.2. Subject to Paragraph 10.5.4, the Contractor hereby warrants that the New IPR Items are suitable for release under Open Licence.
- 10.5.3. The Contractor will supply any or all New IPR Items in a format suitable for publication under Open Licence (“the Open Licence Publication Material”) within 30 days of written request from the Contractor (“Authority Open Licence Request”).
- 10.5.4. The Contractor may within 15 days of a Authority Open Licence Request under Paragraph 10.5.3 request in writing that the Contractor excludes all or part of:
- (a) the New IPR; or
 - (b) Contractor's Existing IPR or Third Party IPR that would otherwise be included in the Open Licence Publication Material supplied to the Authority pursuant to Paragraph 10.5.3,
- from Open Licence publication.
- 10.5.5. Any decision to Approve any such request from the Contractor pursuant to Paragraph 10.5.4 shall be at the Authority's sole discretion, not to be unreasonably withheld, delayed or conditioned.
- 10.5.6. Subject to Clauses 14 (Indemnity and Limitation of Liability) and 15 (Insurance) of Schedule 2, the Authority will not be liable in the event that any Contractor's Existing IPR or Third Party IPR is included in the Open Licence Publication Material published by the Contractor.

10.6. Third Party IPR

- 10.6.1. The Contractor shall not use in the delivery of the Services any Third Party IPR unless Prior written consent of the Authority is granted by the Authority and it has procured that the owner or an authorised licensor of the relevant Third Party

IPR has granted a Third Party IPR Licence on the terms set out in Paragraph 10.6.3. If the Contractor cannot obtain for the Authority a licence on the terms set out in Paragraph 10.6.3 in respect of any Third Party IPR the Contractor shall:

- (a) notify the Authority in writing; and
- (b) use the relevant Third Party IPR only if the Authority has provided authorisation in writing, with reference to the acts authorised and the specific IPR involved.

10.6.2. In spite of any other provisions of the Contract and for the avoidance of doubt, award of this Contract by the Authority and the ordering of any Services under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 Section 12 of the Registered Designs Act 1949 or Sections 240 – 243 of the Copyright, Designs and Patents Act 1988.

10.6.3. The Third Party IPR Licence granted to the Authority shall be a non-exclusive, perpetual, royalty-free, irrevocable, transferable, worldwide licence to use, change and sub-licence any Third Party IPR which is reasonably required by the Authority to enable it or any End User to receive and use the Services and make use of the Services provided by a Replacement Contractor.

10.7. Termination of licences

10.7.1. The Contractor's Existing IPR Licence granted pursuant to Paragraph 10.3 and the Third Party IPR Licence granted pursuant to Paragraph 10.6 shall survive the Expiry Date and termination of this Contract.

10.7.2. The Contractor shall, if requested by the Authority in accordance with Schedule 12 (Exit Plan and Service Transfer Arrangements) and to the extent reasonably necessary to ensure continuity of service during exit and transition to any Replacement Contractor, grant (or procure the grant) to the Replacement Contractor a licence to use any Contractor's Existing IPR or Third Party IPR on terms equivalent to the Contractor's Existing IPR Licence or Third Party IPR Licence (as applicable) subject to the Replacement Contractor entering into reasonable confidentiality undertakings with the Contractor.

10.7.3. Any licence granted to the Contractor pursuant to Paragraph 10.4 (Licence granted by the Authority) shall terminate automatically on the Expiry Date and the Contractor shall:

- (a) immediately cease all use of the Authority's Existing IPR (including the Authority Data within which the Authority's Existing IPR may subsist);
- (b) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the Authority's Existing IPR and the Authority Data, provided that if the Authority has not made an election within six months of the termination of the licence, the Contractor may destroy the documents and other tangible materials that contain any of the Authority's Existing IPR and the Authority Data (as the case may be); and
- (c) ensure, so far as reasonably practicable, that any Authority's Existing IPR and Authority Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Contractor containing such Authority's Existing IPR or Authority Data.

ANNEX 1: NEW IPR

Name of New IPR	Details

11. AUTHORITY DATA

- 11.1.** The Contractor shall not delete or remove any proprietary notices contained within or relating to the Authority Data.
- 11.2.** The Contractor shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Contractor of its obligations under the Contract or as otherwise expressly authorised in writing by the Authority.
- 11.3.** To the extent that Authority Data is held and/or processed by the Contractor, the Contractor shall supply that Authority Data to the Authority as requested by the Authority in the format the Authority specifies.
- 11.4.** Upon receipt or creation by the Contractor of any Authority Data and during any collection, Processing, storage and transmission by the Contractor of any Authority Data, the

Contractor shall take all precautions necessary to preserve the integrity of the Authority Data and to prevent any corruption or loss of the Authority Data.

- 11.5. The Contractor shall perform secure back-ups of all Authority Data. The Contractor shall ensure that such back-ups are available to the Authority at all times upon request.
- 11.6. The Contractor shall ensure that any system on which the Contractor holds any Authority Data, including back-up data, is a secure system that complies with the Security Policy.
- 11.7. If the Authority Data is corrupted, lost or sufficiently degraded as a result of the Contractor's Default so as to be unusable, the Authority may:
 - 11.7.1. require the Contractor (at the Contractor's expense) to restore or procure the restoration of the Authority Data and the Contractor shall do so as soon as practicable; and/or
 - 11.7.2. itself restore or procure the restoration of the Authority Data, and shall be repaid by the Contractor any reasonable expenses incurred in doing so.
- 11.8. If at any time the Contractor suspects or has reason to believe that Authority Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Contractor shall notify the Authority immediately and inform the Authority of the remedial action the Contractor proposes to take.

12. PROTECTION OF PERSONAL DATA

Status of the Controller

- 12.1. The Parties acknowledge that for the purposes of the Data Protection Legislation, the nature of the activity carried out by each of them in relation to their respective obligations under this Contract will determine the status of each Party under the Data Protection Legislation. A Party may act as:
 - 12.1.1. "Controller" (where the other Party acts as the "Processor");
 - 12.1.2. "Processor" (where the other Party acts as the "Controller");
 - 12.1.3. "Joint Controller" (where both Parties are considered to jointly control the same Personal Data);

- 12.1.4. “Independent Controller” of the Personal Data where the other Party is also “Controller” of the same Personal Data in its own right (but there is no element of joint control);

and the Parties shall set out in Schedule 13 (Processing, Personal Data and Data Subjects) which scenario or scenarios are intended to apply under this Contract.

Where one Party is Controller and the other Party its Processor

- 12.2. Where a Party is a Processor, the only Processing that it is authorised to do is listed in Schedule 13 (Processing, Personal Data and Data Subjects) by the Controller.
- 12.3. The Processor shall notify the Controller immediately if it considers that any of the Controller’s instructions infringe the Data Protection Legislation.
- 12.4. The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any Processing. Such assistance may, at the discretion of the Controller, include:
 - 12.4.1. a systematic description of the envisaged Processing operations and the purpose of the Processing;
 - 12.4.2. an assessment of the necessity and proportionality of the Processing operations in relation to the Services;
 - 12.4.3. an assessment of the risks to the rights and freedoms of Data Subjects; and
 - 12.4.4. the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
- 12.5. The Processor shall, in relation to any Personal Data processed in connection with its obligations under this Contract:
 - 12.5.1. process that Personal Data only in accordance with Schedule 13 (Processing, Personal Data and Data Subjects), unless the Processor is required to do otherwise by Law. If it is so required the Processor shall promptly notify the Authority before Processing the Personal Data unless prohibited by Law;
 - 12.5.2. ensure that it has in place Protective Measures, including in the case of the Controller the measures set out in Clause 11 (Authority Data), which the Controller may reasonably reject (but failure to reject shall not amount to

approval by the Controller of the adequacy of the Protective Measures) having taken account of the:

- (a) nature of the data to be protected;
- (b) harm that might result from a Data Loss Event;
- (c) state of technological development; and
- (d) cost of implementing any measures;

12.5.3. ensure that:

- (a) the Processor Personnel do not process Personal Data except in accordance with this Contract (and in particular Schedule 13 (Processing, Personal Data and Data Subjects));
- (b) it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
 - i. are aware of and comply with the Processor's duties under this Clause 12 (Protection of Personal Data), Clause 11 (Authority Data) and Clause 27 (Confidential Information) of this Schedule 2;
 - ii. are subject to appropriate confidentiality undertakings with the Processor or any Sub-processor;
 - iii. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third Party unless directed in writing to do so by the Controller or as otherwise permitted by this Contract; and
 - iv. have undergone adequate training in the use, care, protection and handling of Personal Data;
- (c) not transfer Personal Data outside of the EU, other than to the Controller, unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:

- i. the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with Article 46 of the GDPR or Section 75 of the DPA 2018) as determined by the Controller;
- ii. the Data Subject has enforceable rights and effective legal remedies;
- iii. the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
- iv. the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the Processing of the Personal Data; and

(d) at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Contract unless the Processor is required by Law to retain the Personal Data.

12.6. Subject to Clause 12.7 of this Schedule 2, the Processor shall notify the Controller immediately if it:

- 12.6.1. receives a Data Subject Request (or purported Data Subject Request);
- 12.6.2. receives a request to rectify, block or erase any Personal Data;
- 12.6.3. receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
- 12.6.4. receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under this Contract;
- 12.6.5. receives a request from any third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
- 12.6.6. becomes aware of a Data Loss Event.

12.7. The Processor's obligation to notify under Clause 12.6 of this Schedule 2 shall include the provision of further information to the Controller in phases, as details become available.

- 12.8.** Taking into account the nature of the Processing, the Processor shall provide the Controller with reasonable assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under Clause 12.6 of this Schedule 2 (and insofar as possible within the timescales reasonably required by the Controller) including by promptly providing:
- 12.8.1. the Controller with full details and copies of the complaint, communication or request;
 - 12.8.2. such assistance as is reasonably requested by the Controller to enable it to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
 - 12.8.3. the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
 - 12.8.4. assistance as requested by the Controller following any Data Loss Event; and/or
 - 12.8.5. assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.
- 12.9.** The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this Clause. This requirement does not apply where the Processor employs fewer than 250 staff, unless:
- 12.9.1. the Controller determines that the Processing is not occasional;
 - 12.9.2. the Controller determines the Processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; or
 - 12.9.3. the Controller determines that the Processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 12.10.** The Processor shall allow for audits of its Processing activity by the Controller or the Controller's designated auditor.
- 12.11.** The Parties shall designate a Data Protection Officer if required by the Data Protection Legislation.

12.12. Before allowing any Sub-processor to process any Personal Data related to this Contract, the Processor must:

12.12.1. notify the Controller in writing of the intended Sub-processor and Processing;

12.12.2. obtain the written consent of the Controller;

12.12.3. enter into a written agreement with the Sub-processor which give effect to the terms set out in this Clause 12 (Protection of Personal Data) such that they apply to the Sub-processor; and

12.12.4. provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.

12.13. The Processor shall remain fully liable for all acts or omissions of any of its Sub-processors.

12.14. The Authority may, at any time on not less than 30 Working Days' notice, revise this Clause by replacing it with any applicable controller to processor standard clauses or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to this Contract).

12.15. The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Authority may on not less than 30 Working Days' notice to the Contractor amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner's Office.

Where the Parties are Joint Controllers of Personal Data

12.16. In the event that the Parties are Joint Controllers in respect of Personal Data under this Contract, the Parties shall implement Clauses that are necessary to comply with Article 26 of the GDPR based on the terms set out in Annex 1 to Schedule 13 (Processing, Personal Data and Data Subjects).

Where the Parties are Independent Controllers of Personal Data

12.17. With respect to Personal Data provided by one Party to another Party for which each Party acts as Controller but which is not under a Joint Controller arrangement of the Parties, each Party undertakes to comply with the applicable Data Protection Legislation in respect of their Processing of such Personal Data as Controller.

- 12.18.** Each Party shall process the Personal Data in compliance with its obligations under the Data Protection Legislation and not do anything to cause the other Party to be in breach of it.
- 12.19.** Where a Party has provided Personal Data to the other Party in accordance with Clause 12.17 of this Schedule 2, the recipient of the Personal Data will provide all such relevant documents and information relating to its data protection policies and procedures as the other Party may reasonably require.
- 12.20.** The Parties shall be responsible for their own compliance with Articles 13 and 14 of the GDPR in respect of the Processing of Personal Data for the purposes of this Contract.
- 12.21.** The Parties shall only provide Personal Data to each other:
- 12.21.1. to the extent necessary to perform the respective obligations under this Contract;
 - 12.21.2. in compliance with the Data Protection Legislation (including by ensuring all required fair processing information has been given to affected Data Subjects); and
 - 12.21.3. where it has recorded it in Schedule 13 (Processing, Personal Data and Data Subjects).
- 12.22.** Taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of Processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, each Party shall, with respect to its Processing of Personal Data as independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1)(a), (b), (c) and (d) of the GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the GDPR.
- 12.23.** A Party Processing Personal Data for the purposes of this Contract shall maintain a record of its Processing activities in accordance with Article 30 of the GDPR and shall make the record available to the other Party upon reasonable request.
- 12.24.** Where a Party receives a request by any Data Subject to exercise any of their rights under the Data Protection Legislation in relation to the Personal Data provided to it by the other Party pursuant to this Contract (**“the Request Recipient”**):

- 12.24.1. the other Party shall provide any information and/or assistance as reasonably requested by the Request Recipient to help it respond to the request or correspondence, at the cost of the Request Recipient; or
- 12.24.2. where the request or correspondence is directed to the other Party and/or relates to the other Party's Processing of the Personal Data, the Request Recipient will:
 - (a) promptly, and in any event within five (5) Working Days of receipt of the request or correspondence, inform the other Party that it has received the same and shall forward such request or correspondence to the other Party; and
 - (b) provide any information and/or assistance as reasonably requested by the other Party to help it respond to the request.
- 12.25.** Each Party shall promptly notify the other Party upon it becoming aware of any Personal Data Breach relating to Personal Data provided by the other Party pursuant to this Contract and shall:
 - 12.25.1. do all such things as reasonably necessary to assist the other Party in mitigating the effects of the Personal Data Breach;
 - 12.25.2. implement any measures necessary to restore the security of any compromised Personal Data;
 - 12.25.3. work with the other Party to make any required notifications to the Information Commissioner's Office and affected Data Subjects in accordance with the Data Protection Legislation (including the timeframes set out therein); and
 - 12.25.4. not do anything which may damage the reputation of the other Party or that Party's relationship with the relevant Data Subjects, save as required by Law.
- 12.26.** Personal Data provided by one Party to the other Party may be used exclusively to exercise rights and obligations under this Contract as specified in Schedule 13 (Processing, Personal Data and Data Subjects).
- 12.27.** Personal Data shall not be retained or processed for longer than is necessary to perform each Party's obligations under this Contract which is specified in Schedule 13 (Processing, Personal Data and Data Subjects).

- 12.28.** Notwithstanding the general application of Clauses 12.2 to 12.15 of this Schedule 2 to Personal Data, where the Contractor is required to exercise its regulatory and/or legal obligations in respect of Personal Data, it shall act as an independent Controller of Personal Data in accordance with Clauses 12.16 to 12.27 of this Schedule 2.

13. RECORDS RETENTION AND RIGHT OF AUDIT

- 13.1.** The Contractor shall in accordance with the GDPR keep secure and maintain until six (6) years after the final payment of all sums due under the Contract, or such longer period as may be agreed between the Parties, full and accurate records of the Services, all expenditure reimbursed by the Authority and all payments made by the Authority including records and accounts which the Authority has a right to audit.
- 13.2.** The Contractor shall grant to the Authority, or its authorised agents, such access to those records as they may reasonably require in order to check the Contractor's compliance with the Contract.
- 13.3.** For the purpose of:
- 13.3.1. the examination and certification of the Authority's accounts; or
 - 13.3.2. any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources
- 13.4.** the Comptroller and Auditor General may examine such documents as he may reasonably require which are owned, held or otherwise within the control of the Contractor and may require the Contractor to provide such oral and/or written explanations as he considers necessary. This Clause does not constitute a requirement or agreement for the examination, certification or inspection of the accounts of the Contractor under Section 6(3)(d) and (5) of the National Audit Act 1983. The Parties will bear their own costs when an audit is undertaken unless the audit identifies a material Default by the Contractor, in which case the Contractor will repay the Authority's reasonable costs in connection with the audit.

14. INDEMNITY AND LIMITATION OF LIABILITY

- 14.1.** Subject to the limitations of liability set out in this Clause 14 (Indemnity and Limitation of Liability) and without prejudice to any rights and remedies of the Authority, the Contractor shall indemnify the Authority, and keep it indemnified, from and against any and all Losses whatsoever and howsoever to the extent arising directly (but not indirectly or consequentially) out of the act, default, negligence, breach of contract, breach of statutory

or statutory duty by the Contractor or any of its employees or agents acting within the course of their employment or any of its Sub-contractors and their employees or agents.

Unlimited liability

14.2. Neither Party excludes or limits liability to the other Party for:

- 14.2.1. death or personal injury caused by its negligence, or that of its employees, agents or Sub-contractors (as applicable);
- 14.2.2. bribery or Fraud or fraudulent misrepresentation by it or its employees;
- 14.2.3. breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or; or
- 14.2.4. any liability to the extent it cannot be limited or excluded by Law.

14.3. The Contractor's liability in respect of the indemnities in Clauses 3.8 (Income Tax and National Insurance Contributions), Clause 8.4 (VAT), Clause 10.5 (Intellectual Property), of Schedule 2, Schedule 10 (Staff Transfer) and the Annexes to Schedule 10 (Staff Transfer) shall be unlimited.

14.4. The Authority's liability in respect of the indemnities in Schedule 10 (Staff Transfer) and the Annexes to Schedule 10 (Staff Transfer) shall be unlimited.

Financials and other limits

14.5. Subject to Clauses 14.2, 14.3, 14.4 (Unlimited liability) and Clause 14.7 (Consequential Losses) of this Schedule 2:

- 14.5.1. the Contractor's aggregate liability in respect of loss of or damage to the Authority Premises or other property or assets of the Authority (including technical infrastructure, assets or equipment but excluding any loss or damage to the Authority Data or any other data) that is caused by Defaults of the Contractor occurring in each and any Contract Year shall in no event exceed £10 million;
- 14.5.2. the Contractor's aggregate liability in respect of:
 - (a) loss or damage to Authority Data; and
 - (b) breach of the Data Protection Legislation;

(c) that is caused by Default of the Contractor occurring in each and any Contract Year shall in no event exceed £10 million;

14.5.3. in respect of all other Losses, the aggregate liability of each Party to the other under or in connection with this Contract whether arising in contract, tort, negligence, breach of statutory duty or otherwise shall in no event exceed the greater of:

(a) £5,000,000; or

(b) one hundred and twenty five per cent (125%) of the total Contract Price paid or payable by the Authority to the Contractor for the Services.

14.6. If the total Contract Price paid or payable by the Authority to the Contractor over the Term:

14.6.1. is less than or equal to **£1,000,000** then the figure of **£5,000,000** at Clause 14.5.3 of this Schedule 2 shall be replaced with **£1,000,000**;

14.6.2. is less than or equal to **£3,000,000** but greater than **£1,000,000**, then the figure of **£5,000,000** at Clause 14.5.3 of this Schedule 2 shall be replaced with **£3,000,000**

14.6.3. is equal to, exceeds or will exceed **£10,000,000** then the figure of **£5,000,000** at Clause 14.5.3 of this Schedule 2 shall be replaced with **£10,000,000** and the figure of one hundred and twenty five percent (125%) at Clause 14.5.3 of this Schedule 2 shall be deemed to have been deleted and replaced with one hundred and fifteen percent (115%).

Consequential loss

14.7. Subject always to Clauses 14.2, 14.3, 14.4 (Unlimited liability) and Clause 14.7 of this Schedule 2 neither Party shall be liable to the other Party for:

14.7.1. any indirect, special or consequential loss;

14.7.2. loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect).

14.8. Notwithstanding Clause 14.7 but subject to Clause 14.5 the Contractor acknowledges that the Authority may, amongst other things, recover from the Contractor the following losses

incurred by the Authority to the extent that they arise as a result of a Default by the Contractor:

- 14.8.1. any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
 - 14.8.2. any wasted expenditure or Contract Price;
 - 14.8.3. the additional costs of procuring Replacement Services for the remainder of the Term, which shall include any incremental costs associated with such Replacement Services above those which would have been payable under the Contract;
 - 14.8.4. any compensation or interest paid to a third party by the Authority; and
 - 14.8.5. any fine, penalty or costs incurred by the Authority pursuant to Law any costs incurred by the Authority in defending any proceedings which result in such fine or penalty.
- 14.9.** Each Party shall use its respective reasonable endeavours to mitigate any loss or damage suffered arising out of or connection with the Contract.
- 14.10.** Where the Contractor is a consortium, for the avoidance of doubt, the organisations comprising the Contractor shall be jointly and severally liable with regard to the performance by the Contractor of any and all of its obligations under the Contract and in respect of any Losses incurred by the Authority under or in connection with this Contract as a result of Defaults by the Contractor.

15. INSURANCE

- 15.1.** The Contractor shall effect and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of cover in respect of all risks which may be incurred by the Contractor, arising out of the Contractor's performance of its obligations under the Contract, including death or personal injury, loss of or damage to property or any other loss. Such insurance shall be maintained for the duration of the Term and for a minimum of six (6) years following the expiration or earlier termination of the Contract.
- 15.2.** The Contractor shall hold employer's liability insurance in respect of Contractor Personnel in accordance with any legal requirement from time to time in force.

- 15.3. Without limitation to any insurance arrangements as required by Law, the Contractor shall put in place and/or maintain the different types and/or levels of indemnity arrangements explicitly required by the Authority, if specified in the Key Provisions.
- 15.4. The Contractor shall from time to time and in any event within five (5) Working Days of written demand provide documentary evidence to the Authority that insurance arrangements taken out by the Contractor pursuant to this Clause 15 (Insurance) of this Schedule 2 and the Key Provisions are fully maintained and that any premiums on them and/or contributions in respect of them (if any) are fully paid.
- 15.5. If, for whatever reason, the Contractor fails to give effect to and maintain the insurances required by the provisions of the Contract the Authority may make alternative arrangements to protect its interests and may recover the costs of such arrangements from the Contractor.
- 15.6. The provisions of any insurance or the amount of cover shall not relieve the Contractor of any liabilities under the Contract. It shall be the responsibility of the Contractor to determine the amount of insurance cover that will be adequate to enable the Contractor to satisfy any liability referred to in Clause 14 (Indemnity and Limitation of Liability) of this Schedule 2.

16. TERMINATION

- 16.1. In the case of a breach of any of the terms of this Contract by the Contractor that is capable of remedy (including, without limitation any failure to pay any sums due under this Contract), the Authority may, without prejudice to its other rights and remedies under this Contract, issue a Breach Notice and shall allow the Contractor the opportunity to remedy such breach in the first instance via a remedial proposal put forward by the Contractor ("**Remedial Proposal**") before exercising any right to terminate this Contract. Such Remedial Proposal must be agreed with the Authority (such agreement not to be unreasonably withheld or delayed) and must be implemented by the Contractor in accordance with the timescales referred to in the agreed Remedial Proposal. Once agreed, any changes to a Remedial Proposal must be approved by the Parties in writing. Any failure by the Contractor to:
 - 16.1.1. put forward and agree a Remedial Proposal with the Authority in relation to the relevant Default or breach within a period of ten (10) Working Days (or such other period as the Authority may agree in writing) from the deemed date of receipt of the Breach Notice;

- 16.1.2. comply with such Remedial Proposal (including, without limitation, as to its timescales for implementation, which shall be ten (10) days unless otherwise agreed between the Parties); and/or
- 16.1.3. remedy the Default or breach notwithstanding the implementation of such Remedial Proposal in accordance with the agreed timescales for implementation,

shall be deemed, for the purposes of Clause 16.2.1(b) (Termination) of this Schedule 2, a material breach of this Contract by the Contractor not remedied in accordance with an agreed Remedial Proposal.

16.2. The Authority may terminate the Contract, or terminate the provision of any part of the Services, with immediate effect by serving a Termination Notice to the Contractor:

- 16.2.1. if the Contractor commits a material breach of any of the terms of this Contract which is:
 - (a) not capable of remedy; or
 - (b) in the case of a breach capable of remedy, which is not remedied in accordance with a Remedial Proposal; or
- 16.2.2. if the Contractor has been served with a valid Breach Notice having already been served with at least two (2) previous valid Breach Notices within the last twelve (12) Month rolling period as a result of any previous material breaches of this Contract which are capable of remedy (whether or not the Contractor has remedied the breach in accordance with a Remedial Proposal). The twelve (12) Months rolling period is the twelve (12) Months immediately preceding the date of the third Breach Notice.
- 16.2.3. if the Contractor does not commence delivery of the Services by the Services Commencement Date;
- 16.2.4. if the Contractor, or any third party guaranteeing the obligations of the Contractor under this Contract, ceases or threatens to cease carrying on its business; suspends making payments on any of its debts or announces an intention to do so; is, or is deemed for the purposes of any Law to be, unable to pay its debts as they fall due or insolvent; enters into or proposes any composition, assignment or arrangement with its creditors generally; takes any step or suffers any step to be taken in relation to its winding-up, dissolution, administration (whether out of court or otherwise) or reorganisation (by way of

voluntary arrangement, scheme of arrangement or otherwise) otherwise than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation; has a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer appointed (in each case, whether out of court or otherwise) in respect of it or any of its assets; has any security over any of its assets enforced; or any analogous procedure or step is taken in any jurisdiction;

- 16.2.5. if the Contractor purports to assign, Sub-contract, novate, create a trust in or otherwise transfer or dispose of this Contract in breach of Clause 25 (Assignment, Novation and Sub-contracting) of this Schedule 2;
- 16.2.6. if the Contractor undergoes a change of control within the meaning of sections 450 and 451 of the Corporation Tax Act 2010 (other than for an intra-group change of control) without the prior written consent of the Authority and the Authority shall be entitled to withhold such consent if, in the reasonable opinion of the Authority, the proposed change of control will have a material impact on the performance of this Contract or the reputation of the Authority; or
- 16.2.7. pursuant to and in accordance with Clause 20.6.3(a) (Carbon Footprint / Net Zero Obligations) of Schedule 1, Clause 3.6 (Contractor Personnel), Clause 10.10.3 (Intellectual Property Rights), Clause 20.5 (Conflict of Interest), Clause 22.7 (Force Majeure), Clause 27.10 (Confidential Information), Clause 31.2 (Official Secrets Acts and Finance Act), Clause 32.4 (Disruption) and Clause 33.5 (Complaints), of this Schedule 2;
- 16.2.8. where the warranty given by the Contractor pursuant to Clause 9 (Warranties) of this Schedule 2 is materially untrue;
- 16.2.9. where
 - (a) the warranty given by the Contractor pursuant to Clause 9.2 of this Schedule 2 is materially untrue; or
 - (b) the Contractor commits a material breach of its obligation to notify the Authority of any Occasion of Tax Non-Compliance as required by Clause 9.2.1 of this Schedule 2; or
 - (c) the Contractor fails to provide details of proposed mitigating factors required by Clause 9.2.2 of this Schedule 2 which in the reasonable opinion of the Authority, are acceptable; or

- 16.2.10. on the occurrence of any of the statutory provisions contained in Regulation 73(1)(a) to (c) of the Regulations; or
 - 16.2.11. if the Contractor commits a breach of the Anti-slavery Policy or the Authority's Anti-slavery Policy.
- 16.3.** If the Authority, acting reasonably, has good cause to believe that there has been a material deterioration in the financial circumstances of the Contractor and/or any third party guaranteeing the obligations of the Contractor under this Contract and/or any material Sub-contractor of the Contractor when compared to any information provided to and/or assessed by the Authority as part of any procurement process or other due diligence leading to the award of this Contract to the Contractor or the entering into a Sub-contract by the Contractor, the following process shall apply:
- 16.3.1. the Authority may (but shall not be obliged to) give notice to the Contractor requesting adequate financial or other security and/or assurances for due performance of its material obligations under this Contract on such reasonable and proportionate terms as the Authority may require within a reasonable time period as specified in such notice; and
 - 16.3.2. a failure or refusal by the Contractor to provide the financial or other security and/or assurances requested in accordance with Clause 16.3 of this Schedule 2 in accordance with any reasonable timescales specified in any such notice issued by the Authority shall be deemed a breach of this Contract by the Contractor and shall be referred to and resolved in accordance with the Dispute Resolution Procedure.
- 16.4.** Notwithstanding any other provision in the Contract, the Authority shall be entitled to terminate this Contract with immediate notice should any information supplied by the Contractor, contained in this Contract or obtained by the Authority (including but not limited to financial or other due diligence information provided by the Contractor or obtained by the Authority) be inaccurate, misleading and/or otherwise give rise to reasonable suspicion by the Authority of fraud.
- 16.5.** The Contractor may, by issuing a Termination Notice to the Authority, terminate this Contract if the Authority fails to pay an undisputed sum due to the Contractor under this Contract which in aggregate exceeds two quarterly payments and such amount remains outstanding 40 Working Days after the receipt by the Authority of a notice of non-payment from the Contractor, save that such right of termination shall not apply where the failure to pay is due to the Authority exercising its rights under Clause 8.8 (Recovery of Sums Due) of this Schedule 2.

17. CONSEQUENCES OF EXPIRY OR EARLY TERMINATION OF THE CONTRACT

17.1. Where the Authority terminates the Contract under Clause 16 (Termination) of this Schedule 2 and then makes other arrangements for the supply of Services, the Authority may recover from the Contractor the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Authority throughout the remainder of the Term. The Authority shall take all reasonable steps to mitigate such additional expenditure. Where the Contract is terminated under Clause 16 (Termination) of this Schedule 2 no further payments shall be made by the Authority to the Contractor (for Services supplied by the Contractor prior to termination and in accordance with the Contract but where the payment has yet to be made by the Authority), until the Authority has established the final cost of arranging an alternative supplier of the Services.

17.2. Save as otherwise expressly provided in the Contract:

17.2.1. termination or expiry of the Contract shall be without prejudice to any rights, remedies or obligations accrued under the Contract prior to termination or expiration and nothing in the Contract shall prejudice the right of either Party to recover any amount outstanding at such termination or expiry; and

17.2.2. termination of the Contract shall not affect the continuing rights, remedies or obligations of the Authority or the Contractor under Clause 8 (Price and Payment), Clause 10 (Intellectual Property), Clause 12 (Protection of Personal Data), Clause 13 (Records Retention and Right of Audit), Clause 14 (Indemnity and Limitation of Liability), Clause 15 (Insurance), Clause 17 (Consequences of Expiry or Early Termination of the Contract), Clause 18 (Recovery upon Expiry or Early Termination of the Contract), Clause 26 (Prevention of Fraud and Bribery), Clause 27 (Confidential Information), Clause 28 (Freedom of Information Act), Clause 31 (Official Secrets Acts and Finance Act), Clauses 37.2 to 37.4 (Waiver), Clause 37.5 (Cumulative Remedies) and Clauses 37.10 to 37.11 (Law and Jurisdiction) of Schedule 2.

18. RECOVERY UPON EXPIRY OR EARLIER TERMINATION OF THE CONTRACT

18.1. Upon expiry or earlier termination (for any reason) of this Contract, the Contractor shall at the request of the Authority and at the Contractor's cost:

18.1.1. immediately return to the Authority all Confidential Information, Personal Data, Authority Existing IPR and any New IPR in its possession or in the possession or under the control of any permitted suppliers or Sub-contractors, which was obtained or produced in the course of providing the Services (but excluding

copies of such Confidential Information, Personal Data or other information that the Contractor is required to retain pursuant to the Law or for regulatory purposes);

- 18.1.2. except where the retention of Personal Data is required by Law or regulatory purposes, promptly destroy all copies of the Personal Data and provide written confirmation to the Authority that the data has been destroyed;
 - 18.1.3. immediately deliver to the Authority all Property (including materials, documents, information and access keys) provided to the Contractor under Clause 5 (Use of Authority Equipment) of this Schedule 2. Such property shall be handed back in good working order (allowance shall be made for reasonable wear and tear);
 - 18.1.4. vacate and procure that the Contractor Personnel vacate any premises of the Authority occupied for the purposes of providing the Services;
 - 18.1.5. return to the Authority any sums prepaid in respect of the Services not provided by the date of expiry or termination (howsoever arising);
 - 18.1.6. comply with its obligations under any agreed Exit Plan; and
 - 18.1.7. promptly provide all information concerning the provision of the Services which may reasonably be requested by the Authority for the purposes of adequately understanding the manner in which the Services have been provided or for the purpose of allowing the Authority or any Replacement Contractor to conduct due diligence.
- 18.2.** If the Contractor fails to comply with Clause 18.1.1 and 18.1.2 of this Schedule 2, the Authority may recover possession of the items mentioned in those Clauses. The Contractor shall grant, and shall procure that any Sub-contractor shall grant, a licence to the Authority for its appointed agents to enter (for the purposes of such recovery) any premises of the Contractor or its Sub-contractors where any such items may be held.

19. DISPUTE RESOLUTION

- 19.1.** The Authority and the Contractor shall attempt in good faith to negotiate a settlement to any dispute between them arising out of or in connection with the Contract within twenty (20) Working Days of either notifying the other Party of the dispute and such efforts shall involve the escalation of the dispute to senior management of each Party.

- 19.2.** Nothing in this dispute resolution procedure shall prevent the Authority or the Contractor from seeking from any court of competent jurisdiction an interim order restraining the other Party from doing any act or compelling the other Party to do any act.
- 19.3.** If the dispute cannot be resolved by the Authority and the Contractor pursuant to Clause 19.1 of this Schedule 2, the Authority and the Contractor shall refer it to mediation pursuant to the procedure set out in Clause 19.5 of this Schedule 2 unless:
- 19.3.1. the Authority considers that the dispute is not suitable for resolution by mediation; or
- 19.3.2. the Contractor does not agree to mediation.
- 19.4.** The obligations of the Authority and the Contractor under the Contract shall not be suspended, cease or be delayed by the reference of a dispute to mediation and the Contractor and the Contractor Personnel shall comply fully with the requirements of the Contract at all times.
- 19.5.** The procedure for mediation is as follows:
- 19.5.1. a neutral adviser or mediator (the “**Contract Mediator**”) shall be chosen by agreement between the Authority and the Contractor or, if they are unable to agree upon a Contract Mediator within ten (10) Working Days after a request by one Party to the other or if the Contract Mediator agreed upon is unable or unwilling to act, either Party shall within ten (10) Working Days from the date of the proposal to appoint a Contract Mediator or within ten (10) Working Days of notice to either Party that he is unable or unwilling to act, apply to the CEDR to appoint a Contract Mediator;
- 19.5.2. the Authority and the Contractor shall within ten (10) Working Days of the appointment of the Contract Mediator meet with him in order to agree a programme for the exchange of all relevant information and the structure to be adopted for negotiations to be held. If considered appropriate, the Authority and the Contractor may at any stage seek assistance from the CEDR to provide guidance on a suitable procedure;
- 19.5.3. unless otherwise agreed, all negotiations connected with the dispute and any settlement agreement relating to it shall be conducted in confidence and without prejudice to the rights of the Parties in any future proceedings;

- 19.5.4. if the Parties reach agreement on the resolution of the dispute, the agreement shall be reduced to writing and shall be binding on the Parties once it is signed by their duly authorised representatives;
- 19.5.5. failing agreement, either of the Parties may invite the Contract Mediator to provide a non-binding but informative opinion in writing. Such an opinion shall be provided on a without prejudice basis and shall not be used in evidence in any proceedings relating to the Contract without the prior written consent of both Parties; and
- 19.5.6. if the Parties fail to reach agreement in the structured negotiations within sixty (60) Working Days of the Contract Mediator being appointed, or such longer period as may be agreed by the Parties, then any dispute or difference between them may be referred to the courts.

20. CONFLICT OF INTEREST

- 20.1. The Contractor recognises that the Authority is subject to PPN 01/19: Applying Exclusions in Public Procurement, Managing Conflicts of Interest and Whistleblowing: (<https://www.gov.uk/government/publications/procurement-policy-note-0119-applying-exclusions-in-public-procurement-managing-conflicts-of-interest-and-whistleblowing>). The Contractor shall comply with the provision of this Clause 20 (Conflict of Interest) in order to assist the Authority with its compliance with its obligations under that PPN.
- 20.2. The Contractor shall take appropriate steps to ensure that neither the Contractor nor the Contractor Personnel are placed in a position where (in the reasonable opinion of the Authority) there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interest of the Contractor or the Contractor Personnel and the duties owed to the Authority and other Contracting Authorities under the provisions of the Contract.
- 20.3. The Contractor shall promptly notify and provide full particulars to the Authority or the relevant other Contracting Authority if such conflict arises or may reasonably be foreseen as arising.
- 20.4. Without prejudice to the foregoing, the Contractor shall not knowingly act at any time during the Term of the Contract in any capacity for any person, firm or company in circumstances where a conflict of interest between such person, firm or company and the Authority shall thereby exist in relation to the Services. The Contractor shall immediately report to the Authority Representative any matters which involve or could potentially involve a conflict of interest as referred to in this Clause 20 (Conflict of Interest).

- 20.5.** The Authority reserves the right to terminate the Contract with immediate effect by giving written notice to the Contractor and/or take such other steps it deems necessary where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Contractor and the duties owed to the Authority under the provisions of the Contract. The action of the Authority pursuant to this Clause 20 (Conflict of Interest) shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to the Authority.

21. CHANGE MANAGEMENT

- 21.1.** The Contractor acknowledges to the Authority that the Authority's requirements for the Services may change during the Term and the Contractor shall not unreasonably withhold or delay its consent to any reasonable Variation or addition to the Specification and Tender, as may be requested by the Authority from time to time.

- 21.2.** Any change to the Services or other Variation to this Contract shall only be binding once it has been agreed either:

21.2.1. in accordance with the Change Control Process if the Key Provisions specify that changes are subject to a formal change control process; or

21.2.2. if the Key Provisions make no such reference, in writing and signed by an authorised representative of both Parties.

Change in Law

- 21.3.** The Contractor shall neither be relieved of its obligations to supply the Services in accordance with the terms and conditions of this Contract nor be entitled to an increase in the Contract Price as the result of:

21.3.1. a General Change in Law; or

21.3.2. a Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Commencement Date.

- 21.4.** If a Specific Change in Law occurs or will occur during the Term (other than as referred to in Clause 21.3.2 of this Schedule 2), the Contractor shall:

21.4.1. notify the Authority as soon as reasonably practicable of the likely effects of that change, including:

- (a) whether any Variation is required to the Services, the Contract Price or this Contract; and
- (b) whether any relief from compliance with the Contractor's obligations is required; and

21.4.2. provide the Authority with evidence:

- (a) that the Contractor has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-contractors;
- (b) as to how the Specific Change in Law has affected the cost of providing the Services; and
- (c) demonstrating that any expenditure that has been avoided has been taken into account in amending the Contract Price.

21.5. Any Variation in the Contract Price or relief from the Contractor's obligations resulting from a Specific Change in Law (other than as referred to in Clause 21.3.2 of this Schedule 2) shall be implemented in accordance with the Clause 21.2 of this Schedule 2.

22. FORCE MAJEURE

22.1. Subject to the remaining provisions of this Clause 22 (Force Majeure) (and, in relation to the Contractor, subject to its compliance with its obligations in Clause 19 (Business Continuity and Disaster Recovery) of Schedule 1 and Schedule 14 (Business Continuity and Disaster Recovery Plan), if applicable), a Party may claim relief under this Clause 22 (Force Majeure) from liability for failure to meet its obligations under this Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Contractor in performing its obligations under this Contract which results from a failure or delay by an agent, Sub-contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Contractor.

22.2. The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

22.3. If the Contractor is the Affected Party, it shall not be entitled to claim relief under this Clause 22 (Force Majeure) to the extent that consequences of the relevant Force Majeure Event:

- 22.3.1. are capable of being mitigated, but the Contractor has failed to do so;
 - 22.3.2. should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Contract; or
 - 22.3.3. are the result of the Contractor's failure to comply with its BCDR Plan (except to the extent that such failure is also due to a Force Majeure Event that affects the execution of the BCDR Plan).
- 22.4.** Subject to Clause 22.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.
- 22.5.** The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Contractor is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.
- 22.6.** Where, as a result of a Force Majeure Event:
- 22.6.1. an Affected Party fails to perform its obligations in accordance with this Contract, then during the continuance of the Force Majeure Event:
 - (a) the other Party shall not be entitled to exercise any rights to terminate this Contract in whole or in part as a result of such failure other than pursuant to Clause 22.7; and
 - (b) neither Party shall be liable for any Default arising as a result of such failure;
 - 22.6.2. the Contractor fails to perform its obligations in accordance with this Contract:
 - (a) the Authority shall not be entitled during the continuance of the Force Majeure Event to exercise its rights under Clause 15 (Authority Step-In Rights) of Schedule 1 (if applicable) as a result of such failure; and
 - (b) the Contractor shall be entitled to receive payment of the Contract Price (or a proportional payment of them) only to the extent that the Services (or part

of the Services) continue to be performed in accordance with the terms of this Contract during the occurrence of the Force Majeure Event.

- 22.7.** Either Party may terminate this Contract by issuing a Termination Notice to the other Party if a Force Majeure Event endures for a continuous period of ninety (90) days and this Contract shall terminate on the date specified in the Termination Notice.
- 22.8.** The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Contract.
- 22.9.** Relief from liability for the Affected Party under this Clause 22 (Force Majeure) shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Contract and shall not be dependent on the serving of notice under Clause 22.8.

23. EQUALITY AND DIVERSITY

23.1. The Contractor shall:

- 23.1.1. ensure that (a) it does not, whether as employer or as supplier of the Services, engage in any act or omission that would contravene the Equality Legislation, and (b) it complies with all its obligations as an employer or supplier of the Services as set out in the Equality Legislation and take reasonable endeavours to ensure the Contractor Personnel do not unlawfully discriminate within the meaning of the Equality Legislation;
- 23.1.2. in the management of its affairs and the development of its equality and diversity policies, cooperate with the Authority in light of the Authority's obligations to comply with its statutory equality duties whether under the Equality Act 2010 or otherwise. The Contractor shall take such reasonable and proportionate steps as the Authority considers appropriate to promote equality and diversity, including race equality, equality of opportunity for disabled people, gender equality, and equality relating to religion and belief, sexual orientation and age; and
- 23.1.3. impose on all its Sub-contractors and suppliers, obligations substantially similar to those imposed on the Contractor by this Clause 23 (Equality and Diversity).
- 23.1.4. The Contractor shall meet reasonable requests by the Authority for information evidencing the Contractor's compliance with the provisions of this Clause 23 (Equality and Diversity).

24. NOTICE

24.1. Any notice required to be given by either Party under this Contract shall be in writing quoting the date of the Contract and shall be delivered by hand or sent by prepaid first class recorded delivery or by email to the person referred to in the Order Form or such other person as one Party may inform the other Party in writing from time to time.

24.2. A notice shall be treated as having been received:

24.2.1. if delivered by hand within normal business hours when so delivered or, if delivered by hand outside normal business hours, at the next start of normal business hours; or

24.2.2. if sent by first class recorded delivery mail on a normal Working Day, at 9.00 am on the second Working Day subsequent to the day of posting, or, if the notice was not posted on a Working Day, at 9.00 am on the third Working Day subsequent to the day of posting; or

24.2.3. if sent by email, if sent within normal business hours when so sent or, if sent outside normal business hours, at the next start of normal business hours provided the sender has either received an electronic confirmation of delivery or has telephoned the recipient to inform the recipient that the email has been sent.

25. ASSIGNMENT, NOVATION AND SUB-CONTRACTING

25.1. The Contractor shall not assign, novate, sub-contract or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under the Contract or any part of it without the prior written consent of the Authority.

25.2. The Authority may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under the Contract or any part thereof to:

25.2.1. any other body established by the Crown; or

25.2.2. under statute in order substantially to perform any of the functions that had previously been performed by the Authority; or

25.2.3. any private sector body which substantially performs the functions of the Authority,

and the Contractor shall, at the Authority's request, enter into a novation agreement in such form as the Authority shall reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 25 (Assignment, Novation and Sub-contracting).

- 25.3.** A change in the legal status of the Authority shall not, subject to Clause 25.2 of this Schedule 2 affect the validity of the Contract and the Contract shall be binding on any successor body to the Authority.
- 25.4.** If the Authority assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under the Contract to a private sector body in accordance with Clause 25.2 of this Schedule 2 (the "**Transferee**" in the rest of this Clause) the right of termination of the Authority in Clause 16.2.4 (Termination) of this Schedule 2 shall be available to the Contractor in the event of insolvency of the Transferee (as if the references to Contractor in Clause 16.2.4 (Termination) of this Schedule 2 were references to the Transferee).
- 25.5.** The Contractor shall exercise due skill and care in the selection of any Sub-contractors to ensure that the Contractor is able to:
- 25.5.1. manage any Sub-contractors in accordance with Good Industry Practice;
 - 25.5.2. comply with its obligations under the Contract in the provision of the Services; and
 - 25.5.3. assign, novate or otherwise transfer to the Authority or any Replacement Contractor any of its rights and/or obligations under each Sub-contract that relates exclusively to the Contract.
- 25.6.** Prior to sub-contracting any of its obligations under the Contract, the Contractor shall notify the Authority and provide the Authority with:
- 25.6.1. the proposed Sub-contractor's name, registered office and company registration number; and
 - 25.6.2. the scope of any Services to be provided by the proposed Sub-contractor.
- 25.7.** If requested by the Authority within ten (10) Working Days of receipt of the Contractor's notice issued pursuant to Clause 25.6 of this Schedule 2, the Contractor shall also provide:
- 25.7.1. a copy of the proposed Sub-contract; and
 - 25.7.2. any further information reasonably requested by the Authority.

25.8. The Authority may, within ten (10) Working Days of receipt of the Contractor's notice issued pursuant to Clause 25.6 of this Schedule 2 (or, if later, receipt of any further information requested pursuant to Clause 25.7 of this Schedule 2), object to the appointment of the relevant Sub-contractor if they consider that:

- 25.8.1. the appointment of a proposed Sub-contractor may prejudice the provision of the Services or may be contrary to the interests respectively of the Authority under the Contract;
- 25.8.2. the proposed Sub-contractor is unreliable and/or has not provided reliable goods and or reasonable services to its other customers;
- 25.8.3. the proposed Sub-contractor employs unfit persons; and/or
- 25.8.4. the proposed Sub-contractor should be excluded in accordance with Clause 25.14 of this Schedule 2,

in which case, the Contractor shall not proceed with the proposed appointment.

25.9. If the Authority has not notified the Contractor that it objects to the proposed Sub-contractor's appointment by the later of ten (10) Working Days of receipt of:

- 25.9.1. the Contractor's notice issued pursuant to Clause 25.6 of this Schedule 2; and
- 25.9.2. any further information requested by the Authority pursuant to Clause 25.7 of this Schedule 2,

the Contractor may proceed with the proposed appointment.

25.10. The Contractor shall ensure that all Sub-contracts (which in this sub-clause includes any contract in the Contractor's supply chain made wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Contract) contain provisions:

- 25.10.1. requiring the Contractor or other party receiving goods or services under the contract to consider and verify invoices under that contract in a timely fashion;
- 25.10.2. that if the Contractor or other party fails to consider and verify an invoice in accordance with Clause 25.10.1 of this Schedule 2, the invoice shall be regarded as valid and undisputed for the purpose of Clause 25.10.3 of this Schedule 2 after a reasonable time has passed;

- 25.10.3. requiring the Contractor or other party to pay any undisputed sums which are due from it to the Sub-contractor within a specified period not exceeding thirty (30) days of verifying that the invoice is valid and undisputed; and
 - 25.10.4. giving the Authority a right to publish the Contractor's compliance with its obligation to pay undisputed invoices within the specified payment period; and
 - 25.10.5. requiring the Sub-contractor to include a clause to the same effect as this Clause 25.10 in any contracts it enters into wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Contract.
- 25.11.** The Contractor shall pay any undisputed sums which are due from it to a Sub-contractor within thirty (30) days of verifying that the invoice is valid and undisputed.
- 25.12.** Notwithstanding any provision of Clause 27 (Confidential Information) of this Schedule 2 and Clause 36 (Publicity) of this Schedule 2, if the Contractor notifies the Authority that the Contractor has failed to pay an undisputed Sub-contractor's invoice within thirty (30) days of receipt, or, where Clauses 17.8 to 17.12 (Supply Chain Visibility) of Schedule 1 (Key Provisions) apply, that it has failed to pay 95% or above of its Sub-Contractors or Unconnected Sub-contractors within 60 days after the day on which the Contractor receives an invoice or otherwise has notice of an amount for payment, or the Authority otherwise discovers the same, the Authority shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).
- 25.13.** Notwithstanding the Contractor's right to sub-contract pursuant to this Clause 25 (Assignment, Novation and Sub-contracting), the Contractor shall remain responsible for all acts and omissions of its Sub-contractors and the acts and omissions of those employed or engaged by the Sub-contractors as if they were its own.
- 25.14.** The Authority may require the Contractor to terminate a Sub-contract where:
- 25.14.1. the acts or omissions of the relevant Sub-contractor have caused or materially contributed to the Authority's right of termination pursuant to Clause 16 (Termination) of this Schedule 2;
 - 25.14.2. the relevant Sub-contractor or any of its Affiliates have embarrassed the Authority or otherwise brought the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is

related to the Sub-contractor's obligations in relation to the Services or otherwise;

25.14.3. the relevant Sub-contractor has failed to comply in the performance of its Sub-contract with legal obligations in the fields of environmental, social or labour law; and/or

25.14.4. the Authority has found grounds for exclusion of the Sub-contractor in accordance with Clause 25.15.

25.15. Where the Authority considers whether there are grounds for exclusion of a Sub-contractor under Regulation 57 of the Regulations, then:

25.15.1. if the Authority finds there are compulsory grounds for exclusion, the Contractor shall replace or shall not appoint the Sub-contractor;

25.15.2. if the Authority finds there are non-compulsory grounds for exclusion, the Authority may require the Contractor to replace or not appoint the Sub-contractor and the Contractor shall comply with such a requirement.

26. PREVENTION OF FRAUD AND BRIBERY

26.1. The Contractor warrants and represents to the Authority that neither it, nor to the best of its knowledge any Contractor Personnel, have at any time prior to the Commencement Date:

26.1.1. committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

26.1.2. been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

26.2. The Contractor shall not during the Term:

26.2.1. commit a Prohibited Act; and/or

26.2.2. do or suffer anything to be done which would cause the Authority or any of the Authority's employees, consultants, contractors, Sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

26.3. The Contractor shall during the Term:

- 26.3.1. establish, maintain and enforce, and require that its Sub-contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;
- 26.3.2. keep appropriate records of its compliance with its obligations under Clause 26.3.1 (Prevention of Fraud and Bribery) of this Schedule 2 and make such records available to the Authority on request;
- 26.3.3. if so required by the Authority, within twenty (20) Working Days of the Commencement Date, and annually thereafter, certify in writing to the Authority, the compliance with this Clause of all persons associated with the Contractor or its Sub-contractors who are responsible for supplying the Services in connection with the Contract. The Contractor shall provide such supporting evidence as the Authority may reasonably request; and
- 26.3.4. have, maintain and, where appropriate, enforce an anti-bribery policy (which shall be disclosed to the Authority on request) to prevent it and any Contractor Personnel or any person acting on the Contractor's behalf from committing a Prohibited Act.

26.4. The Contractor shall immediately notify the Authority in writing if it becomes aware of any breach of Clause 26.1 (Prevention of Fraud and Bribery) of this Schedule 2, or has reason to believe that it has or any of the Contractor Personnel has:

- 26.4.1. been subject to an investigation or prosecution which relates to an alleged Prohibited Act;
- 26.4.2. been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or
- 26.4.3. received a request or demand for any undue financial or other advantage of any kind in connection with the performance of the Contract or otherwise suspects that any person or party directly or indirectly connected with the Contract has committed or attempted to commit a Prohibited Act.

- 26.5.** If the Contractor makes a notification to the Authority pursuant to Clause 26.4 (Prevention of Fraud and Bribery) of this Schedule 2, the Contractor shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to audit any books, records and/or any other relevant documentation in accordance with Clause 13 (Records Retention and Right of Audit) of this Schedule 2.
- 26.6.** If the Contractor breaches Clause 26.1 (Prevention of Fraud and Bribery) of this Schedule 2, the Authority may by notice:
- 26.6.1. require the Contractor to remove from the performance of the Contract any Contractor Personnel whose acts or omissions have caused the Contractor's breach; or
 - 26.6.2. immediately terminate the Contract pursuant to Clause 16.2.1(a) (Termination) of this Schedule 2.
- 26.7.** Any notice served by the Authority under Clause 26.6 of this Schedule 2 shall specify the nature of the Prohibited Act, the identity of the party who the Authority believes has committed the Prohibited Act and the action that the Authority has elected to take (including, where relevant, the date on which the Contract shall terminate).

27. CONFIDENTIAL INFORMATION

- 27.1.** For the purposes of this Clause 27 (Confidential Information), the term:
- 27.1.1. **"Disclosing Party"** shall mean a Party which discloses or makes available directly or indirectly its Confidential Information; and
 - 27.1.2. **"Recipient"** shall mean the Party which receives or obtains directly Confidential Information.
- 27.2.** Except to the extent set out in this Clause 27 (Confidential Information) or where disclosure is expressly permitted elsewhere in the Contract, the Recipient shall:
- 27.2.1. treat the Disclosing Party's Confidential Information as confidential and safeguard it accordingly (which is appropriate depending on the form in which such materials are stored and the nature of the Confidential Information contained in those materials);
 - 27.2.2. not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in the Contract or without the Disclosing Party's prior written consent;

- 27.2.3. not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under the Contract; and
 - 27.2.4. immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.
- 27.3.** Clause 27.1 of this Schedule 2 shall not apply to the extent that:
- 27.3.1. Law requires such disclosure by the Party making the disclosure, including any requirements for disclosure under FOIA, the Regulations or the Environmental Information Regulations;
 - 27.3.2. such information is required in relation to the examination and certification of the Authority's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority is making use of its resources;
 - 27.3.3. the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office;
 - 27.3.4. such information was already in the public domain at the time of disclosure otherwise than by a breach of the Contract; or
 - 27.3.5. it is independently developed without access to the other Party's Confidential Information.
- 27.4.** If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall, as soon as reasonably practicable and to the extent permitted by Law, notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or Regulatory Body requiring such disclosure and the Confidential Information to which such disclosure would apply.
- 27.5.** The Contractor may only disclose the Confidential Information of the Authority to the Contractor Personnel directly involved in the provision of the Services and who need to know the information, and shall ensure that such Contractor Personnel are aware of and shall comply with these obligations as to confidentiality.

- 27.6.** The Contractor shall not, and shall procure that the Contractor Personnel do not, use any of the Confidential Information of the Authority received otherwise than for the purposes of the Contract and the provision of the Services.
- 27.7.** At the written request of the Authority, the Contractor shall procure that Contractor Personnel identified in the Authority's request shall sign a confidentiality undertaking (in a form acceptable to the Authority) prior to commencing any work in accordance with the Contract.
- 27.8.** The Authority may disclose the Confidential Information of the Contractor:
- 27.8.1. on a confidential basis to any Central Government Body for any proper purpose of the Authority or of the relevant Central Government Body;
 - 27.8.2. to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
 - 27.8.3. to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
 - 27.8.4. on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 27.8.1 of this Schedule 2 including any benchmarking organisation for any purpose relating to or connected with the Contract;
 - 27.8.5. on a confidential basis for the purpose of the exercise of its rights under the Contract; or
 - 27.8.6. on a confidential basis to a proposed successor body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under the Contract,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Clause 27 (Confidential Information).

- 27.9.** Nothing in this Clause 27 (Confidential Information) shall prevent either Party from using any techniques, ideas or Know-How gained during the performance of the Contract in the course of its normal business to the extent that this use does not result in a disclosure of

the other Party's Confidential Information or an infringement of Intellectual Property Rights.

- 27.10.** Failure by the Contractor to comply with any of its obligations under this Clause 27 (Confidential Information) shall be an irremediable material breach of this Contract and the Authority shall be entitled to terminate the Contract pursuant to Clause 16.2.1(a) (Termination) of this Schedule 2.

28. FREEDOM OF INFORMATION ACT

- 28.1.** The Contractor acknowledges that the Authority is subject to the requirements of the FOIA and the Environmental Information Regulations and shall:

- 28.1.1. provide all necessary assistance and cooperation as reasonably requested by the Authority, at the Contractor's expense, to enable the Authority to comply with its obligations under the FOIA and the Environmental Information Regulations;
- 28.1.2. transfer to the Authority all requests for information that it receives under the FOIA and the Environmental Information Regulations ("**Requests for Information**") relating to the Contract that it receives as soon as practicable and in any event within two (2) Working Days of receipt;
- 28.1.3. provide the Authority with a copy of all Information belonging to the Authority requested in the Request for Information which is in the Contractor's possession or control in the form that the Authority requires within five (5) Working Days (or such other period as the Authority may reasonably specify) of the Authority's request for such Information; and
- 28.1.4. not respond directly to a Request for Information unless authorised in writing to do so by the Authority.

- 28.2.** The Contractor acknowledges that the Authority may be required under the FOIA and the Environmental Information Regulations to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Contractor. The Authority shall take reasonable steps to notify the Contractor of a Request For Information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Contract) the Authority shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information

is exempt from disclosure in accordance with the FOIA and/or the Environmental Information Regulations.

28.3. The Contractor shall ensure that all Information is retained for disclosure in accordance with Clause 13 (Records Retention and Right of Audit) of this Schedule 2 and shall permit the Authority to inspect such records as the Authority requests from time to time.

28.4. The Contractor acknowledges that the Commercially Sensitive Information is of indicative value only and that such information may be disclosed pursuant to Clause 13 (Records Retention and Right of Audit) of this Schedule 2.

29. TRANSPARENCY

29.1. The Contractor recognises that the Authority is subject to PPN 01/17: Update to Transparency Principles (<https://www.gov.uk/government/publications/procurement-policy-note-0117-update-to-transparency-principles>). The Contractor shall comply with the provision of this Clause **Error! Reference source not found.** (Transparency) in order to assist the Authority with its compliance with its obligations under that PPN.

29.2. The Parties agree and acknowledge that the content of this Contract is not Confidential Information, except for:

29.2.1. any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Authority; and

29.2.2. Commercially Sensitive Information.

29.3. Notwithstanding any other provision of this Contract, the Contractor hereby gives consent for the Authority to publish to the general public this Contract in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted), including any changes to this Contract agreed from time to time. The Authority may consult with the Contractor to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

29.4. The Contractor shall assist and cooperate with the Authority to enable the Authority to publish this Contract.

30. SUSTAINABILITY

30.1. The HM Government published a Contractor Code of Conduct setting out the standards and behaviours expected of suppliers who work with government shall apply for the purposes of this Contract

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779660/20190220-Supplier_Code_of_Conduct.pdf) (the “Code”).

In addition to the obligations under the Contract, the Authority expects the Contractor and any Sub-contractors to meet the standards set out in that Code.

- 30.2.** The Contractor acknowledges that the Authority may have additional requirements in relation to corporate social responsibility. The Authority expects that the Contractor and its Sub-contractors will comply with such corporate social responsibility requirements as the Authority may notify to the Contractor from time to time.
- 30.3.** The Contractor shall comply with reasonable requests by the Authority for information evidencing compliance with the provisions of this Clause 30 (Sustainability) within fourteen (14) days of such request, provided that such requests are limited to two per Contract Year.

Equality and Accessibility

- 30.4.** The Contractor shall support the Authority in fulfilling its Public Sector Equality duty under section 149 of the Equality Act 2010 by ensuring that it fulfils its obligations under the Contract in a way that seeks to:
- 30.4.1. eliminate discrimination, harassment or victimisation and any other conduct prohibited by the Equality Act 2010; and
 - 30.4.2. advance equality of opportunity and good relations between those with a protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage and civil partnership) and those who do not share it.
- 30.5.** In delivering the Services, the Contractor shall comply with the Authority’s equality, diversity and inclusion requirements, to be provided to the Contractor by the Authority.
- 30.6.** The Contractor shall ensure that it fulfils its obligations under the Contract in a way that does not discriminate against individuals because of socio-economic background, working pattern or having parental or other caring responsibilities.

Employment Law

- 30.7.** The Contractor must perform its obligations meeting the requirements of all applicable Law regarding employment.

Modern Slavery

30.8. The Contractor:

- 30.8.1. shall, and shall procure that each of its Sub-contractors shall, comply with the Modern Slavery Act 2015;
- 30.8.2. shall not use, nor allow its Sub-contractors to use forced, bonded or involuntary prison labour or any practice that is considered to be an indicator of forced labour as defined by the International Labour Organisation;
- 30.8.3. shall not require any Contractor Personnel or Sub-contractor staff to lodge deposits or identify papers with the employer and shall be free to leave their employer after reasonable notice;
- 30.8.4. warrants and represents that it has not been convicted of any slavery or human tracking offences anywhere around the world.
- 30.8.5. warrants that to the best of its knowledge it is not currently under investigation, inquiry or enforcement proceedings in relation to any allegation of slavery or human tracking offences anywhere around the world.
- 30.8.6. shall make reasonable enquires to ensure that its officers, employees and Sub-contractors have not been convicted of slavery or human tracking offenses anywhere around the world.
- 30.8.7. shall have and maintain throughout the term of each Contract its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and include in its contracts with its Sub-contractors anti-slavery and human trafficking provisions;
- 30.8.8. shall implement due diligence procedures to ensure that there is no slavery or human trafficking in any part of its supply chain performing obligations under a Contract;
- 30.8.9. shall prepare and deliver to the Authority an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business with its annual certification of compliance with this Paragraph;

- 30.8.10. shall not use, nor allow its employees or Sub-contractors to use physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation of its employees or Sub-contractors;
 - 30.8.11. shall not use or allow child or slave labour to be used by its Sub-contractors; and
 - 30.8.12. shall report the discovery or suspicion of any slavery or trafficking by it or its Sub-contractors to the Authority and Modern Slavery Helpline. .
- 30.9.** The Contractor shall indemnify the Authority against any losses, liabilities, damages, costs (including but not limited to legal fees) and expenses incurred by, or awarded against, the Authority as a result of any breach of the Anti-slavery Policy and if Key Provision 18 applies, as a result of any breach of the Authority's Anti-slavery Policy.

Environmental Requirements

- 30.10.** The Contractor shall comply in all material respects with all applicable environmental laws, permits and regulations in force in relation to the Contract.
- 30.11.** The Contractor warrants that it has obtained ISO 14001 certification from an accredited body and shall comply with and maintain certification requirements throughout the Term.
- 30.12.** The Contractor shall meet the applicable Government Buying Standards applicable to services which can be found online at: <https://www.gov.uk/government/collections/sustainable-procurement-the-government-buying-standards-gbs>
- 30.13.** The Contractor must have a documented management system and controls in place to manage the environmental impacts of delivering the Services.
- 30.14.** The Contractor shall ensure that any Services are designed, sourced and delivered in a manner which is environmentally and socially responsible.
- 30.15.** In delivering the Services, the Contractor must comply with the Authority's sustainability requirements, to be provided to the Contractor by the Authority.
- 30.16.** In performing its obligations under the Contract, the Contractor shall to the reasonable satisfaction of the Authority:
- 30.16.1. avoid consumable single use items (including packaging) unless otherwise agreed with the Authority, and unless the use is primarily related to the

management of the Contractor's own facilities or internal operations as opposed to the provision of Services;

- 30.16.2. demonstrate that the whole life cycle impacts (including end of use) associated with the Services that extend beyond direct operations into that of the supply chain have been considered and reduced;
 - 30.16.3. minimise the consumption of resources and use them efficiently (including water and energy), working towards a circular economy including designing out waste and non-renewable resources, using re-use and closed loop systems;
 - 30.16.4. demonstrate protection of the environment including understanding and reduction of biosecurity risks (which include risks to plant and tree health from harmful pests and diseases), and reducing and eliminating hazardous/harmful substances to the environment and preventing pollution;
 - 30.16.5. enhance the natural environment and connecting communities with the environment; and
 - 30.16.6. achieve continuous improvement in environmental (and social) performance.
- 30.17.** The Contractor shall inform the Authority within one Working Day in the event that a permit, licence or exemption to carry or send waste generated under this Contract is revoked.

Sustainability

30.18. The Contractor shall:

- 30.18.1. comply with all applicable Government Buying Standards which can be found online at: <https://www.gov.uk/government/collections/sustainable-procurement-thegovernment-buying-standards-gbs>;
- 30.18.2. perform its obligations under the Contract in a way that:
 - (a) conserves energy, water, wood, paper and other resources;
 - (b) reduces waste and avoids the use of ozone depleting substances; and
 - (c) minimises the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment; and
- 30.18.3. use reasonable endeavours to avoid the use of paper and card in carrying out its obligations under this Contract. Where unavoidable under reasonable

endeavours, the Contractor shall ensure that any paper or card deployed in the performance of the Services consists of one hundred percent (100%) recycled content and used on both sides where feasible to do so.

30.19. The Contractor must demonstrate its progress on climate change adaptation, mitigation and sustainable development, including performance against carbon reduction management plans, and must provide an annual summary of that progress to the Authority.

30.20. CARBON FOOTPRINT / NET ZERO OBLIGATIONS

In this clause, the following definition shall apply:

“Carbon Reduction Plan” means the template at the Annex A or otherwise agreed by the Authority.

30.21. The parties acknowledge that the UK Government has committed to bring all greenhouse gas emissions to net zero by 2050 pursuant to the Climate Change Act 2008 (2050 Amendment) Order 2019.

30.22. As a condition of this Contract the Contractor warrants that:

30.22.1. it has undertaken an assessment of the Carbon Footprint; and

30.22.2. so far as it is aware, the Carbon Footprint projected to be incurred as set out in **Annex A** is true and accurate as at the date of this Contract.

30.23. The Contractor undertakes:

30.23.1. to develop and implement a Carbon Reduction Plan of continuous improvement with the objective of reducing the Carbon Footprint throughout the Term and shall provide a copy of that plan to the Authority on request;

30.23.2. to re-assess the Carbon Footprint and update the Carbon Reduction Plan every Contract Year;

30.23.3. to provide the Authority with a written confirmation of the results of each assessment within one month of the completion of each assessment under Clause 30.23.2;

30.24. The Contractor shall at the Authority's request arrange for the Carbon Trust to undertake an independent assessment and verification of the Carbon Footprint and make a copy of

the results of that assessment and verification available to the Purchaser as soon as reasonably practicable after receipt (but no more than once in any period of two Contract Years).

30.25. Contractor acknowledges and understands the Authority's Net Zero Target. Accordingly, the Contractor shall:

- 30.25.1. set its own Net Zero target (the "Contractor NZ Target") with a target achievement date the same as or earlier than the Net Zero Target Date (the "Contractor NZ Date");
- 30.25.2. agree the Contract Target with the Authority;
- 30.25.3. achieve the Contract Target;
- 30.25.4. ensure that this Clause 30 will be copied into any and all of its supply chain contracts that relate to its obligations under this agreement;
- 30.25.5. introduce emission reduction technologies, processes and policies as well as offsetting and, where technologically and commercially feasible, carbon removal initiatives, to achieve the Contractor NZ Date;
- 30.25.6. undertake and keep up to date full and complete records of Carbon Reporting activity and data and provide the same to the Authority each year and more frequently as the Authority may reasonably request;
- 30.25.7. attend, on reasonable notice, meetings with the Authority Representative or other nominated representative to present the Contractor's plan to achieve, and current progress towards, the Contractor NZ Date;
- 30.25.8. not do or omit to do anything which could reasonably be expected to cause the Authority to miss its Net Zero Target Date, whether pursuant to this contract or otherwise.

30.26. If:

- 30.26.1. the Contractor fails to comply with any of the obligations in clause 30.25; or
- 30.26.2. the Authority, having reviewed the Carbon Reporting and discussed with the Contractor its progress to achieve the Contractor NZ Date, determines (acting reasonably) that the Contractor is making insufficient progress towards achieving the Contractor NZ Date; or

- 30.26.3. the Contractor fails to achieve the Contractor NZ Target by the Contractor NZ Date, the Authority may, without affecting any other right or remedy available to it:
- (a) terminate this agreement by giving one month's written notice to the Contractor;
 - (b) require the Contractor to plant a number of Native Trees in the UK sufficient to compensate for the Authority's shortfall in progress towards the Contractor NZ Date attributable to the delivery of the Services; and/or
 - (c) recover from the Contractor any costs reasonably incurred by the Authority in achieving the Contract Target to the extent by which that Contract Target is missed by the Contractor by:
 - i. obtaining carbon credits to offset the Contractor's net Greenhouse Gas emissions footprint attributable to the delivery of the Services; or
 - ii. planting, or arranging for the planting of, Native Trees to offset the Contractor's net Greenhouse Gas emissions footprint attributable to the delivery of the Services.
- 30.27.** The Contractor shall, at its own cost, submit a report to the Authority within 20 Working Days identifying the emergence of new and evolving relevant technologies and processes which could accelerate the achievement of the Contractor NZ Date. Such report shall provide sufficient detail to enable the Authority to evaluate properly the benefits of the new technology or process. The Authority may only require the Contractor to provide such report no more than once in any period of **two** Contract Years.
- 30.28.** The Contractor warrants to Authority that:
- 30.28.1. it has sufficient resources, infrastructure and materials to achieve the Contract Target by the date of the expiry of the contract;
 - 30.28.2. none of the Services supplied under this agreement will be of lower quality as a result of working towards the Contract Target;
 - 30.28.3. it will not offer preferential terms to those other customers who do not require a Contract Target or similar obligations in their contracts.
- 30.29.** For the purposes of this Clause 30, the term Net Zero Target Date shall mean the first year by which the Authority aims to achieve the Net Zero Target, being 1 January **2050**.

ANNEX A – CARBON REDUCTION PLAN

Contractor name:

Publication date:

Commitment to achieving Net Zero

[Contractor name] is committed to achieving Net Zero emissions by 20XX.

Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

[Instructions to Contractors: Please provide details of your organisation’s baseline emissions below. If your organisation has not previously assessed or reported emissions, please detail this below and use your first reporting period as your Baseline.]

Baseline Year: [20xx]	
Additional Details relating to the Baseline Emissions calculations.	
[Instructions to Contractors: Add commentary regarding your Baseline Emissions as required: e.g. historic baseline which deviates from the requirements under this measure (e.g. no prior Scope 3 emissions reporting), where there is no previous reporting and the creation of a new baseline due to substantial organisational change or restructuring]	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO2e)
Scope 1	
Scope 2	
Scope 3 (Included Sources)	
Total Emissions	

Current Emissions Reporting

Reporting Year: [20xx]	
EMISSIONS	TOTAL (tCO2e)
Scope 1	
Scope 2	

Scope 3 (Include Sources)	
Total Emissions	

Emissions reduction targets

[Instructions to Contractors: If existing emissions reduction targets are in place for your organisation, please provide details below. If you have no previous emissions reduction commitment, or if this is your organisation's first carbon footprint, please provide targets for your organisation]

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets. We project that carbon emissions will decrease over the next five years to XX tCO2e by 20XX. This is a reduction of XX%.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 20XX baseline. The carbon emission reduction achieved by these schemes equate to XX tCO2e, a XX%ge reduction against the 20XX baseline and the measures will be in effect when performing the contract

[Instructions to Contractors: Briefly provide details of some of your completed carbon reduction projects. This is for information only. This may include environmental management measures such as certification schemes like ISO14001 or PAS 2060, signing up to SBTi or specific measures you have taken such as; the adoption of LED/PIR lighting controls, changes to policy resulting in a reduction in company travel and flights or the electrification of the company fleet.]

In the future we hope to implement further measures such as:

[Instructions to Contractors: Briefly provide details of some of any likely/proposed future carbon reduction projects. This is for information only.]

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting .

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Contractor:
.....
Date:

CARBON FOOTPRINT / NET ZERO OBLIGATIONS – KEY PERFORMANCE INDICATORS

30.30. The Contractor shall complete the table of Environmental Key Performance Indicators (“Environmental KPIs”) for each Contract Year in relation its provision of the Services under this Contract and provide the Environmental KPIs to the Authority on the date and frequency outlined in Clause 30.33.

Environmental KPIs

30.31. The Contractor shall provide to the Authority the following Environmental KPIs as the Authority requests from time to time. The Contractor acknowledges that the Authority may make reasonable adjustments to the Environmental KPIs during the Term.

30.32. The Contractor shall provide such Environmental KPIs in accordance with guidance provided by the Department for Environmental Food and Rural Affairs (“Defra”).

30.33. Table of Environmental KPIs

Environmental Key Performance Indicators – [for the Contract Year [x]]
Direct Impacts (Operational)

Greenhouse Gases	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes CO2		Normalised Tonnes CO2 per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Waste	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes		Normalised Tonnes Waste per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Acid Rain & Smog Precursors	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes		Normalised Tonnes per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Pesticides & Fertilisers	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes		Normalised Tonnes per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Agricultural Produce	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes		Normalised Tonnes per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Radioactive Waste	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes		Normalised Tonnes per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Oil	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes		Normalised Tonnes per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
	Definition		Quantity					

Metal emissions to [land/water/air]		Data source and Calculation Methods	Absolute Tonnes		Normalised Tonnes per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Indirect Impacts (Supply Chain)								
Greenhouse Gases	Definition	Data source and Calculation Methods	Quantity					
			Absolute Tonnes CO2		Normalised Tonnes CO2 per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target
Water	Definition	Data source and Calculation Methods	Quantity					
			Absolute Cubic Metres		Normalised Cubic Metres Water per £M Turnover			
			[insert year]	[insert year]	[insert year]	Target	[Insert year]	Target

31. OFFICIAL SECRETS ACTS AND FINANCE ACT

31.1. The Contractor shall comply with, and shall ensure the Contractor Personnel comply with, the provisions of:

31.1.1. the Official Secrets Acts 1911 to 1989; and

31.1.2. section 182 of the Finance Act 1989.

31.2. The Authority may terminate the Contract with immediate effect by giving written notice to the Contractor if the Contractor or any of the Contractor Personnel do not comply with Clause 31.1 (Official Secrets Acts and Finance Act) of this Schedule 2.

32. DISRUPTION

32.1. The Contractor shall take reasonable skill and care to a professional standard to ensure that, in the performance of its obligations under the Contract, it does not disrupt the operations of the Authority, its employees or any other contractor employed or engaged by the Authority.

32.2. The Contractor shall immediately inform the Authority of any actual or potential industrial action, whether such action be by their own employees or others, which affects or might affect its ability at any time to perform its obligations under the Contract.

- 32.3.** In the event of industrial action by the Contractor Personnel, the Contractor shall prepare proposals for the continuation of its obligations under the Contract for the Authority to approve.
- 32.4.** If the Contractor's proposals referred to in Clause 32.3 (Disruption) of this Schedule 2 are considered insufficient or unacceptable by the Authority, acting reasonably, then the Contract may be terminated with immediate effect by the Authority by written notice.
- 32.5.** If the Contractor is temporarily unable to fulfil the requirements of the Contract owing to disruption of normal business of the Authority, the Contractor may request a reasonable allowance of time and in addition, the Authority will reimburse any additional expense reasonably incurred by the Contractor as a direct result of such disruption.

33. COMPLAINTS

- 33.1.** Where a complaint is received about the standard of Services or about the manner in which any Services have been supplied or work has been performed or about the materials or procedures used or about any other matter connected with the performance of the Contractor's obligations under the Contract, then the Authority shall notify the Contractor, and where considered appropriate by the Authority, investigate the complaint. The Authority may, in its sole discretion, uphold the complaint and take further action in accordance with Clause 16 (Termination) of this Schedule 2.
- 33.2.** Should the Authority be of the view, acting reasonably, that the Contractor can no longer provide the Services, then without prejudice to the Authority's rights and remedies under this Contract, the Authority shall be entitled to exercise its Step-In Rights if the Key Provisions refer to the Authority having such rights under this Contract.
- 33.3.** Without prejudice to its right under Clause 8.8 (Recovery of Sums Due) of this Schedule 2, the Authority may charge the Contractor for any costs reasonably incurred and any reasonable administration costs in respect of the supply of any part of the Services by the Authority or a third party to the extent that such costs exceed the payment which would otherwise have been payable to the Contractor for such part of the Services and provided that the Authority uses its reasonable endeavours to mitigate any additional expenditure in obtaining replacement Services.
- 33.4.** If the Contractor fails to supply any of the Services in accordance with the provisions of the Contract and such failure is capable of remedy, then the Authority shall instruct the Contractor to remedy the failure and the Contractor shall, at its own cost and expense, remedy such failure (and any damage resulting from such failure) within ten (10) Working Days or such other period of time as the Authority may direct.

33.5. In the event that:

- 33.5.1. the Contractor fails to comply with Clause 33.4 (Complaints) of this Schedule 2 and the failure is materially adverse to the interests of the Authority or prevents the Authority from discharging a statutory duty; or
- 33.5.2. the Contractor persistently fails to comply with Clause 33.4 (Complaints) of this Schedule 2;

the Authority may terminate the Contract with immediate effect by giving written notice.

34. NON-SOLICITATION

- 34.1. Except in respect of any transfer of staff pursuant to Schedule 10 (Staff Transfer), neither Party shall (except with the prior written consent of the other Party) directly or indirectly solicit or entice away (or attempt to solicit or entice away) from the employment of the other Party any person employed or engaged by such other Party in the provision of the Services or (in the case of the Authority) in the receipt of the Services at any time during the Term or for a further period of twelve (12) Months after the termination of the Contract other than by means of a national advertising campaign open to all comers and not specifically targeted at any of the employees of the other Party.
- 34.2. If either the Contractor or the Authority commits any breach of Clause 34.1 (Non-Solicitation) of this Schedule 2 the breaching Party shall, on demand, pay to the claiming Party a sum equal to one year's basic salary or the annual fee that was payable by the claiming Party to that employee, worker or independent contractor plus the recruitment costs incurred by the claiming Party in replacing such person.

35. HEALTH AND SAFETY

- 35.1. The Contractor shall take all measures necessary to comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other Laws and codes of practice relating to health and safety, which may apply to Contractor Personnel in the performance of the Services.
- 35.2. The Contractor shall promptly notify the Authority of any health and safety hazards which may arise in connection with the performance of the Services.
- 35.3. The Authority shall promptly notify the Contractor of any health and safety hazards which may exist or arise at the Premises of the Authority and which may affect the Contractor in the performance of the Services.

- 35.4.** The Contractor shall inform all Contractor Personnel engaged in the provision of Services at the Premises of the Authority of all known health and safety hazards and shall instruct those Contractor Personnel in connection with any necessary safety measures.
- 35.5.** Whilst on the Premises of the Authority, the Contractor shall comply, and shall procure that the Contractor Personnel comply, with any health and safety measures implemented by the Authority in respect of persons working on those Premises.
- 35.6.** The Contractor shall notify the Authority Representative immediately in the event of any incident occurring in the performance of the Services on the Premises of the Authority where that incident causes any personal injury or any damage to property which could give rise to personal injury.
- 35.7.** The Contractor shall ensure that its health and safety policy statement (as required by the Health and Safety at Work etc. Act 1974) is made available to the Authority on request.

36. PUBLICITY

- 36.1.** The Contractor shall not and shall procure that its Sub-contractors shall not:

36.1.1. make any press announcements or publicise the Contract in any way; or

36.1.2. use the Authority's name or brand in any promotion or marketing or announcement,

without the prior written consent of the Authority.

- 36.2.** The Authority shall be entitled to publicise the Contract in accordance with any legal obligation upon the Authority, including any examination of the Contract, by the National Audit Office pursuant to the National Audit Act 1983 or otherwise.
- 36.3.** The provisions of this Clause 36 (Publicity) shall apply during the Term and indefinitely after its expiry or the earlier termination of the Contract.

37. GENERAL

Relationship of the Parties

- 37.1.** Except as expressly provided otherwise in the Contract, nothing in the Contract, nor any actions taken by the Parties pursuant to the Contract shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

Waiver

- 37.2.** The failure of either Party to insist upon strict performance of any provision of the Contract, or the failure of either Party to exercise, or any delay in exercising, any right or remedy shall not constitute a waiver of that right or remedy and shall not cause a diminution of the obligations established by the Contract.
- 37.3.** No waiver shall be effective unless it is expressly stated to be a waiver and communicated to the other Party in writing in accordance with Clause 24 (Notice) of this Schedule 2.
- 37.4.** A waiver of any right or remedy arising from a breach of contract shall not constitute a waiver of any right or remedy arising from any other breach of the Contract.

Cumulative Remedies

- 37.5.** Except as otherwise expressly provided by the Contract, all remedies available to either Party for breach of the Contract are cumulative and may be exercised concurrently or separately, and the exercise of any one remedy shall not be deemed an election of such remedy to the exclusion of other remedies.

Severability

- 37.6.** If any provision of the Contract is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions of the Contract shall continue in full force and effect as if the Contract had been executed with the invalid, illegal or unenforceable provision eliminated. In the event of a holding of invalidity so fundamental as to prevent the accomplishment of the purpose of the Contract, the Parties shall immediately commence negotiations in good faith to remedy the invalidity.

Entire agreement

- 37.7.** The Contract constitutes the entire agreement between the Parties in respect of the matters dealt with herein. The Contract supersedes all prior negotiations between the Parties and all representations and undertakings made by one Party to the other, whether written or oral, except that this Clause 37.537.7 (Entire Agreement) shall not exclude liability in respect of any Fraud or fraudulent misrepresentation.

Further assurances

- 37.8.** Each Party undertakes at the request of the other, and at the cost of the requesting Party, to do all acts and execute all documents which may be necessary to give effect to the meaning of the Contract.

The Contracts (Rights of Third Parties) Act 1999

37.9. A person who is not a Party to the Contract shall have no right to enforce any of its provisions which, expressly or by implication, confer a benefit on him, without the prior written agreement of both Parties. This Clause 37.9 (The Contracts (Rights of Third Parties) Act 1999) does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999 and does not apply to the Crown.

Law and Jurisdiction

37.10. This Contract, and any dispute or claim arising out of or in connection with it or its subject matter (including any non-contractual claims), shall be governed by, and construed in accordance with, the laws of England and Wales.

37.11. Subject to Clause 19 (Dispute Resolution) of this Schedule 2, the Parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Contract or its subject matter.

SCHEDULE 3 DEFINITIONS AND INTERPRETATION

1. DEFINITIONS

- 1.1.** In the Contract unless the context requires otherwise the following definitions shall be used for the purposes of interpreting the Contract. Other definitions that are not of general application are stated in the Clause where the definition first appears and shall apply only to that Clause unless otherwise shown below:

“Affected Party”	the Party seeking to claim relief in respect of a Force Majeure Event;
“Affiliate”	means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;
“Anti-slavery Policy”	means the Contractor’s slavery and human trafficking policy, if any, as amended by notification to the Authority from time to time;
“Authority”	means the Secretary of State for Health acting as part of the Crown;
“Authority’s Anti-slavery Policy”	means the Authority’s slavery and human trafficking policy, if any, as amended by notification to the Contractor from time to time;
“Authority Data”	<p>means the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, and which are:</p> <ul style="list-style-type: none">a. supplied to the Contractor by or on behalf of the Authority; orb. which the Contractor is required to generate, process, store or transmit pursuant to the Contract; orc. any Personal Data for which the Authority is the Controller;

"Authority Existing IPR"	means any and all IPR that are owned by or licensed to the Authority, and where the Authority is a Central Government Body, any Crown IPR, and which are or have been developed independently of the Contract (whether prior to the Commencement Date or otherwise);
"Authority Representative"	means the person authorised to act for the Authority for the purposes of the Contract, being the person specified in the Key Provisions;
"Authority Third Party"	means any supplier to the Authority (other than the Contractor), which is notified to the Contractor from time to time and/or of which the Contractor should have been aware;
"BCDR Plan"	means the Contractor's business continuity and disaster recovery plan prepared in accordance with Schedule 14 (Business continuity and disaster recovery plan) as amended from time to time
"Biometric Data"	means Personal Data resulting from specific technical Processing relating to the physical, physiological or behavioral characteristics of a natural person, which allow or confirm the unique identification of that natural person, such as facial images or dactyloscopic data;
"Breach Notice"	means a written notice of breach given by one Party to the other, notifying the Party receiving the notice of its breach of this Contract;
"Business Continuity Event"	means any event or issue that could impact on the operations of the Contractor and its ability to supply the Services;
"Carbon Footprint"	means the amount of carbon dioxide equivalent emissions that will be released into the atmosphere as a result of the supply of the Services determined in accordance with international carbon reporting practice, being the accepted practice from time to time in relation to reporting for the purposes of the protocols to the United Nations Framework Convention on Climate Change.

“Carbon Reporting”	means reporting of an organisation’s greenhouse gas emissions and extraction to a standard not less than that required by the UK government’s Streamlined Energy and Carbon Reporting (SECR).
“Central Government Body”	<p>means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:</p> <ul style="list-style-type: none">a. Government Department;b. Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);c. Non-Ministerial Department; ord. Executive Agency;
“Change Control Process”	means the change control process, if any, referred to in the Key Provisions;
“Change in Law”	means any change in Law which impacts on the performance of the Services which comes into force after the Commencement Date;
“Commencement Date”	means the date of this Contract;
“Commercially Sensitive Information”	means the information listed in Schedule 8 (Commercially Sensitive Information) comprising the information of a commercially sensitive nature relating to the Contractor, its business or which the Contractor has indicated to the Authority that, if disclosed by the Authority, would cause the Contractor significant commercial disadvantage or material financial loss;
“Comparable Supply”	means the supply of services to another customer of the Contractor that are the same or similar to any of the Services;

“Confidential Information”

means any information which has been designated as confidential by either Party in writing or that ought reasonably to be considered as confidential (however it is conveyed or on whatever media it is stored) including information the disclosure of which would, or would be likely to, prejudice the commercial interests of any person, trade secrets, Intellectual Property Rights and Know-How of either Party and all Personal Data and sensitive Personal Data within the meaning of the GDPR. Confidential Information shall not include information which:

- a. was public knowledge at the time of disclosure (otherwise than by breach of Clause 27 (Confidential Information) of Schedule 2);
- b. was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- c. is received from a third party (who lawfully acquired it) without restriction as to its disclosure; or
- d. is independently developed without access to the Confidential Information;

“Contract”

means the form of contract at the front of this document and all Schedules attached to the form of contract;

“Contract Price”

means the price (exclusive of any applicable VAT), payable to the Contractor by the Authority under the Contract, as set out in the Order Form or Schedule 6 (Pricing) (as applicable) for the full and proper performance by the Contractor of its obligations under the Contract but before taking into account the effect of any adjustment of price in accordance with Clause 8 (Price Adjustment on Extension of Term) of Schedule 1, if applicable;

“Contract Target”

the proportion of the Authority's Net Zero Target which will be achieved under this Contract.

“Contract Year”

means:

- a. a period of 12 Months commencing on the Services Commencement Date; or

- b. thereafter a period of 12 Months commencing on each anniversary of the Services Commencement Date;

provided that the final Contract Year shall end on the expiry or termination of the Term;

“Contracting Authority”	means any contracting authority as defined in Regulation 2 of the Regulations;
“Contractor”	means the contractor named on the form of Contract on the second page;
“Contractor Existing IPR”	any and all IPR that are owned by or licensed to the Contractor and which are or have been developed independently of the Contract (whether prior to the Commencement Date or otherwise)
“Contractor Existing IPR Licence”	means a licence to be offered by the Contractor to the Contractor Existing IPR;
“Contractor Personnel”	means all directors, officers, employees, agents, consultants and contractors of the Contractor and/or of any Sub-contractor engaged in the performance of the Contractor’s obligations under the Contract from time to time;
“Contractor Representative”	means the individual authorised to act for the Contractor for the purposes of the Contract, being the person specified in the Key Provisions;
“Contracts Finder”	means the facility provided by the Cabinet Office to advertise contract opportunities available at https://www.gov.uk/contracts-finder and any successor facility or website;
"Control"	means the beneficial ownership of more than 50% of the issued share capital of a company or the legal power to direct or cause the direction of the management of the company and "Controls" and "Controlled" shall be interpreted accordingly;

**“Controller”,
“Processor”, “Data
Subject”, “Personal
Data”, “Personal Data
Breach”, “Data
Protection Officer”**

take the meaning given in the GDPR;

“Crown”

means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

“Crown IPR”

means any IPR which is owned by or licensed to the Crown, and which are or have been developed independently of the Contract (whether prior to the Commencement Date or otherwise);

**“Data Concerning
Health”**

means Personal Data related to the physical or mental health of a natural person, including the provision of health care services, which reveal information about his or her health status;

“Data Loss Event”

any event that results, or may result, an unauthorised access to Personal Data held by the Contractor under this Contract, and/or actual or potential loss and/or destruction of Personal Data in breach of this Contract, including any Personal Data Breach;

**“Data Protection
Impact Assessment”**

means an assessment by the Controller of the impact of the envisaged Processing on the protection of Personal Data;

**“Data Protection
Legislation”**

means (i) the GDPR, (ii) Data Protection Act 2018 to the extent that it relates to processing of Personal Data and privacy; (iii) the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426); and (iv) all applicable Law about the processing of Personal Data and privacy;

**“Data Subject Access
Request”**

means a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to their Personal Data;

“Default”

means any breach of the obligations of the relevant Party (including but not limited to fundamental breach or breach of a fundamental term) or any other default, act, omission, negligence or negligent statement:

- a. in the case of the Authority, of its employees, servants or agents; or
- b. in the case of the Contractor, of its Sub-contractors or any Contractor Personnel,
- c. in connection with or in relation to the subject matter of the Contract and in respect of which such Party is liable to the other;

“DOTAS”

if applicable means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HM Revenue & Customs of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to national insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868 made under s.132A Social Security Administration Act 1992;

“End User”

means a party that is accessing the Services provided pursuant to this Contract (including the Authority where it is accessing services on its own account as a user);

“Environmental Information Regulations”

means the Environmental Information Regulations 2004 and any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations;

“Equality Legislation”

means any and all legislation, applicable guidance and statutory codes of practice relating to equality, diversity, non-discrimination and human rights as may be in force in England and Wales from time to time including, but not limited to, the Equality Act 2010, the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and the Fixed-term Employees (Prevention of Less

Favourable Treatment) Regulations 2002 (SI 2002/2034) and the Human Rights Act 1998;

“Existing IPRs”

means any and all Intellectual Property Rights that are owned by or licensed to either Party and which are or have been developed independently of the Contract (whether prior to the Commencement Date or otherwise);

“Exit Day”

shall have the meaning in the European Union (Withdrawal) Act 2018;

“Exit Plan”

means the plan for the provisions of the Transitional Assistance Services in the event of the expiry or termination of the Contract, which is to be developed by the Parties pursuant to Clause 16 (Exit and Service Transfer) of Schedule 1;

“Expiry Date”

means the date upon which the Contract shall end as specified in the Key Provisions;

“FOIA”

means the Freedom of Information Act 2000 and any subordinate legislation made under this Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation;

“Force Majeure Event”

any event outside the reasonable control of either Party affecting its performance of its obligations under the Contract arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including acts of God, riots, war or armed conflict, acts of terrorism, acts of government, local government or Regulatory Bodies, fire, flood, storm or earthquake, or disaster but excluding any industrial dispute relating to the Contractor or the Contractor Personnel or any other failure in the Contractor's or a Sub-contractor's supply chain or, for the avoidance of doubt, the withdrawal of the United Kingdom from the European Union and any related circumstances, events, changes or requirements;

“Force Majeure Notice”	a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;
“Fraud”	means any offence under Laws creating offences in respect of fraudulent acts (including the Misrepresentation Act 1967) or at common law in respect of fraudulent acts including acts of forgery;
“GDPR”	means the UK GDPR as defined in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018;
“General Anti-Abuse Rule”	if applicable, means (a) the legislation in Part 5 of the Finance Act 2013; and (b) any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;
“General Change in Law”	means a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Contractor) or which affects or relates to a Comparable Supply;
“Good Industry Practice”	means standards, practices, methods and procedures conforming to the Law and the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged in a similar type of undertaking under the same or similar circumstances;
“Greenhouse Gas”	means gases that contribute to or accelerate the greenhouse effect by absorbing infrared radiation, including but not limited to: carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons, perfluorocarbons and chlorofluorocarbons;
“Halifax Abuse Principle”	if applicable, means the principle explained in the CJEU Case C-255/02 Halifax and others;

- “Impact Assessment”** an assessment of the impact of a Variation request, compelled in good faith, including:
- a. details of the impact of the proposed Variation on the Services and the Contractor’s ability to meet its other obligations under the Contract;
 - b. details of the cost of implementing the proposed Variation;
 - c. details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Contract Price, any alteration in the resources and/or expenditure required by either Party, and any alteration to the working practices of either Party;
 - d. a timetable for the implementation, together with any proposals for the testing of the Variation; and
 - e. such other information as the Authority may reasonably request in (or in response to) the Variation request.
- “Implementation Plan”** means the implementation plan, if any, referred to in the Key Provisions;
- “Information”** means all information of whatever nature, however conveyed and in whatever form, including in writing, orally, by demonstration, electronically and in a tangible, visual or machine-readable medium (including CD-ROM, magnetic and digital form);
- “Intellectual Property Rights” or “IPR(s)”** includes:
- a. copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade or business names, goodwill, designs, Know-How, trade secrets and other rights in Confidential Information;
 - b. applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are

capable of being registered in any country or jurisdiction; and

- c. all other rights having equivalent or similar effect in any country or jurisdiction;

“Joint Controllers”	means where two or more Controllers jointly determine the purposes and means of Processing;
“Key Personnel”	means those persons named in Schedule 11 as being key personnel or such persons as shall be agreed in writing by the Authority from time to time;
“Key Provisions”	means the Key Provisions and Optional Key Provisions (as applicable) set out in Schedule 1;
“Know-How”	means all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the Services but excluding know-how already in the other Party’s possession before the applicable Commencement Date;
“Law”	means any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of Section 2 of the European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements with which the Contractor is bound to comply including but not limited to the Modern Slavery Act 2015;
“Losses”	losses, liabilities, damages, costs and expenses (including legal fees on a solicitor/client basis) and disbursements and costs of investigation, litigation, settlement, judgment interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty or otherwise;
“Month”	means calendar month;
“Native Trees”	those species of trees that are native to the United Kingdom since the last ice age and listed as such on the Forestry Commission Website;

“Net Zero Target”

a net reduction of Greenhouse Gas emissions from all operations including value and supply chains to zero by a specified date so there is a balance between sources and sinks of Greenhouse Gases in a calendar year and for each subsequent year thereafter;

“New IPR”

means:

- a. Intellectual Property Rights in items created by the Contractor (or by a third party on behalf of the Contractor) specifically for the purposes of the Contract and updates and amendments of these items including (but not limited to) database schema; and/or
- b. Intellectual Property Rights in or arising as a result of the performance of the Contractor's obligations under the Contract and all updates and amendments to the same;

But shall not include the Contractor's Existing IPR;

“New IPR Item”

means a deliverable, document, product or other item within which New IPR subsists;

“Occasion of Tax Non-Compliance”

means:

- a. any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 is found on or after 1 April 2013 to be incorrect as a result of:
 - i) a Relevant Tax Authority successfully challenging the Contractor under the General Anti-Abuse Rule or the Halifax Abuse Principle or under any tax rules or legislation that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax Abuse Principle;
 - ii) the failure of an avoidance scheme which the Contractor was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the DOTAS or any equivalent or similar regime; and/or

- b. any tax return of the Contractor submitted to a Relevant Tax Authority on or after 1 October 2012 gives rise, on or after 1 April 2013, to a criminal conviction in any jurisdiction for tax related offences which is not spent at the Commencement Date or to a civil penalty for fraud or evasion;

“Open Licence”

means any material that is published for use, with rights to access and modify, by any person for free, under a generally recognised open licence including Open Government Licence as set out at <http://www.nationalarchives.gov.uk/doc/open-government-licence/version/3/> and the Open Standards Principles documented at <https://www.gov.uk/government/publications/open-standards-principles/open-standards-principles> ;

"Open Licence Publication Material"

means items created pursuant to the Contract which the Authority may wish to publish as Open Licence which are supplied in a format suitable for publication under Open Licence;

“Optional Services”

means the services described as such in Schedule 4 (Specification), if any, which are to be provided by the Contractor if required by the Authority in accordance with Clause 8 (Optional Services) of the Key Provisions;

"Party"

means a party to the Contract;

“Premises”

means, where applicable, the location where the Services are to be supplied, as set out in the Schedule 4 (Specification);

“Processing”

means any operation or set of operations which is performed on Personal Data or on sets of Personal Data, whether or not by automated means, such as collection, recording, organisation, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction;

“Processor Personnel”

means all directors, officers, employees, agents, consultants and contractors of the Processor and/or of any

Sub-Processor engaged in the performance of its obligations under this Contract;

“Protective Measures” means appropriate technical and organisational measures which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;

“Profiling” means any form of automated Processing of Personal Data consisting of the use of Personal Data to evaluate certain personal aspects relating to a natural person, in particular to analyse or predict aspects concerning that natural person's performance at work, economic situation, health, personal preferences, interests, reliability, behaviour, location or movements;

“Prohibited Act” means:

- a. to directly or indirectly offer, promise or give any person working or engaged by a Contracting Authority and/or the Authority a financial or other advantage to:
 - i) induce that person to perform improperly a relevant function or activity; or
 - ii) reward that person for improper performance of a relevant function or activity;
- b. committing any offence:
 - i) under the Bribery Act 2010;
 - ii) under legislation creating offences concerning Fraud; or
 - iii) at common level concerning Fraud; or
- c. committing (or attempting or conspiring to commit) Fraud;

“Property”	means the property, other than real property, issued or made available to the Contractor by the Authority in connection with the Contract;
“Pseudonymising”	means the Processing of Personal Data in such a manner that the Personal Data can no longer be attributed to a specific Data Subject without the use of additional information, provided that such additional information is kept separately and is subject to technical and organisational measures to ensure that the Personal Data are not attributed to an identified or identifiable natural person;
“Public Sector Body”	means a formally established organisation that is (at least in part) publicly funded to deliver a public or government service;
“Purchase Order”	means the purchase order required by the Authority's financial systems, if a purchase order is referred to in the Key Provisions;
“Quality Standards”	means the quality standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation for Standardization or other reputable or equivalent body, (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Contractor would reasonably and ordinarily be expected to comply with, and as may be further detailed in the Schedule 4 (Specification) and where applicable shall maintain accreditation with the relevant Quality Standards authorisation body;
“Regulations”	means the Public Contracts Regulations 2015 as amended from time to time;
“Regulatory Bodies”	means government departments and regulatory, statutory and other entities, committees, ombudsman and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate or influence the matters dealt with in the Contract and “Regulatory Body” shall be construed accordingly;

“Relevant Requirements”	means all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
“Relevant Tax Authority”	if applicable, means HM Revenue & Customs, or, if applicable, a tax authority in the jurisdiction in which the Contractor is established;
“Relevant Transfer”	shall have the meaning ascribed in Schedule 10 (Staff Transfer);
"Replacement Contractor"	means any third party contractor of Replacement Services appointed by the Authority from time to time and in accordance with the terms of the Contract;
"Replacement Services"	means any services which are identical or substantially similar to any of the Services and which the Authority receives in substitution for any of the Services following the termination or expiry of the Contract, whether those services are provided by the Authority itself or by any Replacement Contractor;
“Security Policy”	means the HMG Security Policy Framework (April 2014) available at https://www.gov.uk/government/publications/security-policy-framework , as amended by notification to the Contractor from time to time;
“Services”	means the services to be supplied as specified in Schedule 4 (Specification);
“Services Commencement Date”	means the services commencement date, if any, referred to in the Clause 7 (Services Commencement Date) of Schedule 1. If Clause 7 (Services Commencement Date) of Schedule 1 is not applicable, references in the Contract to the Services Commencement Date shall refer to the Commencement Date;
“SME”	means an enterprise falling within the category of micro, small and medium-sized enterprises (http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en) defined by the Commission

Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises;

“Specific Change in Law”	a Change in Law that relates specifically to the business of the Authority and which would not affect a Comparable Supply;
“Specification”	means the Specification set out in the Order Form or Schedule 4 (Specification), as applicable.
“Step-In Rights”	means the step-in rights, if any, referred to in the Key Provisions;
“Sub-contract”	means the Contractor’s contract with a Sub-contractor whereby that Sub-contractor agrees to provide to the Contractor the Services (or any part thereof) or facilities or services necessary for the provision of the Services (or any part thereof) or necessary for the management, direction or control of the Services;
“Sub-contractor”	means any person appointed by the Contractor to carry out any and/or all of the Contractor’s obligations under the Contract;
“Sub-processor”	means any third party appointed to process Personal Data on behalf of the Contractor related to this Contract;
“Tender”	means the tender submitted by the Contractor to the Authority and annexed to Schedule 5 (Tender);
“Term”	means the term as set out in the Key Provisions;
“Termination Notice”	means any notice to terminate this Contract which is given by either Party in accordance with the provisions of the Contract;
“Termination Period”	means the period specified in the Termination Notice during which period the Authority may require the Contractor to continue to provide the Services after a Termination Notice has been given provided always that such period may not

	extend the Term (as extended by Clause 6.2 (Term) of Schedule 2) by more than six (6) Months;
"Third Party IPR"	Intellectual Property Rights owned by a third party which is or will be used by the Contractor for the purpose of providing the Services;
"Third Party IPR Licence"	means a licence to the Third Party IPR;
"Transferring Authority Employees"	shall have the meaning ascribed in Schedule 10 (Staff Transfer);
"Transferring Former Contractor Employees"	shall have the meaning ascribed in Schedule 10 (Staff Transfer);
"Transitional Assistance Service Charges"	means the charges, if any, payable by the Authority to the Contractor for the provision of the Transitional Assistance Services, which shall be calculated in accordance with Schedule 6;
"Transitional Assistance Services"	means the services to be provided by the Contractor to the Authority pursuant to Clause 16 (Exit and Service Transfer) of Schedule 1 in order to facilitate the transfer of the Services to the Authority or a Replacement Contractor;
"Unconnected Sub-contract"	means any contract or agreement which is not a Sub-contract and is between the Contractor and a third party (which is not an Affiliate of the Contractor) and is a qualifying contract under regulation 6 of the Reporting on Payment Practices and Performance Regulations 2017
"Unconnected Sub-contractor"	means any third party with whom the Contractor enters into an Unconnected Sub-contract
"Variation"	means any variation to this Contract;
"Variation Form"	means the form set out in Schedule 9 (Variation Form);
"VAT"	means value added tax in accordance with the provisions of the Value Added Tax Act 1994;

“Voluntary, Community and Social Enterprise” or “VCSE” means a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives;

“Worker” means any one of the Contractor Personnel which the Authority, in its reasonable opinion, considers is an individual to which Procurement Policy Note 08/15 (Tax Arrangements of Public Appointees) applies in respect of the Services;

“Working Day” means any day other than a Saturday or Sunday or public holiday in England and Wales.

1.2. The interpretation and construction of the Contract shall be subject to the following provisions:

1.2.1. words importing the singular meaning include, where the context so admits, the plural meaning and vice versa;

1.2.2. words importing the masculine include the feminine and the neuter;

1.2.3. reference to a Clause is a reference to the whole of that Clause unless stated otherwise;

1.2.4. reference to any statute, enactment, order, regulation or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation or instrument as amended by any subsequent enactment, modification, order, regulation or instrument as subsequently amended or re-enacted;

1.2.5. reference to any person shall include natural persons and partnerships, firms and other incorporated bodies and all other legal persons of whatever kind and however constituted and their successors and permitted assigns or transferees;

1.2.6. the words “include”, “includes” and “including” are to be construed as if they were immediately followed by the words “without limitation”; and

1.2.7. headings are included in the Contract for ease of reference only and shall not affect the interpretation or construction of this Contract.

1.3. Where a standard, policy or document is referred to in this Contract by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant

standard, policy or document, the Contractor shall notify the Authority and the Parties shall update this Contract with a reference to the replacement hyperlink.

- 1.4. Any Breach Notice issued by a Party in connection with this Contract shall not be invalid due to it containing insufficient information. A Party receiving a Breach Notice (“**Receiving Party**”) may ask the Party that issued the Breach Notice (“**Issuing Party**”) to provide any further information in relation to the subject matter of the Breach Notice that it may reasonably require to enable it to understand the Breach Notice and/or to remedy the breach. The Issuing Party shall not unreasonably withhold or delay the provision of such further information as referred to above as may be requested by the Receiving Party but no such withholding or delay shall invalidate the Breach Notice.
- 1.5. In entering into this Contract the Authority is acting as part of the Crown.
- 1.6. Any reference in this Contract which immediately before Exit Day was a reference to (as it has effect from time to time):
 - 1.6.1. any EU regulation, EU decision, EU tertiary legislation or provision of the European Economic Area (“**EEA**”) agreement (“**EU References**”) which is to form part of domestic Law by application of section 3 of the European Union (Withdrawal) Act 2018 shall be read on and after Exit Day as a reference to the EU References as they form part of domestic Law by virtue of section 3 of the European Union (Withdrawal) Act 2018 as modified by domestic Law from time to time; and
 - 1.6.2. any EU institution or EU authority or other such EU body shall be read on and after Exit Day as a reference to the UK institution, authority or body to which its functions were transferred.

SCHEDULE 4 SPECIFICATION

See next page



Department
of Health &
Social Care

SPECIFICATIONS: TAR NICOTINE AND CARBON MONOXIDE (TNCO) TESTING IN CIGARETTES SERVICES

Version: v1.2 04/08/2022

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1. EXECUTIVE SUMMARY

- 1.1 As part of the overarching objective of the Government to protect the health of the public, there is an effective comprehensive tobacco control programme in place in the UK, which contributes to reducing smoking prevalence and the health harms of smoking. This programme, which is based on tried and tested global tobacco control strategies, includes smoking cessation, media and education campaigns, a high tax policy, reducing exposure to second-hand smoke, reducing tobacco advertising and legislation governing the contents, packaging and labelling of tobacco products. The latter is regulated by a number of UK laws, which were transposed from the [EU Tobacco Products Directive 2014/40/EU](#) a statutory obligation that places tobacco product regulation obligations on Member States of the European Union (EU).
- 1.2 Under the Northern Ireland Protocol, December 2020, this statutory obligation continues to apply to Northern Ireland (NI), which is subject to EU regulations related to the Single Market for goods and the Customs Union. Under Article 6 and 7, the market in Northern Ireland shall be governed by the law of the United Kingdom (UK).
- 1.3 The responsibility for meeting Tar, Nicotine and Carbon Monoxide (TNCO) testing obligation has been conferred to the Office for Health Improvement and Disparities by the Department of Health and Social Care (DHSC) as the UK Competent Authority for Tobacco and Related Products Regulations. The UK meets the obligation to test for TNCO by appointing an accredited testing laboratory, which is able to demonstrate independence from the tobacco industry (hereafter known as the Industry), and has the capacity to fulfil the requirements as set out in the relevant UK tobacco control regulations; the [Tobacco and Related Products Regulations 2016/507](#), [The Standardised Packaging of Tobacco Products Regulations 2015/829](#) and [The Tobacco Products and Nicotine Inhaling Products \(Amendment\) \(EU Exit\) Regulations 2020/1316](#).
- 1.4 The UK Tobacco and Related Products Regulations 2016 (TRPR 2016) necessitates that TNCO emissions from cigarettes sold in the UK must be measured in accordance with standards: ISO 4387 for tar, ISO 10315 for nicotine, ISO 8454 for carbon monoxide and ISO 8243 for accurate measurements of TNCO emission levels. Cigarette brands also must meet the visual surveillance of standardised packaging of tobacco products (SPoT) requirements.
- 1.5 This applies to the four home countries of the UK: England, Northern Ireland, Scotland and Wales that make up the UK. In order to fulfil UK statutory requirements, this specification sets out the requirements for a regular survey of all cigarette brand variants on sale in the UK and those intended for sale in the UK through the travel retail sector must undergo TNCO testing. This includes all brands that are produced, even those that are only imported twice a year. Any products found to be in non-compliance with TNCO standards will be removed from sale in the UK.
- 1.6 The current TNCO testing contract expires on 31 December 2022 and the new contract will commence on 1st January 2023.

- 1.7 It is expected that the new Provider will send out labels to cigarette producers who will then provide cigarette samples in return, for testing in the first period of 2023, in accordance with [ISO 8243:2013 Cigarettes - Sampling](#).

2. DEFINITIONS

- 2.1 'The Survey refers to the specific content of this specification as delivered over each twelve-month annual period. This includes the testing of TNCO emissions and the requirements for the monitoring of labelling and packaging of cigarettes at various points throughout the year. For the purposes of this contract, the annual survey will consist of 6 discrete testing periods a year, each lasting two months.
- 2.2 'The Authority refers to DHSC, the designated authority of the Secretary of State for the management of this process.
- 2.3 'The Producer' takes the meaning provided in Regulation 3(1) of Statutory Instrument 2016/507 and Statutory Instrument 2020/1316;
- 2.4 "A person produces a tobacco product or related product if in the course of a business and with a view to the product being supplied for consumption in any part of the United Kingdom or through the travel retail sector", the person;
- a) manufactures the product (as defined in Regulation 13(2);
 - b) puts a name, trademark or other distinguishing mark on it by which the person is held out to be its manufacturer or originator; or
 - c) imports it into the United Kingdom.
- 2.5 'The Provider' refers to the successful applicant to this process.
- 2.6 'Skill requirement refers to any skill identified in this specification that is required for the successful delivery of this contract.

3. THE CONTRACT REQUIREMENT

- 3.1 The Provider will provide expertise in the area of testing tobacco emissions and will deliver the testing of TNCO emission levels in cigarettes and the surveillance of SPoT requirements. The Provider will test samples of cigarettes provided to it by Producers, on behalf of the Authority. and provide expertise in the area of testing tobacco and related products.
- 3.2 Following the UK's exit from the European Union on 31 December 2020, the Tobacco Industry is required to notify cigarette products to be sold in Northern Ireland (NI) separately to those products being sold in Great Britain (GB). For the purposes of TNCO yield testing, any identical products sold in both NI and GB should be treated as one product. However, any products sold uniquely in NI or GB are tested as separate products.
- 3.3 The Service Provider must generate electronic reports for DHSC at two-month intervals, in a format to be agreed with DHSC and in compliance with ISO 8243 standard. Reports must highlight any cigarette brands that are above the maximum yields stipulated in regulation 13 of SI 2016/507. This data will ensure the effective monitoring of TNCO smoke yields in accordance with ISO standards as well as the limits set in EU and UK regulations and will allow the necessary enforcement steps to be taken should there be any instances of non-compliance.
- 3.4 The Provider is also required to monitor compliance of producers with regulations 5, 6, 7, 8, 9, 11, 12 and 15 of SI 2016/507, and regulations 3, 4, 5, 6, 10, 11 and 12 of SI 2015/829 and regulations 2,3,5,6 and 7 in SI 2020/1316. These relate to the labelling and packaging of cigarettes, including requirements on combined health warnings, general warnings and information messages, general conditions applicable to all health warnings, images on tobacco products targeted to consumers and the appearance, packaging and product presentation, and where practicably possible flavouring.
- 3.5 The Provider must note the two different regulatory requirements applicable to GB and NI around rotation of the different sets of graphic picture warning photographs for different production years (and subsequent years), as set out in regulation 6 of SI 507/2016 for cigarettes to be sold in NI and regulations 5 and 6 of SI 1316/2020 for cigarettes to be sold in GB. The Provider must note the requirement to rotate the sets of graphic warnings for the different production years (and subsequent years), as set out in Regulation 6 of SI 2016/507. A production year is a period of 12 months beginning with 20 May and ending with 19 May.

4. THE PROVIDER REQUIREMENTS

- 4.1 Demonstrate non-controllability and independence from the tobacco industry.
- 4.2 Have the capacity to carry out the skill requirement in terms of human resources, technical expertise, quality systems, smoking and analytical instruments, electronic reporting systems, and provide evidence to show that it is capable of executing a programme of work of the magnitude required.
- 4.3 Hold national accreditation, listed in Section 8.7.2 of this specification in respect of the relevant smoke yield analysis, as required. Accreditation can be from any national body recognised by ISO standards.
- 4.4 Demonstrate expertise in analytical procedures related to tobacco emissions.

- 4.5 Fulfil the requirements set out by the [European Commission in the Practical Guide for 'Cigarette yield measurement and some basic steps for laboratory approval'](#), published on 11 September 2007.
- 4.6 Comply with the standards required by the European Commission and [The Tobacco and Related Products Regulations 2016](#) in relation to the testing of tobacco and related products.
- 4.7 Demonstrate practical experience of tobacco (in particular cigarette) technology and the principles of cigarette manufacture.
- 4.8 Demonstrate an up-to-date knowledge of the main types of instrumental chemical analysis, smoking methodologies, and their limitations.
- 4.9 Demonstrate experience in collaborative (round robin) testing and participation in recognised annual collaborative tests.
- 4.10 Have comprehensive knowledge of quality procedures, demonstrated expertise in the use of quality systems and comply with Global Laboratory Practice or national equivalent, as far as reasonably practicable.
- 4.11 Be aware of European and international activity in relation to the testing of tobacco and related products.

5. EXPECTED OUTPUTS

- 5.1 Undertake the annual survey of all cigarette brand variants of each brand of cigarette for TNCO yields at fixed two-monthly periods throughout the 12-month calendar year.
- 5.2 In addition to the annual survey of all cigarette brand variants, testing will also include 'one point in time' analyses of new brand variants launched, in the UK domestic market or UK travel retail sector. This testing will constitute 20 determinations of one production batch of individual cigarette brand variants and may be required at any point in time during the year.
- 5.3 One point in time analysis may also be required to be undertaken on any batch of product where;
 - o The mean levels of TNCO over four testing periods are greater than 115% of maximum emission levels identified in Regulation 13 of SI 2016/507; or
 - o TNCO levels for a single measurement point greater than 120% maximum emission levels identified in Regulation 13 of SI 2016/507.
- 5.4 As with regular testing; the smoke yields will be measured against the requirements of Regulation 13 of SI 2016/507 and from data derived from information declared to the Secretary of State in accordance with Regulation 20 of SI 2016/507.
- 5.5 Be responsible for obtaining test samples from the Industry. Additionally, the Provider will make enquiries in the first instance for samples not received or received late and promptly notify the Authority of any problems encountered with sample receipt and/or with the Industry. The Industry must provide official samples to the testing laboratory in accordance with ISO 8243:2013 rules. The cost of transporting the samples to the test laboratory is to be borne by the Industry and not the Provider.
- 5.6 Provide electronic reports to the Authority every two months, as set out in Section 8.9 of this document 'Periodic reporting of data', detailing the results of each period (6 periods in total each year). Subsequent tables are to be supplied on a cumulative basis; four results after test period 1, eight results after test period 2, twelve results after period 3 as so forward. (Appendix: Tables 1 and 2).
- 5.7 Provide an annual commentary report, as set out in Section 8.10 of this document, 'Annual reporting of data,' in a portable document format (pdf), detailing comments and data relating to the full reporting year.
- 5.8 Send an electronic table to producers, based on samples supplied for testing during the survey at the end of each period. Each producer will receive cigarette brand data pertinent to its own company (Appendix, Example 3 - Table 3). This will include a copy of the TNCO results for all the brand variants tested for this period, and only those brand variants supplied by that producer.
- 5.9 Provide a 'Customer Satisfaction Survey Form' to be completed by the Authority at the end of each testing period, to allow the Authority to provide timely feedback to the Provider on its performance.
- 5.10 Raise sampling and testing issues with producers in the first instance and inform the Authority promptly. Issues will be logged and presented to the Authority either at review meetings or as requested.
- 5.11 Complete all actions by the dates set in the timetable in Section 11 of this document.
- 5.12 Provide the Authority with information on any new products on the UK market through active surveillance of products on the UK market.
- 5.13 Deliver quarterly presentations to demonstrate how each Key Performance Indicator (KPI) as set out in Section 9 of this specification, has been met.

- 5.14 Attend meetings every two periods (every 4 months, usually held after periods 2, 4 and 6) or as deemed necessary to review progress against the deliverables. The meetings will take place at either the Authority's offices, at other premises specified by the Authority or as a video/teleconference.
- 5.15 Participate in discretionary audits conducted by the Authority at the laboratory premises and provide the necessary documents to facilitate this.
- 5.16 Attend an annual review meeting with the Authority, between May and July in every year to discuss all aspects of the service in the previous year. This may be held at the Authority's offices, or as video/teleconference.
- 5.17 Attend a post-contract review meeting with the Authority following the culmination of the contract, to review whether the objectives of the contract were met, to review the benefits realised and to identify any lessons learnt for future projects following the initial three-year period of the contract.

6. AUTHORITY RESPONSIBILITIES

- 6.1 Appoint a Tobacco Programme Manager as the Project Manager from within the team. That person will manage the relationship and ongoing communications with the Provider, hold meetings, and where necessary, review delivery against the specification with the Provider.
- 6.2 Provide a guidance document and a reference table for the required SPoT compliance checks.
- 6.3 At the commencement of the contract, the Authority will provide the Provider with a list of the brand variants for which test results are required, together with the contact name and email address of the producer of each brand variant.
- 6.4 Provide appropriate representation at the meetings indicated in this specification.
- 6.5 Provide timely indication as to contract breaks or extension.
- 6.6 Provide prompt payment in accordance with the Civil Service 30-day payment policy.

7. PROVIDER RESPONSIBILITIES

- 7.1 Designate a Contract Manager to oversee the work as set out below, liaise with and report to the Authority; the identity of the Contract Manager must be notified to the Authority in writing, within one week, of a successful bid.
- 7.2 Perform quality assurance on all aspects of the service being provided to the Authority. The provider shall also provide reports of accreditation, information on quality assurance procedures, international studies and data relating to the provision of the skill requirement, on request and at review meetings.
- 7.3 Provide the Authority with timely and ongoing evaluation information relating to the service.
- 7.4 Describe its proposals for any additional liaison requirements with the Industry which it considers necessary to deliver the contract.
- 7.5 Provide information on any quality assurance measures, including documentation on the competence/training staff involved with this contract.
- 7.6 Provide information on compliance checks in relation to labelling and SPoT requirements for cigarettes (Appendix: Table 4).
- 7.7 Fulfil EU and UK statutory obligations in the area of testing and SPoT in compliance with the EU Tobacco Products Directive 2014/40/EU and UK tobacco laws (2016/507 and 2015/829), reporting any anomalies to the Authority in a timely manner.
- 7.8 Maintain a high level of scientific expertise and provide technical advice, when needed, on tobacco products/technology.
- 7.9 Ensure that the most appropriate testing and measuring methods are proposed and employed for the evaluation of tobacco products for research or other purposes.
- 7.10 Cooperate with any requests by the Authority in relation to the annual audit and any other audit as required.
- 7.11 Develop an audit tool to ensure that SPoT checks are made correctly and reported, which is agreed with the Authority.

8. DETAILED SPECIFICATION OF SURVEY

- 8.1 Number of test brands

The number of variant brands to be tested during the survey will vary depending on the number of producers' brand variants, deletions and introductions are made during the survey period. There is a low estimate 350 cigarette brand variants and a high estimate of 650 cigarette brand variants produced for sale in the UK market and the travel retail sector each year.

Therefore, we estimate a mean figure of approximately 500 cigarette brand variants will be on the UK market at any given point. Not all brands will be produced during each testing period, and the number of brands submitted for testing will be lower (see 14.2). This is subject to change based on discontinuations and introductions of brand variants and may also be subject to change in line with the exit of the UK from the EU, and the potential divergence of the GB and NI markets.

8.2 Number of tests per brand

The official sampling protocol in use, which is in line with ISO 8243:2013 requirements, consists of six equal sampling periods a year, each of two months duration. The sampling period commences on 1 January in every calendar year. Four samples of each cigarette brand will be received for testing in each sampling period. Assuming fully compliant sampling this makes 24 samples tested each year for each brand, and results obtained. Whilst this protocol is expected to be followed, consideration will be given to other sampling protocols that are compliant with ISO 8243:2013. For brands introduced mid-year, it is expected that they will be tested from the relevant period in which they are introduced; and will continue to be tested in subsequent periods, providing that the brand continues to be produced.

8.3 Number of tests for new brands and infrequent brands

A 'one-time' analysis of 20 determinations may be required by the Authority on new brand variants which are produced infrequently and made available for sale to the UK market. This may occur once a year and must be reported within the period in which samples are supplied, as well as, in the annual commentary and executive reports, in a portable document format (pdf), detailing comments and data relating to the full reporting year. For this, 20 samples of each of these brand variants shall be tested annually. All sampling must be undertaken in line with the procedures set out in ISO 8243:2013.

8.4 Reporting time scale

- a) The test laboratory will receive samples from the Producer for the first sampling period, January to February 2023, by the specified date in March. These are to be processed, in line with the requirements of this technical specification and appropriate ISO standards, and results reported to the Authority for the first time within two months, or by 8 May 2023.
- b) Test results for samples from the remaining five periods will then be reported sequentially at two-monthly intervals on 8 April, 8 July, 8 September, 8 November and 8 January. This means that the last bimonthly data report, received for period 6, will be made available by 8 March 2024. A detailed timeframe for this is provided in Section 11 of this specification. Where any of these dates falls on a weekend or bank holiday the report will be due the next working day.

8.5 Sampling responsibilities

8.5.1 The Provider is responsible for dispatching sample labels to each Producer prior to each testing period so that:

- a) the Producer will know which brand variant(s) it is required to send for testing; and
- b) on receipt, the samples will be accurately identified.

8.5.2 Labels should be dispatched to arrive at least seven working days before the start of each sampling period.

8.6 Receipt of samples

8.6.1 Manufacturing dates of samples must be recorded on receipt of samples by the testing laboratory. This requires cigarette producers to provide information, in confidence to the test laboratory, to enable manufacture dates to be determined.

8.6.2 If samples have not arrived by the allotted time, Producers must be contacted by the Provider to ensure compliance as quickly as possible. The laboratory has the full authority of the Authority to request official samples and is responsible for informing the Authority of non-compliance with the sampling protocol.

8.7 Testing requirements

8.7.1 Determinations of water and nicotine in the extract of smoke particulate matter will be made using gas chromatographic methods as detailed in the ISO standards identified in Section 8.7.2 of this specification.

8.7.2 All aspects of the conditioning, smoking and subsequent analytical procedures used must comply with all the relevant standards issued by the International Organisation for Standardisation (ISO)

ISO 3308:2012

Routine analytical cigarette-smoking machine – Definitions and standard conditions.

ISO 3402:1999

Tobacco and tobacco products - Atmosphere for conditioning and testing.
Environmental Conditions

ISO 4387:2019

Cigarettes - Determination of total and nicotine-free dry particulate matter using a routine analytical smoking machine.
Tar Yield (mg per cigarette)

ISO 8454:2007/ AMD 1:2009/AMD 2:2019

Cigarettes - Determination of carbon monoxide in vapour phase of cigarette smoke - NDIR method.
Carbon Monoxide Yield (vapour phase) (mg per cigarette)

ISO 10315:2021

Cigarettes - Determination of nicotine in total particulate matter from the mainstream smoke – Gas-chromatographic method.
Nicotine Yield (mg per cigarette)

ISO 10362-1:2019

Determination of water in smoke condensates – Part 1: Gas-chromatographic method.
Water yield (mg per cigarette)

- 8.7.3 These standards are subject to regular reviews by ISO. Therefore, it is the responsibility of the Provider to monitor activities in ISO, inform the Authority of the most up-to-date standard(s) and to ensure that the latter is used for the work specified in this contract.

8.8 Quality control procedures

Each smoking run made in pursuance of this skill requirement will contain at least one channel of a quality control monitor cigarette such as the appropriate Cooperation Centre for Scientific Research Relative to Tobacco (CORESTA) monitor or a Kentucky Reference Cigarette. Data for the monitor cigarette will not be supplied but will be made available upon request. A summary of such activities in the specified periods should be included in the updates given at review meetings with the Authority.

8.9 Periodic reporting of data

The report provided every two months must be presented as an excel file and comply with the format presented in Appendix: Table 3.

8.9.1 Periodic reports must detail;

- a) Manufacturers' compliance with;
 - i. Provision of samples
 - ii. Identifications of introductions and discontinuations
 - iii. Brand name changes
 - iv. Notification of split declarations; changes to declarations; illegible codes; and reporting of duty-free brands
 - v. TNCO limits
 - vi. Packaging regulations.
- b) Laboratory performance;
 - i. Timeliness of reports delivered
 - ii. Timeliness of label dispatch
 - iii. Number of total tests delivered
 - iv. Compliance with ISO standards 4387, 8243, 8454 and 10315
 - v. Compliance with ISO standards 3308, 3402 and 10362-1
 - vi. Compliance with sampling protocols
 - vii. Staff training to ensure compliance with latest test, packaging and sampling requirements
 - viii. Summary of organisational changes including those to laboratory form or function, or staffing and skill levels, that may impact on the laboratory's ability to deliver the requirements of this contract, either at that time, or those planned for the future.
- c) Test outputs;
 - i. the number of tests undertaken in each testing period
 - ii. the number of non-compliances with regard to the above-mentioned UK tobacco laws and EU Tobacco Products Directive 2014/40/EC;
 - iii. the nature of these non-compliances, including any remedial action taken and the results of these actions;
 - iv. proof that the tests have all been carried out to appropriate ISO/BSI standards and confirmation of the accuracy of all results.
- d) Monitoring of risks identified throughout the survey.
- e) Issues or problems encountered during the reporting period and recommendations for actions to be taken to address sampling, testing or other issues.
- f) Records of labelling and packaging of cigarettes compliance checks, conducted in every period, must be kept in hard copy and these may be requested by the Authority for audit purposes.
- g) Any other issues arising that are not covered in this specification and are relevant to the accurate delivery against KPI Indicators detailed in Section 9.

8.9.2 The following non-analytical information will be displayed for each data entry:

- a) The sampling period identifier
- b) Sample number
- c) Manufacturing date (week) as identified from the batch code
- d) Age of the sample (in weeks) with reference to the first week of the sampling period
- e) Pack size

- f) Smoking run/channel number.

8.9.3 The following analytical information will be displayed for each data entry:

- a) Puff number (to one decimal place)
- b) Total Particulate Matter yield in mg (to two decimal places)
- c) Water yield in mg (to two decimal places)
- d) Nicotine yield in mg (to two decimal places)
- e) Nicotine Free Dry Particulate Matter (NFDPM) yield in mg (to two decimal places)
- f) Carbon monoxide yield in mg (to two decimal places)
- g) Carbon monoxide concentration corrected for STP (% v/v to two decimal places)
- h) Ratio of NFDPM yield to nicotine yield (to two decimal places).

8.9.4 In respect of each entry and for both the latest period reported and the total data set to date, as a minimum, the following statistical criteria shall be calculated:

- a) mean
- b) standard deviation
- c) coefficient of variation
- d) 95% confidence levels
- e) standard error
- f) variance.

8.9.5 Results must be reported on a one page per variant brand basis. By the end of the sixth period, all the results obtained for a particular brand variant during the survey should be displayed on this page.

8.10 Annual reporting of data

At the end of each survey period; present an annual commentary report, in a portable document format (pdf), detailing comments and data relating to the full reporting year, to the Authority by the 8th April immediately following each year of the contract.

As well as detailing how each KPI has been achieved, the report must cover;

- a) Each Producer's overall compliance with the official sampling, labelling and coding requirements throughout the year.
- b) Cigarette brand variants with test results above the maximum allowed smoke yields as stated in EU Directive 2014/40/EU and SI 2016/507. These brands must be clearly highlighted.
- c) All declaration changes, brand introductions, split declarations, missing packs and brand withdrawals that have occurred during the Survey.
- d) A summary and links to test results of collaborative studies in which the testing laboratory participated.
- e) A summary of organisational changes and the Provider's performance based on customer satisfaction survey forms¹ for the 6 periods and feedback received from the Authority.
- f) Monitoring of risks throughout the survey.
- g) Issues or problems encountered during a testing year and recommendations for actions to be taken to address sampling, testing or other issues.
- h) SPoT requirements as monitored by the Provider.

8.10.1 The annual report will include details of results of all the tests conducted throughout the testing year (periods 1 to 6). Assuming fully compliant sampling, 24 sets of test results will be determined and reported for each brand in any given year. Test results will be reported in the stated format described in this specification, or an equivalent format subject to approval by the Authority.

8.10.2 The Provider will provide the Authority with an annual executive report by 8th April each year (8th May in Year one of contract), summarising the results of all the tests conducted throughout the previous testing year. This will be a condensed form of the commentary report, and also in a portable document format (pdf), detailing comments and data relating to the full reporting year, providing a summary of the details specified in 8.10.

8.11 Additional data presentation

At the end of each period, a report should be generated with information on the number of brand variant(s) tested and any problems associated with receipt of samples. The report will include tables highlighting brands that have exceeded the limits specified for the end of survey report (Appendix: Example 5 - Table 5).

8.11.1 In addition to, and at the same time as, the report described above, electronic copies of the tables will be supplied with subsequent tables being supplied on a cumulative basis (e.g. four results after test period 1, eight results after test period 2, twelve results after period 3 etc. (Appendix: Example 1).

8.11.2 Further, at the end of each period, the report will include a table listing all brand variants comparing their respective yields (on an accumulating basis) to the TNCO yields notified to the Authority by Producers highlighting those that have exceeded the tolerance limits specified in ISO 8243:2013, either over a period of time, or at one point in time (Appendix: Example 1 - Table 1).

- 8.11.3 At the end of each period, the Provider must present a table showing, for each brand, the mean value to date for all the criteria listed sorted alphabetically by brand variant name (Appendix: Table 2).
- 8.11.4 An electronic table, based on samples supplied for testing during the Survey and as specified under the 'reporting of data', must be sent to Producers at the end of each period. Each producer will receive cigarette brand variant data pertinent ONLY to its own company (Appendix Example 3 – Table 3).
- 8.11.5 The reporting requirements can be modified or changed by the Authority during the course of the contract when this is required to meet regulatory obligations.
- 8.11.7 All quality control monitoring results obtained during the course of testing and any other documentation which provide assurance that the contract obligations have been met must also be made available to the Authority should they be requested.
- 8.12 Sample retention
- 8.12.1 All samples received under this contract for 2023 shall be retained until 30 June 2024.
- 8.12.2 All samples received under this contract for 2024 shall be retained until 30 June 2025.
- 8.12.3 All samples received under this contract for 2025 shall be retained until 30 June 2026.

9 KEY PERFORMANCE INDICATORS

- 9.1 The following are the key performance indicators (KPIs), for each testing period, which will form the basis of a reporting dashboard, to be used to measure successful delivery of the contract. An example of how these may be reported is given as Table 6 in the Appendix.

Table 7

Quality Key Performance Indicators	Good (=Target)	Approaching Target	Requires Improvement	Inadequacy	Frequency
The number of labels sent to manufacturers is identical to the number of cigarette brands to be submitted for testing.	100%	90%	<90-80%	<80%	Bi-monthly
The total number and percentage of cigarette brands submitted within each period that are fully tested	100%	90%	<90-80%	<80%	Bi-monthly
Report to the Authority on the number and percentage of expected brands not submitted for testing	100%	90%	<90-80%	<80%	Bi-monthly
Report on the number and percentage of submitted brands failing to comply with SPoT regs	100%	90%	<90-80%	<80%	Bi-monthly
Report on the number and percentage of submitted brands failing to comply with any of the regulations	100%	90%	<90-80%	<80%	Bi-monthly
Report on the number and percentage of submitted brands falling outside of expected limits for; a) Tar b) Nicotine c) Carbon Monoxide.	100%	90%	<90-80%	<80%	Bi-monthly
Report on the number and percentage of non-compliant test runs and brands where tests required repeating due to control monitor failure.	100%	90%	<90-80%	<80%	Bi-monthly
The number and percentage of non-compliant test runs and brands where tests required repeating due to control monitor failure	0%	10%	20%	<30%	Bi-monthly
Invoices are submitted quoting purchase order and with accurate reflection of brand tested	100%	90%	<90-80%	<80%	As per payment schedule
Satisfaction Survey is issued, and feedback is implemented	100%	90%	<90-80%	<80%	Annually

Quality Key Performance Indicators	Good (=Target)	Approaching Target	Requires Improvement	Inadequacy	Frequency
Social Value metrics reported: <ul style="list-style-type: none"> Reduction in emissions of greenhouse gases arising from the performance of the contract, measured in metric tonnes carbon dioxide equivalents (MTCDE). Reduction in water use arising from the performance of the contract, measured in litres. Reduction in waste to landfill arising from the performance of the contract, measured in metric tonnes. 	100%	90%	<90-80%	<80%	Annually

10. ADDITIONAL RESPONSIBILITIES

- 10.1. Be responsible for the accuracy and content of all presentations and reports made to the Authority, delivery of inaccurate reports or presentations may affect the achievement of related KPIs.
- 10.2. Promptly notify the Authority of any structural/organisational changes that may affect the smooth delivery of the contract.
- 10.3. Provide the Authority with copies of all correspondence with producers in relation with issues pertaining to the contract.
- 10.4. The Department of Health and Social Care is vigilant in its duty to reduce inequalities and to promote equity and equality. It is therefore vital that all work undertaken on behalf of DHSC can demonstrate how it supports this agenda and where appropriate/required an Equality Impact Assessment (EIA) is carried out. It is also important to consider the [Equalities Act 2010](#) and ensure compliance with this and the protected characteristics within are considered.
- 10.5. Completion of all tests required in an accurate and timely manner, for all products identified by the Authority.
- 10.6. Accurate and timely monitoring of Producer's compliance with the relevant stated UK tobacco laws and the EU Tobacco Products Directive 2014/40/EU and official sampling requirements, taking actions as appropriate.
- 10.7. Provision of accurate and timely periodic reporting as specified in the timetable detailed in section 11.
- 10.8. Accurate record keeping of quality assurance checks and quality control measures and provision to the Authority, when requested.
- 10.9. Prompt escalation of issues with testing or compliance to enable the Authority to take prompt action.
- 10.10. Timely submission of the customer satisfaction survey form to Department of Health and Social Care for completion.
- 10.11. Timely provision of an accurate, signed commentary and executive report checked by two officials of the Provider and delivered at each year end.
- 10.12. Accurate and timely identification of risks as they arise, application of monitoring activities in relation to these risks and reporting of actions taken to mitigate the risks.
- 10.13. Accurate and timely invoicing, where payment will be made in GBP Sterling.

11. TIMETABLE

- 11.1 The 12-month timetable for the 2023 Survey is shown below.

Year 1

Sampling Period 67	Sampling Period No.	Approx. Dispatch Date for Dispatch of Labels	Latest Date for Sample Receipt	Date for Receipt of Data report
Jan – Feb 2023	1	20 Jan 2023	8 Mar 2023	8 May 2023
Mar – April 2023	2	10 Feb 2023	8 May 2023	8 July 2023
May – June 2023	3	10 April 2023	8 July 2023	8 Sept 2023
July – Aug 2023	4	10 June 2023	8 Sept 2023	8 Nov 2023
Sept – Oct 2023	5	10 Aug 2023	8 Nov 2023	8 Jan 2024
Nov – Dec 2023	6	10 Oct 2023	8 Jan 2024	8 Mar 2024
Final Executive and Commentary reports for 2023	Due by			8 Apr 2024

In years 2 and 3 the sampling period will also begin in January/February which will be Sampling Period 1.

Year 2

Sampling Period 68	Sampling Period No.	Approx. Dispatch Date for Dispatch of Labels	Latest Date for Sample Receipt	Date for Receipt of Data report
Jan – Feb 2024	1	10 Jan 2024	8 Mar 2024	8 April 2024
Mar – April 2024	2	10 Feb 2024	8 May 2024	8 June 2024
May – June 2024	3	10 April 2024	8 July 2024	8 Aug 2024
July – Aug 2024	4	10 June 2024	8 Sept 2024	8 Oct 2024
Sept – Oct 2024	5	10 Aug 2024	8 Nov 2024	8 Dec 2025
Nov – Dec 2024	6	10 Oct 2024	8 Jan 2025	8 Feb 2025
Final Executive and Commentary reports for 2024	Due by			8 Apr 2025

Year 3

Sampling Period 69	Sampling Period No.	Approx. Dispatch Date for Dispatch of Labels	Latest Date for Sample Receipt	Date for Receipt of Data report
Jan – Feb 2025	1	10 Jan 2025	8 Mar 2025	8 April 2025
Mar – April 2025	2	10 Feb 2025	8 May 2025	8 June 2025
May – June 2025	3	10 April 2025	8 July 2025	8 Aug 2025
July – Aug 2025	4	10 June 2025	8 Sept 2025	8 Oct 2025
Sept – Oct 2025	5	10 Aug 2025	8 Nov 2025	8 Dec 2026
Nov – Dec 2025	6	10 Oct 2025	8 Jan 2026	8 Feb 2026
Final Executive and Commentary reports for 2025	Due by			8 Apr 2026

- 11.2 Subject to the three-year contract review meeting held between May and July 2026, the 2025 survey will be completed through receipt and review of the final report by 8 April 2026. This constitutes Phase 1 of the contract.
- 11.3 Subsequently, Phase 2 will be completed subject to the receipt/review of the final report in 2027 (2026 Survey).
- 11.4 Phase 3, will be completed subject to the receipt/review of the final report in 2028 (2027 Survey).

12. SKILLS AND KNOWLEDGE TRANSFER

13. The Authority will be in regular contact with the successful Provider throughout the lifetime of the contract to enable the realisation of benefits, identification of any lessons learnt for future projects and all samples will be kept for the duration specified by the Authority (as a minimum), to allow further investigations to be made if necessary.
14. Copies of correspondence with Producers in relation to the delivery of the skill requirement shall be kept.
15. All data generated is owned by the Authority and will not be divulged to a third party, unless approved by the Authority.
16. The Authority will be kept up to date on progress and skills/knowledge relating to the skill requirement will be transferred to the Authority, through meetings every three months and by the Provider responding to queries/addressing issues relating to the testing of tobacco and its products.
- 12.5 The Provider will conduct tours of their facilities and accommodate visits, as necessary, and as requested by the Authority. The Authority retains all copyrights of any information produced as part of the contract.

13. CONTRACT DURATION

- 13.1. The contract has a duration of 36 months with the option to extend for a further period or periods of up to 24 months. The contract will commence on 1 January 2023.

14. CONTRACT VALUE

- 14.1. The estimated contract value is £185,000 to £200,000 per every 12 months.
- 14.2. There is no minimum level of activity guaranteed as this is dependent on the number of brands submitted for testing, however, the estimated contract value has been calculated taken into consideration the brands tested over the last 4 years with the average number of brands tested being 186 in each 2-month period (the lowest number of brands tested in a period being 136 and the highest is 215). Based on this average, we would expect approximately 1,120 brands to be tested across the year. As stated in Point 8.2, each brand should have 4 samples tested in each period, and this will constitute one brand test per period.
- 14.3. Price payable to the supplier will be for the actual number of units tested. All prices must be stated in GBP Sterling and be inclusive of VAT (if applicable).

- 14.4. Your stated price should be fixed and firm for the first 12 months of the contract. Subject to Clause 8 of the contract 'Price Adjustment on Extension of Term'.

15. PAYMENT SCHEDULE

- 15.1 Payment will be made by the Department of Health and Social Care upon receipt of an accurate invoice, following the agreed completion of all KPIs and receipt of accurate reports in each testing period, and in accordance with the Civil Service 30-day payment policy.
- 15.2 Invoices must state the Purchase Order number that will be provided by the Authority. The payment schedule will follow the same timeframe in each year of the contract.

Sampling Period	Estimated payment dates*
Jan – Feb	May
Mar – April	July
May – June	September
July – Aug	October
Sept – Oct	December
Nov – Dec	February

*Payments can be made earlier upon receipt of completed Data Report for the reporting period.

16. SOCIAL VALUE

- 16.1 The Authority has set out what they see as the priority Social Value areas for this contract. The contract will support Social Value Theme Fighting climate change, Effective stewardship of the environment MAC 4.1 Deliver additional environmental benefits in the performance of the contract including working towards net zero greenhouse gas emissions.

The supplier will be required to provide metrics as part of their KPIs that demonstrate the delivery of the social value:

Annual:

- Reduction in emissions of greenhouse gases arising from the performance of the contract, measured in metric tonnes carbon dioxide equivalents (MTCDE).
- Reduction in water use arising from the performance of the contract, measured in litres.
- Reduction in waste to landfill arising from the performance of the contract, measured in metric tonnes.

Appendix: Examples of Tables for reporting purposes

All tables are provided as examples of how reports may be made. The Authority welcomes suggestions from Providers as to improvements if these improve clarity.

Example 1

This electronic table, for each brand, presents the integer experimental NFDPM yield, NFDPM yield declared, experimental nicotine yield (to one decimal place), nicotine yield declared, experimental integer CO yield and CO yield declared. This table should be sorted on yield and within that, alphabetically on brand name.

It compares the respective yields (on an accumulating basis) to the limits set in law. Those exceeding these limits will be highlighted.

Table 1 shows data for NFDPM only, similar data is required for Nicotine ($\pm 15\%$) and CO $\pm 20\%$)

Table 1 – Nicotine-free dry particulate matter (Survey X, Year Y)

Brands Sorted on Brand Variant Name								
DHSC Survey Period X		Results for NOVEMBER/DECEMBER, Year 20XX						
Brand Variant Name	Brand Feature	Brand Variant Code	Laboratory measured NFDPM	Tolerance limit (low)	Tar notified to the Authority	Tolerance limit (high)	Pass/Fail Status	Number of months of a single dec.
	Duty Free/		Yield	-15%		15%	Pass/Fail	
	Duty Paid							
Name of Manufacturer								
Brand 1	Duty Free	1143	11.04	8.5	10	11.5	P	6
Brand 2	Duty Paid	1145	11.8	8.5	10	11.5	F	6
Brand 3	Duty Free	1162	7.64	6.8	8	9.2	P	6
Brand 4	Duty Paid	1163	10.51	8.5	10	11.5	P	6
Brand 5	Duty Paid	1164	10.56	8.5	10	11.5	P	6
Brand 6	Duty Paid	1213	10.62	8.5	10	11.5	P	6
Brand 7	Duty Paid	1216	9.49	8.5	10	11.5	P	6
Brand 8	Duty Free	1360	1.53	0	1	2	P	6
Brand 9	Duty Paid	1361	5.33		5	6	P	6

Table 2 - mean value to date for all the criteria listed sorted alphabetically by brand variant name

Brands Sorted on Brand Variant Name									
DHSC Survey Period X		Results for NOVEMBER/DECEMBER, Year 20YY							
Brand Code	Brand Variant Name	<-----Yield In Milligrams Per Cigarette ----->							
		Puffs Per Cig	%VV CO	CO	TPM	Water	Nicotine	NFDPM	NFDPM / NIC Ratio
5886	Brand 1	7.13	3.76	10.88	12.3	1.57	0.84	9.89	11.78
5885	Brand 2	8.9	2.83	10.26	12.59	0.9	0.98	10.7	10.9
8548	Brand 3	6.6	4.09	11.01	13.65	2.19	0.69	10.77	15.62
8551	Brand 4	6.95	2.84	8.08	7.74	0.76	0.47	6.51	13.94
8586	Brand 5	7.95	3.24	10.47	10.73	1.03	0.64	9.06	14.21
8590	Brand 6	8.8	1.56	5.57	6.02	0.34	0.45	5.23	11.58
8534	Brand 7	6.55	4.17	11.12	12.16	1.74	0.63	9.79	15.54
8521	Brand 8	7.48	2.37	7.24	6.9	0.49	0.46	5.95	12.91
8576	Brand 9	8.28	3.12	10.53	10.71	0.83	0.69	9.18	13.26
8861	Brand 10	8.4	1.76	6.01	6.87	0.42	0.48	5.97	12.38

Example 3

One report should be prepared for each brand, for each 6-rolling period

Table 3 - electronic table to producers, based on samples supplied for testing during the survey at the end of each period

SURVEY PERIOD								NOVEMBER/DECEMBER 20XX to SPETEMBER/OCTOBER 20YY							
1143 Brand X 24 & 4 Results used for calibration								<-----Yield in mg per cigarette----->							
Period	Factory	Sample	Date	Age	Pack size	Run	Channel	Puffs per Cig	%W CO	CO	TPM	Water	Nicotine	NFDPM	NFDPM/Nic, Ratio
AAA		1													
AAA		2													
AAA		3													
AAA		4													
BBB		1													
BBB		2													
BBB		3													
BBB		4													
CCC		1													
CCC		2													
CCC		3													
CCC		4													
DDD		1													
DDD		2													
DDD		3													
DDD		4													
EEE		1													
EEE		2													
EEE		3													
EEE		4													
FFF		1													
FFF		2													
FFF		3													
FFF		4													
Periods AAA-FFF	Mean Value	95% Conf	Standard Dev	Coef Variable	Standard Error	Variance		Period FFF	Mean Value	95% Conf	Standard Dev	Coef Variable	Standard Error	Variance	
Puffs								Puffs							
CO								CO							
TPM								TPM							
Water								Water							
Ratio								Ratio							
Co Yield								Co Yield							
Nic							Nic								
NFDPM							NFDPM								

Table 4 – Example of reporting for Standardised Packaging of Tobacco requirements

Brands Name Variant				
DHSC Survey Period X				
Period	Relevant requirements checked by Technician	Specified requirements checked by the laboratory's Contract Manager	Dates or Period Checked	Records filed by/Date
Period 1	Technician X	Contract Manager A	xx/04/2023 yy/04/2023	By X on xx/04/2023
Period 2	Technician Y	Contract Manager B	xx/04/2023 yy/04/2023	By X on xx/04/2023
Period 3	Technician X	Contract Manager A	xx/04/2023 yy/04/2023	By X on xx/04/2023
Period 4	Technician Y	Contract Manager B	xx/04/2023 yy/04/2023	By X on xx/04/2023
Period 5	Technician X	Contract Manager A	xx/04/2023 yy/04/2023	By X on xx/04/2023
Period 6	Technician Y	Contract Manager B	xx/04/2023 yy/04/2023	By X on xx/04/2023

Example 5

Reporting of brands with experimental yield in excess of 10 mg/cigarette tar, or 1.0 mg/cigarette nicotine, or 10 mg/cigarette carbon monoxide expressed in an accumulating period report format (Table 5 shows specimen data for 2 consecutive periods, X – Y).

The highlighted yields in yellow are those that lie above the 10 1 10 EU regulation for Tar, Nicotine and CO in cigarettes as shown above but not outside limits set by ISO 8243. Yield results with Tar, Nicotine and CO values outside of ISO 8243 tolerance limits should be highlighted, as indicated in Table 5.

Table 5 – Highlight of brands that have exceeded the limits specified for the end of survey report

Brands Sorted on Brand Variant Name							
DHSC Survey Period X		Results for NOVEMBER/DECEMBER, Year 20XX					
Brand Variant Name	Brand Variant Code	Tar notified to the Authority	Laboratory measured Tar Yield	Nicotine notified to the Authority	Laboratory measured Nicotine Yield	CO notified to the Authority	Laboratory measured CO Yield
Brand 1	5886	10	10	0.8	0.8	10	11
Brand 2	5885	10	11	0.8	1	10	10
Brand 3	8548	10	10	0.8	0.7	10	11
Brand 4	8534	10	10	0.8	0.6	10	11
Brand 5	5263	10	11	0.9	1	10	11
Brand 6	5273	10	10	0.9	0.9	10	11
Brand 7	5473	10	11	0.9	1	10	11
DHSC Survey Period Y		Results for NOVEMBER/DECEMBER, Year 20XX					
Brand 1	5886	10	10	0.8	0.8	10	11
Brand 2	5885	10	11	0.8	1	10	10
Brand 3	8548	10	10	0.8	0.7	10	11
Brand 4	8534	10	10	0.8	0.6	10	11
Brand 5	5263	10	11	0.9	1	10	11
Brand 6	5273	10	10	0.9	0.9	10	11
Brand 7	5473	10	11	0.9	1	10	11

Table 6 – Example of monitoring of contract deliverables

DHSC Survey Year 20XX/YY							
Period	Labels sent (n)	Labels resulting brand submission (n)	Total brands submitted (n)	Brands discontinued (n)	Brands introduced (n)	Samples Received late (n)	Samples missing (n)
1							
2							
3							
4							
5							
6							
Period	Brands failing to comply with SPoT regs (n)	Brands failing to comply with any Regs (n)	Brands falling outside expected limits (n)			Tests counted as failures (n)	Non-compliant test runs and control monitor failures (n)
			Tar	Nicotine	CO		
1							
2							
3							
4							
5							
6							

SCHEDULE 5 TENDER

See next page

SCHEDULE 8
COMMERCIALLY SENSITIVE INFORMATION

See next page

**SCHEDULE 9
VARIATION FORM**

No of Contract being varied:
.....

Variation Form No:
.....

BETWEEN:

[insert name of Authority] ("the **Authority**")

and

[insert name of Contractor] ("the **Contractor**")

- 1. The Contract is varied as follows and shall take effect on the date signed by both Parties:

[Insert details of the Variation]

- 2. Words and expressions in this Variation shall have the meanings given to them in the Contract.
- 3. The Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

Signed by an authorised signatory for and on behalf of the Authority

Signature
.....

Date
.....

Name (in Capitals)
.....

Address

Signed by an authorised signatory to sign for and on behalf of the Contractor

Signature

Date

Name (in Capitals)

Address

SCHEDULE 10 STAFF TRANSFER

1. DEFINITIONS

1.1. In this Schedule, the following definitions shall apply:

- | | |
|---|---|
| “Admission Contract” | The agreement to be entered into by which the Contractor agrees to participate in the Schemes as amended from time to time’ |
| “Contractor’s Final Contractor” | a list provided by the Contractor of all Contractor Personnel who will transfer under the Employment Regulations on the Relevant Transfer Date; |
| “Contractor’s Provisional Contractor Personnel List” | a list prepared and updated by the Contractor of all Contractor Personnel who are engaged in or wholly or mainly assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Contractor |
| “Eligible Employee” | any Fair Deal Employee who at the relevant time is an eligible employee as defined in the Admission Contract; |
| “Employee Liabilities” | <p>all claims, actions, proceedings, orders, demands, complaints, investigations (save for any claims for personal injury which are covered by insurance) and any award, compensation, damages, tribunal awards, fine, loss, order, penalty, disbursement, payment made by way of settlement and costs, expenses and legal costs reasonably incurred in connection with a claim or investigation related to employment including in relation to the following:</p> <p>a. redundancy payments including contractual or enhanced redundancy costs, termination costs and notice payments;</p> |

- b. unfair, wrongful or constructive dismissal compensation;
- c. compensation for discrimination on grounds of sex, race, disability, age, religion or belief, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation or claims for equal pay;
- d. compensation for less favourable treatment of part-time workers or fixed term employees;
- e. outstanding employment debts and unlawful deduction of wages including any PAYE and national insurance contributions;
- f. employment claims whether in tort, contract or statute or otherwise;
- g. any investigation relating to employment matters by the Equality and Human Rights Commission or other enforcement, regulatory or supervisory body and of implementing any requirements which may arise from such investigation;

**“Fair
Employee(s)”**

Deal those Transferring Authority Employees who are on the Relevant Transfer Date entitled to the protection of New Fair Deal and any Transferring Former Contractor Employees who originally transferred pursuant to a Relevant Transfer under the Employment Regulations (or the predecessor legislation to the Employment Regulations), from employment with a public sector employer and who were once eligible to participate in the Schemes and who at the Relevant Transfer Date become entitled to the protection of New Fair Deal;

“Former Contractor”

a supplier supplying services to the Authority before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall

		include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
“New Fair Deal”		the revised Fair Deal position set out in the HM Treasury guidance: “Fair Deal for staff pensions: staff transfer from central government” issued in October 2013;
“Notified contractor”	Sub-	a Sub-contractor identified in the Annex to this Schedule to whom Transferring Authority Employees and/or Transferring Former Contractor Employees will transfer on a Relevant Transfer Date;
“Old Fair Deal”		means HM Treasury Guidance “Staff Transfers from Central Government: A Fair Deal for Staff Pensions” issued in June 1999 including the supplementary guidance “Fair Deal for Staff Pensions: Procurement of Bulk Transfer Agreements and Related Issues” issued in June 2004;
“Relevant Transfer”		a transfer of employment to which the Employment Regulations applies;
“Relevant Date”	Transfer	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
“Replacement contractor”	Sub-	a sub-contractor of the Replacement Contractor to whom Transferring Contractor Employees will transfer on a Service Transfer Date (or any sub-contractor of any such Sub-contractor);
“Schemes”		the Principal Civil Service Pension Scheme available to employees of the civil service and employees of bodies under the Superannuation Act 1972, as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Scheme and (ii) Death Benefits Scheme; the Civil Service Additional Voluntary Contribution Scheme; and the 2015 New Scheme (with effect from a date

to be notified to the Contractor by the Minister for the Cabinet Office);

“Service Transfer” any transfer of the Services (or any part of the Services), for whatever reason, from the Contractor or any Sub-contractor to a Replacement Contractor or a Replacement Sub-contractor;

“Service Transfer Date” The date of a Service Transfer;

“Staffing Information” in relation to all persons identified on the Contractor's Provisional Contractor Personnel List or Contractor's Final Contractor Personnel List, as the case may be, such information as the Authority may reasonably request (subject to all applicable provisions of the Data Protection Legislation), but including in an anonymised format:

- a. their ages, dates of commencement of employment or engagement and gender;
- b. details of whether they are employed, self-employed contractors or consultants, agency workers or otherwise;
- c. the identity of the employer or relevant contracting Party;
- d. their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;
- e. their wages, salaries and profit sharing arrangements as applicable;
- f. details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;

- g. any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);
- h. details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;
- i. copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and
- j. any other “employee liability information” as such term is defined in Regulation 11 of the Employment Regulations;

“Transferring Authority Employees”	those employees of the Authority to whom the Employment Regulations will apply on the Relevant Transfer Date;
“Transferring Contractor Employees”	those employees of the Contractor and/or the Contractor’s Sub-contractors to whom the Employment Regulations will apply on the Service Transfer Date; and
“Transferring Former Contractor Employees”	in relation to a Former Contractor, those employees of the Former Contractor to whom the Employment Regulations will apply on the Relevant Transfer Date.

2. INTERPRETATION

Where a provision in this Schedule imposes an obligation on the Contractor to provide an indemnity, undertaking or warranty, the Contractor shall procure that each of its Sub-contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Authority, Former Contractor, Replacement Contractor or Replacement Sub-contractor, as the case may be.

PART A: TRANSFERRING AUTHORITY EMPLOYEES AT COMMENCEMENT OF SERVICES

1. RELEVANT TRANSFERS

1.1. The Authority and the Contractor agree that:

- 1.1.1. the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring Authority Employees; and
- 1.1.2. as a result of the operation of the Employment Regulations, the contracts of employment between the Authority and the Transferring Authority Employees (except in relation to any terms dis-applied through operation of Regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Contractor and/or any Notified Sub-contractor and each such Transferring Authority Employee.

1.2. The Authority shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Authority Employees in respect of the period arising up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Authority; and (ii) the Contractor and/or any Notified Sub-contractor (as appropriate).

2. AUTHORITY INDEMNITIES

2.1. Subject to Paragraph 2.2, the Authority shall indemnify the Contractor and any Notified Sub-contractor against any Employee Liabilities in respect of any Transferring Authority Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

- 2.1.1. any act or omission by the Authority occurring before the Relevant Transfer Date;
- 2.1.2. the breach or non-observance by the Authority before the Relevant Transfer Date of:

- (a) any collective agreement applicable to the Transferring Authority Employees; and/or
 - (b) any custom or practice in respect of any Transferring Authority Employees which the Authority is contractually bound to honour;
- 2.1.3. any claim by any trade union or other body or person representing the Transferring Authority Employees arising from or connected with any failure by the Authority to comply with any legal obligation to such trade union, body or person arising before the Relevant Transfer Date;
- 2.1.4. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Authority Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Authority Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Authority to the Contractor and/or any Notified Sub-contractor as appropriate, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date.
- 2.1.5. a failure of the Authority to discharge, or procure the discharge of, all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Authority Employees arising before the Relevant Transfer Date;
- 2.1.6. any claim made by or in respect of any person employed or formerly employed by the Authority other than a Transferring Authority Employee for whom it is alleged the Contractor and/or any Notified Sub-contractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and
- 2.1.7. any claim made by or in respect of a Transferring Authority Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Authority Employee relating to any act or omission of the Authority in relation to its obligations under Regulation 13 of the

Employment Regulations, except to the extent that the liability arises from the failure by the Contractor or any Sub-contractor to comply with Regulation 13(4) of the Employment Regulations.

- 2.2.** The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Contractor or any Sub-contractor (whether or not a Notified Sub-contractor) whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:

- 2.2.1. arising out of the resignation of any Transferring Authority Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Contractor and/or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or
- 2.2.2. arising from the failure by the Contractor or any Sub-contractor to comply with its obligations under the Employment Regulations.

- 2.3.** If any person who is not identified by the Authority as a Transferring Authority Employee claims, or it is determined in relation to any person who is not identified by the Authority as a Transferring Authority Employee, that his/her contract of employment has been transferred from the Authority to the Contractor and/or any Notified Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:

- 2.3.1. the Contractor shall, or shall procure that the Notified Sub-contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Authority; and
- 2.3.2. the Authority may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of receipt of the notification by the Contractor and/or any Notified Sub-contractor, or take such other reasonable steps as the Authority considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

- 2.4.** If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Authority, the Contractor shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.

- 2.5.** If by the end of the fifteen (15) Working Day period specified in Paragraph 2.3.2:

- 2.5.1. no such offer of employment has been made;

- 2.5.2. such offer has been made but not accepted; or
 - 2.5.3. the situation has not otherwise been resolved, the Contractor and/or any Notified Sub-contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.
- 2.6.** Subject to the Contractor and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in applicable Law, the Authority shall indemnify the Contractor and/or any Notified Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.5 provided that the Contractor takes, or procures that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.7.** The indemnity in Paragraph 2.6:
- 2.7.1. shall not apply to:
 - (a) any claim for:
 - i. discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
 - ii. equal pay or compensation for less favourable treatment of part-time in any case in relation to any alleged act or omission of the Contractor and/or any Sub-contractor; or
 - 2.7.2. any claim that the termination of employment was unfair because the Contractor and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and
 - 2.7.3. shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Contractor and/or any Notified Sub-contractor (as appropriate) to the Authority within six (6) Months of the Services Commencement Date.
- 2.8.** If any such person as is referred to in Paragraph 2.3 is neither re-employed by the Authority nor dismissed by the Contractor and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.5 such person shall be treated as having transferred to the Contractor and/or any Notified Sub-contractor and the Contractor shall, or shall procure that the Notified Sub-contractor shall, comply with such obligations as may be imposed upon it under applicable Law.

3. CONTRACTOR INDEMNITIES AND OBLIGATIONS

3.1. Subject to Paragraph 3.2, the Contractor shall indemnify the Authority against any Employee Liabilities in respect of any Transferring Authority Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

- 3.1.1. any act or omission by the Contractor or any Sub-contractor whether occurring before, on or after the Relevant Transfer Date;
- 3.1.2. the breach or non-observance by the Contractor or any Sub-contractor on or after the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Authority Employees; and/or
 - (b) any custom or practice in respect of any Transferring Authority Employees which the Contractor or any Sub-contractor is contractually bound to honour;
- 3.1.3. any claim by any trade union or other body or person representing any Transferring Authority Employees arising from or connected with any failure by the Contractor or any Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
- 3.1.4. any proposal by the Contractor or a Sub-contractor made before the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Authority Employees to their material detriment on or after their transfer to the Contractor or the relevant Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Authority Employee but for their resignation (or decision to treat their employment as terminated under Regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
- 3.1.5. any statement communicated to or action undertaken by the Contractor or any Sub-contractor to, or in respect of, any Transferring Authority Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Authority in writing;

- 3.1.6. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Authority Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Authority Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Authority to the Contractor or a Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
 - 3.1.7. a failure of the Contractor or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Authority Employees in respect of the period from (and including) the Relevant Transfer Date; and
 - 3.1.8. any claim made by or in respect of a Transferring Authority Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Authority Employee relating to any act or omission of the Contractor or any Sub-contractor in relation to their obligations under Regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Authority's failure to comply with its obligations under Regulation 13 of the Employment Regulations.
- 3.2.** The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Authority whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Authority's failure to comply with its obligations under the Employment Regulations.
- 3.3.** The Contractor shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including its obligation to inform and consult in accordance with Regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of the Transferring Authority Employees, from (and including) the Relevant Transfer Date (including the payment of all remuneration, benefits,

entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from and including the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Authority and the Contractor.

4. INFORMATION

The Contractor shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority in writing such information as is necessary to enable the Authority to carry out its duties under Regulation 13 of the Employment Regulations. The Authority shall promptly provide to the Contractor and each Notified Sub-contractor in writing such information as is necessary to enable the Contractor and each Notified Sub-contractor to carry out their respective duties under Regulation 13 of the Employment Regulations.

5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE

5.1. The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Contractor of employees whose employment begins after the Relevant Transfer Date, and the Contractor undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.

5.2. The Contractor shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Authority relating to pensions in respect of any Transferring Authority Employee as set down in:

5.2.1. the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised December 2013;

5.2.2. Old Fair Deal; and/or

5.2.3. the New Fair Deal.

5.3. Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Change Control Process.

6. PENSIONS

6.1. The Contractor shall, and shall procure that each of its Sub-contractors shall, comply with the pensions provisions in the following Annex.

ANNEX TO PART A: PENSIONS

1. PARTICIPATION

- 1.1.** The Contractor undertakes to enter into the Admission Contract.
- 1.2.** The Contractor and the Authority undertake to do all such things and execute any documents (including the Admission Contract) as may be required to enable the Contractor to participate in the Schemes in respect of the Fair Deal Employees.
- 1.3.** The Contractor shall bear its own costs and all costs that the Authority reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Contractor participating in the Schemes.

2. FUTURE SERVICE BENEFITS

- 2.1.** The Contractor shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Contractor shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of Schemes for service from (and including) the Relevant Transfer Date.
- 2.2.** The Contractor undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Authority, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Authority in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.
- 2.3.** The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

3. FUNDING

- 3.1.** The Contractor undertakes to pay to the Schemes all such amounts as are due under the Admission Contract and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

- 3.2.** The Contractor shall indemnify and keep indemnified the Authority on demand against any claim by, payment to, or loss incurred by, the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Contractor to or in respect of the Schemes.

4. PROVISION OF INFORMATION

- 4.1.** The Contractor and the Authority respectively undertake to each other:

- 4.1.1. to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Contract, and to supply the information as expeditiously as possible; and
- 4.1.2. not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

5. INDEMNITY

The Contractor undertakes to the Authority to indemnify and keep indemnified the Authority on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

6. EMPLOYER OBLIGATION

The Contractor shall comply with the requirements of [Part 1 of] the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

7. SUBSEQUENT TRANSFERS

- 7.1.** The Contractor shall:

- 7.1.1. not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;
- 7.1.2. provide all such co-operation and assistance as the Schemes and the Replacement Contractor and/or the Authority may reasonably require to enable the Replacement Contractor to participate in the Schemes in respect of any

Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal; and

7.1.3. for the period either:

- (a) after notice (for whatever reason) is given, in accordance with the other provisions of this Contract, to terminate the Contract or any part of the Services; or
- (b) after the date which is two (2) years prior to the date of expiry of this Contract, ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Contractor or the Authority, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Authority (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Contract.

PART B: TRANSFERRING FORMER CONTRACTOR EMPLOYEES AT COMMENCEMENT OF SERVICES

1. RELEVANT TRANSFERS

1.1. The Authority and the Contractor agree that:

- 1.1.1. the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Contractor Employees; and
- 1.1.2. as a result of the operation of the Employment Regulations, the contracts of employment between each Former Contractor and the Transferring Former Contractor Employees (except in relation to any terms disapplied through the operation of Regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Contractor and/or Notified Sub-contractor and each such Transferring Former Contractor Employee.

1.2. The Authority shall procure that each Former Contractor shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Contractor Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Contractor shall make, and the Authority shall procure that each Former Contractor makes, any necessary apportionments in respect of any periodic payments.

2. FORMER CONTRACTOR INDEMNITIES

2.1. Subject to Paragraph 2.2 the Authority shall procure that each Former Contractor shall indemnify the Contractor and any Notified Sub-contractor against any Employee Liabilities in respect of any Transferring Former Contractor Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

- 2.1.1. any act or omission by the Former Contractor arising before the Relevant Transfer Date;

- 2.1.2. the breach or non-observance by the Former Contractor arising before the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Contractor Employees; and/or
 - (b) any custom or practice in respect of any Transferring Former Contractor Employees which the Former Contractor is contractually bound to honour;
- 2.1.3. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Former Contractor Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Contractor to the Contractor and/or any Notified Sub-contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.4. a failure of the Former Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Contractor Employees in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.5. any claim made by or in respect of any person employed or formerly employed by the Former Contractor other than a Transferring Former Contractor Employee for whom it is alleged the Contractor and/or any Notified Sub-contractor as appropriate may be liable by virtue of this Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
- 2.1.6. any claim made by or in respect of a Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee relating to any act or omission of the Former Contractor in relation to its obligations under

Regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Contractor or any Sub-contractor to comply with Regulation 13(4) of the Employment Regulations.

- 2.2.** The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Contractor or any Sub-contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:
- 2.2.1. arising out of the resignation of any Transferring Former Contractor Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Contractor or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or
 - 2.2.2. arising from the failure by the Contractor and/or any Sub-contractor to comply with its obligations under the Employment Regulations.
- 2.3.** If any person who is not identified by the Authority as a Transferring Former Contractor Employee claims, or it is determined in relation to any person who is not identified by the Authority as a Transferring Former Contractor Employee, that his/her contract of employment has been transferred from a Former Contractor to the Contractor and/or any Notified Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
- 2.3.1. the Contractor shall, or shall procure that the Notified Sub-contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, to the Former Contractor; and
 - 2.3.2. the Former Contractor may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of the notification by the Contractor and/or the Notified Sub-contractor or take such other reasonable steps as the Former Contractor considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 2.4.** If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Former Contractor and/or the Authority, the Contractor shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.

2.5. If by the end of the fifteen (15) Working Day period specified in Paragraph 2.3.2:

2.5.1. no such offer of employment has been made;

2.5.2. such offer has been made but not accepted; or

2.5.3. the situation has not otherwise been resolved, the Contractor and/or any Notified Sub-contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

2.6. Subject to the Contractor and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in Law, the Authority shall procure that the Former Contractor indemnifies the Contractor and/or any Notified Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.5 provided that the Contractor takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.7. The indemnity in Paragraph 2.6:

2.7.1. shall not apply to:

(a) any claim for:

- i. discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- ii. equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Contractor and/or any Sub-contractor; or

(b) any claim that the termination of employment was unfair because the Contractor and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and

2.7.2. shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Contractor and/or any Notified Sub-contractor (as appropriate) to the Authority and, if applicable, the Former Contractor, within six (6) Months of the Services Commencement Date.

- 2.8.** If any such person as is described in Paragraph 2.3 is neither re-employed by the Former Contractor nor dismissed by the Contractor and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Contractor or Notified Sub-contractor and the Contractor shall, or shall procure that the Notified Sub-contractor shall, comply with such obligations as may be imposed upon it under the Law.

3. CONTRACTOR INDEMNITIES AND OBLIGATIONS

- 3.1.** Subject to Paragraph 3.2, the Contractor shall indemnify the Authority and/or the Former Contractor against any Employee Liabilities in respect of any Transferring Former Contractor Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
- 3.1.1. any act or omission by the Contractor or any Sub-contractor whether occurring before, on or after the Relevant Transfer Date;
 - 3.1.2. the breach or non-observance by the Contractor or any Sub-contractor on or after the Relevant Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Former Contractor Employee; and/or
 - (b) any custom or practice in respect of any Transferring Former Contractor Employees which the Contractor or any Sub-contractor is contractually bound to honour;
 - 3.1.3. any claim by any trade union or other body or person representing any Transferring Former Contractor Employees arising from or connected with any failure by the Contractor or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
 - 3.1.4. any proposal by the Contractor or a Sub-contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Contractor Employees to their material detriment on or after their transfer to the Contractor or a Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Contractor Employee but for their resignation (or decision to treat their employment as terminated under Regulation 4(9) of

the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

- 3.1.5. any statement communicated to or action undertaken by the Contractor or a Sub-contractor to, or in respect of, any Transferring Former Contractor Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Authority and/or the Former Contractor in writing;
- 3.1.6. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Former Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Former Contractor Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Contractor to the Contractor or a Sub-contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;
- 3.1.7. a failure of the Contractor or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Contractor Employees in respect of the period from (and including) the Relevant Transfer Date; and
- 3.1.8. any claim made by or in respect of a Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee relating to any act or omission of the Contractor or any Sub-contractor in relation to obligations under Regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Contractor's failure to comply with its obligations under Regulation 13 of the Employment Regulations.

- 3.2.** The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Contractor's failure to comply with its obligations under the Employment Regulations.
- 3.3.** The Contractor shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with Regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Contractor Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Contractor and the Former Contractor.

4. INFORMATION

- 4.1.** The Contractor shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority and/or at the Authority's direction, the Former Contractor, in writing such information as is necessary to enable the Authority and/or the Former Contractor to carry out their respective duties under Regulation 13 of the Employment Regulations. The Authority shall procure that the Former Contractor shall promptly provide to the Contractor and each Notified Sub-contractor in writing such information as is necessary to enable the Contractor and each Notified Sub-contractor to carry out their respective duties under Regulation 13 of the Employment Regulations.

5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE

- 5.1.** The Contractor shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Authority relating to pensions in respect of any Transferring Former Contractor Employee as set down in:
- 5.1.1. the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised December 2013;
 - 5.1.2. Old Fair Deal; and/or

5.1.3. the New Fair Deal.

- 5.2.** Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Change Control Process.

6. PROCUREMENT OBLIGATIONS

Notwithstanding any other provisions of this Part B, where in this Part B the Authority accepts an obligation to procure that a Former Contractor does or does not do something, such obligation shall be limited so that it extends only to the extent that the Authority's contract with the Former Contractor contains a contractual right in that regard which the Authority may enforce, or otherwise so that it requires only that the Authority must use reasonable endeavours to procure that the Former Contractor does or does not act accordingly.

7. PENSIONS

The Contractor shall, and shall procure that each Sub-contractor shall, comply with the pensions provisions in the following Annex in respect of any Transferring Former Contractor Employees who transfer from the Former Contractor to the Contractor.

ANNEX TO PART B: PENSIONS

1. PARTICIPATION

1.1. The Contractor undertakes to enter into the Admission Agreement.

1.2. The Contractor and the Authority:

1.2.1. undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Contractor to participate in the Schemes in respect of the Fair Deal Employees;

1.2.2. agree that the Authority is entitled to make arrangements with the body responsible for the Schemes for the Authority to be notified if the Contractor breaches the Admission Agreement; and

1.2.3. agree that notwithstanding sub-paragraph 1.2.2 of this Annex to Part B: Pensions the Contractor shall notify the Authority in the event that it breaches the Admission Agreement.

1.3. The Contractor shall bear its own costs and all costs that the Authority reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Contractor participating in the Schemes.

2. FUTURE SERVICE BENEFITS

2.1. If the Contractor is rejoining the Schemes for the first time, the Contractor shall procure that the Fair Deal Employees shall be either admitted to or offered continued membership of the relevant section of the Schemes that they became eligible to join on the Relevant Transfer Date and shall continue to accrue or accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.

2.2. If staff have already been readmitted to the Schemes, the Contractor shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Contractor shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.

2.3. The Contractor undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Authority, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Authority in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.

2.4. The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

3. FUNDING

3.1. The Contractor undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.

3.2. The Contractor shall indemnify and keep indemnified the Authority on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Contractor to or in respect of the Schemes.

4. PROVISION OF INFORMATION

4.1. The Contractor and the Authority respectively undertake to each other:

4.1.1. to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and

4.1.2. not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

5. INDEMNITY

5.1. The Contractor undertakes to the Authority to indemnify and keep indemnified the Authority on demand from and against all and any Losses whatsoever arising out of or in

connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

6. EMPLOYER OBLIGATION

- 6.1.** The Contractor shall comply with the requirements of [Part 1 of] the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

7. SUBSEQUENT TRANSFERS

- 7.1.** The Contractor shall:

7.1.1. not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;

7.1.2. provide all such co-operation and assistance as the Schemes and the Replacement Contractor and/or the Authority may reasonably require to enable the Replacement Contractor to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and

7.1.3. for the period either:

(a) after notice (for whatever reason) is given, in accordance with the other provisions of this Contract, to terminate the Contract or any part of the Services; or

(b) after the date which is two (2) years prior to the date of expiry of this Contract,

- 7.2.** ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Contractor or the Authority, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Authority (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

PART C: NO TRANSFER OF EMPLOYEES AT COMMENCEMENT OF SERVICES

1. PROCEDURE IN THE EVENT OF TRANSFER

- 1.1.** The Authority and the Contractor agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of the Authority and/or any Former Contractor.
- 1.2.** If any employee of the Authority and/or a Former Contractor claims, or it is determined in relation to any employee of the Authority and/or a Former Contractor, that his/her contract of employment has been transferred from the Authority and/or the Former Contractor to the Contractor and/or any Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
 - 1.2.1.** the Contractor shall, and shall procure that the relevant Sub-contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, give notice to the Former Contractor; and
 - 1.2.2.** the Authority and/or the Former Contractor may offer (or may procure that a third party may offer) employment to such person within fifteen (15) Working Days of the notification by the Contractor or the Sub-contractor (as appropriate) or take such other reasonable steps as the Authority or Former Contractor (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 1.3.** If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by the Authority and/or the Former Contractor), the Contractor shall, or shall procure that the Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 1.4.** If by the end of the fifteen (15) Working Day period specified in Paragraph 1.2.2:
 - 1.4.1.** no such offer of employment has been made;
 - 1.4.2.** such offer has been made but not accepted; or
 - 1.4.3.** the situation has not otherwise been resolved,the Contractor and/or the Sub-contractor may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.

2. INDEMNITIES

2.1. Subject to the Contractor and/or the relevant Sub-contractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 2.4, the Authority shall:

2.1.1. indemnify the Contractor and/or the relevant Sub-contractor against all Employee Liabilities arising out of the termination of the employment of any employees of the Authority referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Contractor takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities; and

2.1.2. procure that the Former Contractor indemnifies the Contractor and/or any Notified Sub-contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Contractor made pursuant to the provisions of Paragraph 1.4 provided that the Contractor takes, or shall procure that the relevant Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.2. If any such person as is described in Paragraph 1.2 is neither re employed by the Authority and/or the Former Contractor as appropriate nor dismissed by the Contractor and/or any Sub-contractor within the fifteen (15) Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Contractor and/or the Sub-contractor (as appropriate) and the Contractor shall, or shall procure that the Sub-contractor shall, comply with such obligations as may be imposed upon it under Law.

2.3. Where any person remains employed by the Contractor and/or any Sub-contractor pursuant to Paragraph 2.2, all Employee Liabilities in relation to such employee shall remain with the Contractor and/or the Sub-contractor and the Contractor shall indemnify the Authority and any Former Contractor, and shall procure that the Sub-contractor shall indemnify the Authority and any Former Contractor, against any Employee Liabilities that either of them may incur in respect of any such employees of the Contractor and/or employees of the Sub-contractor.

2.4. The indemnities in Paragraph 2.1:

2.4.1. shall not apply to:

(a) any claim for:

- i. discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- ii. equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Contractor and/or any Sub-contractor; or

- (b) any claim that the termination of employment was unfair because the Contractor and/or any Sub-contractor neglected to follow a fair dismissal procedure; and

2.4.2. shall apply only where the notification referred to in Paragraph 1.2.1 is made by the Contractor and/or any Sub-contractor to the Authority and, if applicable, Former Contractor within six (6) Months of the Services Commencement Date.

3. PROCUREMENT OBLIGATIONS

Where in this Part C the Authority accepts an obligation to procure that a Former Contractor does or does not do something, such obligation shall be limited so that it extends only to the extent that the Authority's contract with the Former Contractor contains a contractual right in that regard which the Authority may enforce, or otherwise so that it requires only that the Authority must use reasonable endeavours to procure that the Former Contractor does or does not act accordingly.

PART D: EMPLOYMENT EXIT PROVISIONS

1. PRE-SERVICE TRANSFER OBLIGATIONS

1.1. The Contractor agrees that within twenty (20) Working Days of the earliest of:

- 1.1.1. receipt of a notification from the Authority of a Service Transfer or intended Service Transfer;
- 1.1.2. receipt of the giving of notice of early termination of this Contract;
- 1.1.3. the date which is twelve (12) Months before the end of the Term; and
- 1.1.4. receipt of a written request of the Authority at any time (provided that the Authority shall only be entitled to make one such request in any six (6) Month period),

it shall provide in a suitably anonymised format so as to comply with the Data Protection Legislation, the Contractor's Provisional Contractor Personnel List, together with the Staffing Information in relation to the Contractor's Provisional Contractor Personnel List and it shall provide an updated Contractor's Provisional Contractor Personnel List at such intervals as are reasonably requested by the Authority.

- 1.2.** At least twenty (20) Working Days prior to the Service Transfer Date, the Contractor shall provide to the Authority or at the direction of the Authority to any Replacement Contractor and/or any Replacement Sub-contractor:

1.2.1. the Contractor's Final Contractor Personnel List, which shall identify which of the Contractor Personnel are Transferring Contractor Employees; and

1.2.2. the Staffing Information in relation to the Contractor's Final Contractor Personnel List (insofar as such information has not previously been provided).

- 1.3.** The Authority shall be permitted to use and disclose information provided by the Contractor under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Contractor and/or Replacement Sub-contractor.

- 1.4.** The Contractor warrants, for the benefit of the Authority, any Replacement Contractor, and any Replacement Sub-contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.

- 1.5.** From the date of the earliest event referred to in Paragraph 1.1, the Contractor agrees, that it shall not, and agrees to procure that each Sub-contractor shall not, assign any person to the provision of the Services who is not listed on the Contractor's Provisional Contractor Personnel List and shall not without the approval of the Authority (not to be unreasonably withheld or delayed):

1.5.1. replace or re-deploy any Contractor Personnel listed on the Contractor Provisional Contractor Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;

1.5.2. make, promise, propose or permit any material changes to the terms and conditions of employment of the Contractor Personnel (including any payments connected with the termination of employment);

- 1.5.3. increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Contractor Personnel save for fulfilling assignments and projects previously scheduled and agreed;
- 1.5.4. introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Contractor's Provisional Contractor Personnel List;
- 1.5.5. increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
- 1.5.6. terminate or give notice to terminate the employment or contracts of any persons on the Contractor's Provisional Contractor Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-contractor shall promptly notify, the Authority or, at the direction of the Authority, any Replacement Contractor and any Replacement Sub-contractor of any notice to terminate employment given by the Contractor or relevant Sub-contractor or received from any persons listed on the Contractor's Provisional Contractor Personnel List regardless of when such notice takes effect.

- 1.6. During the Term, the Contractor shall provide, and shall procure that each Sub-contractor shall provide, to the Authority any information the Authority may reasonably require relating to the manner in which the Services are organised, which shall include:

- 1.6.1. the numbers of employees engaged in providing the Services;
- 1.6.2. the percentage of time spent by each employee engaged in providing the Services; and
- 1.6.3. a description of the nature of the work undertaken by each employee by location.

- 1.7. The Contractor shall provide, and shall procure that each Sub-contractor shall provide, all reasonable cooperation and assistance to the Authority, any Replacement Contractor and/or any Replacement Sub-contractor to ensure the smooth transfer of the Transferring Contractor Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Contractor Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within five (5) Working

Days following the Service Transfer Date, the Contractor shall provide, and shall procure that each Sub-contractor shall provide, to the Authority or, at the direction of the Authority, to any Replacement Contractor and/or any Replacement Sub-contractor (as appropriate), in respect of each person on the Contractor's Final Contractor Personnel List who is a Transferring Contractor Employee:

- 1.7.1. the most recent Month's copy pay slip data;
- 1.7.2. details of cumulative pay for tax and pension purposes;
- 1.7.3. details of cumulative tax paid;
- 1.7.4. tax code;
- 1.7.5. details of any voluntary deductions from pay; and
- 1.7.6. bank/building society account details for payroll purposes.

2. EMPLOYMENT REGULATIONS EXIT PROVISIONS

- 2.1. The Authority and the Contractor acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination of this Contract or otherwise) resulting in the Services being undertaken by a Replacement Contractor and/or a Replacement Sub-contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. The Authority and the Contractor further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Contractor and the Transferring Contractor Employees (except in relation to any contract terms disapplied through operation of Regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Contractor and/or a Replacement Sub-contractor (as the case may be) and each such Transferring Contractor Employee.
- 2.2. The Contractor shall, and shall procure that each Sub-contractor shall, comply with all its obligations in respect of the Transferring Contractor Employees arising under the Employment Regulations in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge, and procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Contractor Employees arising in respect of the period up to (and including) the Service Transfer Date

(including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Contractor and/or the Sub-contractor (as appropriate); and (ii) the Replacement Contractor and/or Replacement Sub-contractor.

2.3. Subject to Paragraph 2.4 the Contractor shall indemnify the Authority and/or the Replacement Contractor and/or any Replacement Sub-contractor against any Employee Liabilities in respect of any Transferring Contractor Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

- 2.3.1. any act or omission of the Contractor or any Sub-contractor whether occurring before, on or after the Service Transfer Date;
- 2.3.2. the breach or non-observance by the Contractor or any Sub-contractor occurring on or before the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Contractor Employees; and/or
 - (b) any other custom or practice with a trade union or staff association in respect of any Transferring Contractor Employees which the Contractor or any Sub-contractor is contractually bound to honour;
- 2.3.3. any claim by any trade union or other body or person representing any Transferring Contractor Employees arising from or connected with any failure by the Contractor or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;
- 2.3.4. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Contractor Employee, and in respect of whom it is later alleged or determined that the

Employment Regulations applied so as to transfer his/her employment from the Contractor to the Authority and/or Replacement Contractor and/or any Replacement Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or before the Service Transfer Date;

- 2.3.5. a failure of the Contractor or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Contractor Employees in respect of the period up to and including the Service Transfer Date;
 - 2.3.6. any claim made by or in respect of any person employed or formerly employed by the Contractor or any Sub-contractor other than a Transferring Contractor Employee for whom it is alleged the Authority and/or the Replacement Contractor and/or any Replacement Sub-contractor may be liable by virtue of this Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
 - 2.3.7. any claim made by or in respect of a Transferring Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee relating to any act or omission of the Contractor or any Sub-contractor in relation to its obligations under Regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Authority and/or Replacement Contractor to comply with Regulation 13(4) of the Employment Regulations.
- 2.4.** The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Contractor and/or any Replacement Sub-contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
- 2.4.1. arising out of the resignation of any Transferring Contractor Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Contractor and/or any Replacement Sub-contractor to occur in the period on or after the Service Transfer Date; or
 - 2.4.2. arising from the Replacement Contractor's failure, and/or Replacement Sub-contractor's failure, to comply with its obligations under the Employment Regulations.

- 2.5.** If any person who is not a Transferring Contractor Employee claims, or it is determined in relation to any person who is not a Transferring Contractor Employee, that his/her contract of employment has been transferred from the Contractor or any Sub-contractor to the Replacement Contractor and/or Replacement Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:
- 2.5.1. the Authority shall procure that the Replacement Contractor shall, or any Replacement Sub-contractor shall, within five (5) Working Days of becoming aware of that fact, give notice in writing to the Contractor; and
- 2.5.2. the Contractor may offer (or may procure that a Sub-contractor may offer) employment to such person within fifteen (15) Working Days of the notification by the Replacement Contractor and/or any and/or Replacement Sub-contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.
- 2.6.** If such offer is accepted, or if the situation has otherwise been resolved by the Contractor or a Sub-contractor, the Authority shall procure that the Replacement Contractor shall, or procure that the Replacement Sub-contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.
- 2.7.** If after the fifteen (15) Working Day period specified in Paragraph 2.5.2 has elapsed:
- 2.7.1. no such offer of employment has been made;
- 2.7.2. such offer has been made but not accepted; or
- 2.7.3. the situation has not otherwise been resolved
- the Authority shall advise the Replacement Contractor and/or Replacement Sub-contractor, as appropriate that it may within five (5) Working Days give notice to terminate the employment or alleged employment of such person.
- 2.8.** Subject to the Replacement Contractor and/or Replacement Sub-contractor acting in accordance with the provisions of Paragraphs 2.5 to 2.7, and in accordance with all applicable proper employment procedures set out in applicable Law, the Contractor shall indemnify the Replacement Contractor and/or Replacement Sub-contractor against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.7 provided that the Replacement Contractor takes, or shall procure that the Replacement Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

2.9. The indemnity in Paragraph 2.8:

2.9.1. shall not apply to:

(a) any claim for:

- i. discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- ii. equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Contractor and/or Replacement Sub-contractor; or

(b) any claim that the termination of employment was unfair because the Replacement Contractor and/or Replacement Sub-contractor neglected to follow a fair dismissal procedure; and

2.9.2. shall apply only where the notification referred to in Paragraph 2.5.1 is made by the Replacement Contractor and/or Replacement Sub-contractor to the Contractor within six (6) Months of the Service Transfer Date.

2.10. If any such person as is described in Paragraph 2.5 is neither re-employed by the Contractor or any Sub-contractor nor dismissed by the Replacement Contractor and/or Replacement Sub-contractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Contractor Employee and the Replacement Contractor and/or Replacement Sub-contractor shall comply with such obligations as may be imposed upon it under applicable Law.

2.11. The Contractor shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of the Transferring Contractor Employees before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

- 2.11.1. the Contractor and/or any Sub-contractor; and
 - 2.11.2. the Replacement Contractor and/or the Replacement Sub-contractor.
- 2.12.** The Contractor shall, and shall procure that each Sub-contractor shall, promptly provide to the Authority and any Replacement Contractor and/or Replacement Sub-contractor, in writing such information as is necessary to enable the Authority, the Replacement Contractor and/or Replacement Sub-contractor to carry out their respective duties under Regulation 13 of the Employment Regulations. The Authority shall procure that the Replacement Contractor and/or Replacement Sub-contractor, shall promptly provide to the Contractor and each Sub-contractor in writing such information as is necessary to enable the Contractor and each Sub-contractor to carry out their respective duties under Regulation 13 of the Employment Regulations.
- 2.13.** Subject to Paragraph 2.14, the Authority shall procure that the Replacement Contractor indemnifies the Contractor on its own behalf and on behalf of any Replacement Sub-contractor and its sub-contractors against any Employee Liabilities in respect of each Transferring Contractor Employee (or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee) arising from or as a result of:
- 2.13.1. any act or omission of the Replacement Contractor and/or Replacement Sub-contractor;
 - 2.13.2. the breach or non-observance by the Replacement Contractor and/or Replacement Sub-contractor on or after the Service Transfer Date of:
 - (a) any collective agreement applicable to the Transferring Contractor Employees; and/or
 - (b) any custom or practice in respect of any Transferring Contractor Employees which the Replacement Contractor and/or Replacement Sub-contractor is contractually bound to honour;
 - 2.13.3. any claim by any trade union or other body or person representing any Transferring Contractor Employees arising from or connected with any failure by the Replacement Contractor and/or Replacement Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
 - 2.13.4. any proposal by the Replacement Contractor and/or Replacement Sub-contractor to change the terms and conditions of employment or working

conditions of any Transferring Contractor Employees on or after their transfer to the Replacement Contractor or Replacement Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Contractor Employee but for their resignation (or decision to treat their employment as terminated under Regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

- 2.13.5. any statement communicated to or action undertaken by the Replacement Contractor or Replacement Sub-contractor to, or in respect of, any Transferring Contractor Employee on or before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Contractor in writing;
- 2.13.6. any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
 - (a) in relation to any Transferring Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and
 - (b) in relation to any employee who is not a Transferring Contractor Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Contractor or Sub-contractor, to the Replacement Contractor or Replacement Sub-contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;
- 2.13.7. a failure of the Replacement Contractor or Replacement Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Contractor Employees in respect of the period from (and including) the Service Transfer Date; and
- 2.13.8. any claim made by or in respect of a Transferring Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee relating to any act or

omission of the Replacement Contractor or Replacement Sub-contractor in relation to obligations under Regulation 13 of the Employment Regulations.

- 2.14.** The indemnities in Paragraph 2.13 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Contractor and/or any Sub-contractor (as applicable) whether occurring or having its origin before, on or after the Relevant Transfer Date, including any Employee Liabilities arising from the failure by the Contractor and/or any Sub-contractor (as applicable) to comply with its obligations under the Employment Regulations.

ANNEX: LIST OF NOTIFIED SUB-CONTRACTORS

NA

SCHEDULE 11
KEY PERSONNEL

Key Role	Name of Key Personnel	Responsibilities / Authorities	Minimum period in Key Role

SCHEDULE 12

EXIT PLAN AND SERVICE TRANSFER ARRANGEMENTS

1. DEFINITIONS

1.1. In this Schedule, the following definitions shall apply:

"Documentation"		<p>any descriptions of the Services, technical specifications, user manuals, training manuals, operating manuals, process definitions and procedures, system environment descriptions and all such other documentation (whether in hardcopy or electronic form) which is required to be supplied by the Contractor to the Authority under the Contract as:</p> <ul style="list-style-type: none">a) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Authority to develop, configure, build, deploy, run, maintain, upgrade and test the individual systems that provide the Services;b) is required by the Contractor in order to provide the Services; and/orc) has been or shall be generated for the purpose of providing the Services;
"Ethical Agreement"	Wall	<p>means an ethical wall agreement in a form similar to the draft ethical wall agreement set out in the Model Services Contract at Schedule 8.5 (Exit Management) Annex 2 (Draft Ethical Wall Agreement) or an alternative form of ethical wall agreement agreed between the Parties;</p>
"Model Contract"	Services	<p>means the Model Services Contract published and maintained by Cabinet Office, as update from time to time, the current version of which is published at https://www.gov.uk/government/publications/model-services-contract</p>
"Registers"		<p>means the registers and database referred to in Paragraph 4.2.1 and Paragraph 4.2.2 of this Schedule 12;</p>

"Transferable Contracts"

Sub-contracts, licences or other agreements which are necessary to enable the Authority or any Replacement Contractor to provide the Replacement Services, including in relation to licences all relevant Documentation;

"Transitional Assistance Notice"

has the meaning set out in Paragraph 5.1 of this Schedule 12;

"Transitional Assistance Period"

has the meaning set out in Paragraph 5.1.3 of this Schedule 12.

2. PURPOSE OF THIS SCHEDULE

- 2.1.** The Contractor is required to ensure the orderly transition of the Services from the Contractor to the Authority or any Replacement Contractor in the event of any termination (including partial termination) or expiry of this Contract. This Schedule sets out the principles of the exit and service transition arrangements which are intended to achieve this and upon which the Exit Plan shall be based.
- 2.2.** For the avoidance of doubt the Contractor is responsible for the overall management of the exit and Service transfer arrangements.

3. EXIT

- 3.1.** The Exit Plan shall:
- 3.1.1.** address each of the issues set out in this Schedule 12 (Exit Plan and Service Transfer Arrangements) to facilitate the transition of the Services from the Contractor to the Replacement Contractor and/or the Authority and shall ensure that there is no disruption in the supply of the Services and no deterioration in the quality of delivery of the Services;
 - 3.1.2.** detail how the Services will transfer to the Replacement Contractor and/or the Authority including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components from any technology components run by the Contractor or any of its Sub-contractors (where applicable);
 - 3.1.3.** specify the scope of the Transitional Assistance Services that may be required by the Authority, any charges that would be payable for the provision of

Transitional Assistance Services and detail how such services would be provided (if required) during the Termination Period;

- 3.1.4. provide a timetable and identify critical issues for carrying out the Transitional Assistance Services; and
- 3.1.5. set out the management structure to be put in place and employed during the Termination Period.

4. OBLIGATIONS DURING THE TERM

- 4.1. The Contractor and the Authority shall each appoint an exit manager and provide written notification of such appointment to each other within six (6) Months after the Commencement Date. The Contractor's exit manager shall be responsible for ensuring that the Contractor and its employees, agents and Sub-contractors comply with this Schedule. The Contractor shall ensure that its exit manager has the requisite authority to arrange and procure any resources of the Contractor as are reasonably necessary to enable the Contractor to comply with this Paragraph 4.1. The exit managers shall liaise with one another in relation to all issues relevant to termination or expiry and all matters connected with this Schedule 12 and each Party's compliance with it.
- 4.2. During the Term, the Contractor shall:
 - 4.2.1. create and maintain a register of:
 - (a) all assets, detailing their ownership status; and
 - (b) all Sub-contracts and other agreements required to perform the Services;
 - 4.2.2. create and maintain a database setting out the Contractor's technical infrastructure through which the Services are delivered. Such database shall be capable of allowing staff of the Replacement Contractor and/or the Authority to acquire sufficient technical understanding of how the Contractor provides the Services to ensure the smooth transition of the Services with the minimum of disruption; and
 - 4.2.3. at all times keep the Registers up to date and shall maintain copies of any agreements referred to in any Register.
- 4.3. The Parties shall agree the format of the Registers as part of the process of agreeing the first Exit Plan.

- 4.4. At the same time as the Contractor submits a revised Exit Plan, it shall also submit to the Authority up-to-date Registers.
- 4.5. On reasonable notice, the Contractor shall provide to the Authority and/or to its Replacement Contractor (subject to the Replacement Contractor entering into reasonable written confidentiality undertakings with the Contractor), such material and information as the Authority shall reasonably require in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential Replacement Contractor undertaking due diligence.

5. TRANSITIONAL ASSISTANCE SERVICES

- 5.1. The Authority shall be entitled to require the provision of Transitional Assistance Services by sending the Contractor a notice to that effect (a **"Transitional Assistance Notice"**) at any time prior to the termination or expiry of the Contract. The Transitional Assistance Notice shall specify:
 - 5.1.1. the date from which Transitional Assistance Services are required;
 - 5.1.2. the nature and extent of the Transitional Assistance Services required; and
 - 5.1.3. the period during which it is anticipated that Transitional Assistance Services will be required (**"Transitional Assistance Period"**) which shall continue no longer than twelve (12) Months after the date that the Contractor ceases to provide the Services.
- 5.2. The Authority shall have an option to extend the Transitional Assistance Period beyond the period specified in the Transitional Assistance Notice by written notice to the Contractor provided that such extension shall not extend beyond six (6) Months after the expiry of the period referred to in Paragraph 5.1.3 (Transitional Assistance Services) of this Schedule 12 (Exit Plan and Service Transfer Arrangements).
- 5.3. The Authority shall have the right to terminate its requirement for Transitional Assistance Services by serving not less than twenty (20) days' notice upon the Contractor to such effect.
- 5.4. The Transitional Assistance Services shall be provided in good faith and in accordance with Good Industry Practice.
- 5.5. During the Transitional Assistance Period, the Contractor shall, in addition to providing the Services and the Transitional Assistance Services, provide to the Authority any

reasonable assistance requested by the Authority to allow the Services to continue without interruption and to facilitate the orderly transfer of the Services. The Contractor shall use all reasonable endeavours to reallocate resources to provide these services without additional costs. However if this is not possible, any additional reasonable costs incurred by the Contractor in this regard which are not already in the scope of the Transitional Assistance Services or the Exit Plan shall be provided on a time-and-materials basis in accordance with the applicable rates set out in Schedule 6 and subject to agreement under the Change Control Process.

- 5.6.** The Authority and the Contractor acknowledge that the transition of the Services to the Replacement Contractor may be phased over a period of time so that certain identified Services are transferred to the Replacement Contractor before others.
- 5.7.** The Authority shall, at the Contractor's reasonable request, require the Replacement Contractor and any agent or personnel of the Replacement Contractor, to enter into an appropriate confidentiality undertaking with the Contractor.
- 5.8.** The Contractor shall comply with all of its obligations contained in the Exit Plan.
- 5.9.** From the date six (6) Months before expiry or from the service by either Party of any Termination Notice (whichever is the earlier) and during any Termination Period, the Contractor shall not terminate or vary in any material respect any Transferable Contract without the Authority's prior written consent, such consent not to be unreasonably withheld or delayed.
- 5.10.** The Contractor shall comply with all of its obligations regarding the Contractor Personnel in accordance with Clause 3 (Application of TUPE at the Commencement of the Provision of the Services) of Schedule 1 and Schedule 10 (Staff Transfer).
- 5.11.** Upon the termination or expiry of the Contract (as the case may be) or upon expiration of the Termination Period or, provided that it does not have an adverse impact on the ability of the Contractor to provide the Services or the Transitional Assistance Services, at any time during the Termination Period (as the Authority shall require):
 - 5.11.1.** the Contractor shall cease to use the Authority Data and, at the direction of the Authority either:
 - (a) provide the Authority or Replacement Contractor with a complete and uncorrupted version of the Authority Data in electronic form (or such other format as reasonably required by the Authority); or

- (b) destroy (including removal from any hard disk) or return (at the Authority's option) all copies of the Authority Data not required to be retained by the Contractor for statutory compliance purposes and confirm in writing that such destruction has taken place;
 - 5.11.2. the Contractor shall erase from any computers, storage devices and storage media that are to be retained by the Contractor after the end of the Termination Period any software containing the Intellectual Property Rights owned by the Authority;
 - 5.11.3. the Contractor shall return to the Authority such of the following as are in the Contractor's possession or control:
 - (a) all materials created by the Contractor under this Contract, the Intellectual Property Rights in which are owned by the Authority;
 - (b) any other equipment which belongs to the Authority; and
 - (c) any items that have been on-charged to the Authority, such as consumables;
 - 5.11.4. the Contractor shall vacate any Authority's Premises; and
 - 5.11.5. each Party shall return to the other Party all Confidential Information of the other Party and shall certify that it does not retain the other Party's Confidential Information.
- 5.12.** The Transitional Assistance Services to be provided by the Contractor shall include (without limitation) such of the following services as the Authority may specify:
- 5.12.1. providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and implementing processes and procedures such that they are appropriate for use by the Authority or Replacement Contractor after the end of the Termination Period;
 - 5.12.2. providing details of work volumes and staffing requirements over the preceding twelve (12) Months;
 - 5.12.3. analysing and providing information about capacity and performance requirements, processor requirements and bandwidth requirements, and known planned requirements for capacity growth;

- 5.12.4. transferring all training material and providing appropriate training to those Authority and/or Replacement Contractor staff responsible for internal training in connection with the provision of the Services;
- 5.12.5. providing for transfer to the Authority and/or the Replacement Contractor of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents; and
- 5.12.6. answering all reasonable questions from the Authority and/or the Replacement Contractor regarding the Services.

6. OBLIGATION TO ENTER INTO AN ETHICAL WALL AGREEMENT ON RE-TENDERING OF SERVICES

- 6.1.** The Authority may require the Contractor to enter into the Ethical Wall Agreement at any point during a re-tendering or contemplated re-tendering of the Services or any part of the Services.
- 6.2.** If required to enter into the Ethical Wall Agreement, the Contractor will return a signed copy of the Ethical Wall Agreement within 10 Working Days of receipt. The Contractor's costs of entering into the Ethical Wall Agreement will be borne solely by the Contractor.

SCHEDULE 13
PROCESSING, PERSONAL DATA AND DATA SUBJECTS

ANNEX 1: PROCESSING PERSONAL DATA

NA – PERSONAL DATA IS NOT PROCESSED IN THIS CONTRACT

This Schedule shall be completed by the Controller, who may take account of the view of the Processors, however the final decision as to the content of this Schedule shall be with the Controller at its absolute discretion.

The contact details of the Controller's Data Protection Officer are: [Insert Contact details]

The contact details of the Processor's Data Protection Officer are: [Insert Contact details]

The Processor shall comply with any further written instructions with respect to Processing by the Controller.

Any such further instructions shall be incorporated into this Schedule.

Description	Details
Identity of Controller for each Category of Personal Data	
Subject matter of the processing	
Duration of the processing	
Nature and purposes of the processing	
Type of Personal Data being Processed	
Categories of Data Subject	
Plan for return and destruction of the data once the processing is complete UNLESS requirement under law to preserve that type of data	

Locations at which the Contractor and/or its Sub-contractors process Personal Data under this Contract	
Protective Measures that the Contractor and, where applicable, its Sub-contractors have implemented to protect Personal Data processed under this Contract against a breach of security (insofar as that breach of security relates to data) or a Personal Data Breach	

ANNEX 2: JOINT CONTROLLER AGREEMENT

1. JOINT CONTROLLER STATUS AND ALLOCATION OF RESPONSIBILITIES

- 1.1.** With respect to Personal Data for which the Parties are Joint Controllers, the Parties envisage that they shall each be a Data Controller in respect of that Personal Data in accordance with the terms of this Annex 2 (Joint Controller Agreement) in replacement of Clauses 12.2 to 12.15 of Schedule 2 (Protection of Personal Data) (Where one Party is Controller and the other Party is Processor) and Clauses 12.17 to 12.27 (Protection of Personal Data) of Schedule 2 (Independent Controllers of Personal Data). Accordingly, the Parties each undertake to comply with the applicable Data Protection Legislation in respect of their Processing of such Personal Data as Data Controllers.
- 1.2.** The Parties agree that the [Contractor/Authority]:
- 1.2.1. is the exclusive point of contact for Data Subjects and is responsible for all steps necessary to comply with the GDPR regarding the exercise by Data Subjects of their rights under the GDPR;
 - 1.2.2. shall direct Data Subjects to its Data Protection Officer or suitable alternative in connection with the exercise of their rights as Data Subjects and for any enquiries concerning their Personal Data or privacy;
 - 1.2.3. is solely responsible for the Parties' compliance with all duties to provide information to Data Subjects under Articles 13 and 14 of the GDPR;
 - 1.2.4. is responsible for obtaining the informed consent of Data Subjects, in accordance with the GDPR, for Processing in connection with the Services where consent is the relevant legal basis for that Processing; and
 - 1.2.5. shall make available to Data Subjects the essence of this Joint Controller Agreement (and notify them of any changes to it) concerning the allocation of

responsibilities as Joint Controller and its role as exclusive point of contact, the Parties having used their best endeavours to agree the terms of that essence. This must be outlined in the [Contractor's/Authority's] privacy policy (which must be readily available by hyperlink or otherwise on all of its public facing services and marketing).

- 1.3.** Notwithstanding the terms of paragraph 1.2, the Parties acknowledge that a Data Subject has the right to exercise their legal rights under the Data Protection Legislation as against the relevant Party as Data Controller.

2. UNDERTAKINGS OF BOTH PARTIES

- 2.1.** The Contractor and the Authority each undertake that they shall:

- 2.1.1. report to the other Party every [x] Months on:

- (a) the volume of Data Subject Access Requests (or purported Data Subject Access Requests) from Data Subjects (or third parties on their behalf);
- (b) the volume of requests from Data Subjects (or third parties on their behalf) to rectify, block or erase any Personal Data;
- (c) any other requests, complaints or communications from Data Subjects (or third parties on their behalf) relating to the other Party's obligations under applicable Data Protection Legislation;
- (d) any communications from the Information Commissioner or any other regulatory authority in connection with Personal Data; and
- (e) any requests from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; that it has received in relation to the subject matter of the Contract during that period;

- 2.1.2. notify each other immediately if it receives any request, complaint or communication made as referred to in Paragraphs 2.1.1(a) to 2.1.1(e); and

- 2.1.3. provide the other Party with full cooperation and assistance in relation to any request, complaint or communication made as referred to in Paragraphs 2.1.1 2.1.1(c) to 2.1.1(e) to enable the other Party to comply with the relevant timescales set out in the Data Protection Legislation.

- 2.1.4. not disclose or transfer the Personal Data to any third party unless necessary for the provision of the Services and, for any disclosure or transfer of Personal Data to any third party, save where such disclosure or transfer is specifically authorised under this Contract or is required by Law. For the avoidance of doubt to which Personal Data is transferred must be subject to equivalent obligations which are no less onerous than those set out in this Annex.
- 2.1.5. request from the Data Subject only the minimum information necessary to provide the Services and treat such extracted information as Confidential Information.
- 2.1.6. ensure that at all times it has in place appropriate Protective Measures to guard against unauthorised or unlawful Processing of the Personal Data and/or accidental loss, destruction or damage to the Personal Data and unauthorised or unlawful disclosure of or access to the Personal Data
- 2.1.7. take all reasonable steps to ensure the reliability and integrity of any of its Personnel who have access to the Personal Data and ensure that its Personnel:
 - (a) are aware of and comply with their duties under this Annex 1 (Joint Controller Agreement) and those in respect of Confidential Information
 - (b) are informed of the confidential nature of the Personal Data, are subject to appropriate obligations of confidentiality and do not publish, disclose or divulge any of the Personal Data to any third party where the that Party would not be permitted to do so;
 - (c) have undergone adequate training in the use, care, protection and handling of Personal Data as required by the applicable Data Protection Legislation;
- 2.1.8. ensure that it has in place Protective Measures as appropriate to protect against a Data Loss Event having taken account of the:
 - (a) nature of the data to be protected;
 - (b) harm that might result from a Data Loss Event;
 - (c) state of technological development; and
 - (d) cost of implementing any measures.
- 2.1.9. ensure that it has the capability (whether technological or otherwise), to the extent required by Data Protection Legislation, to provide or correct or delete at

the request of a Data Subject all the Personal Data relating to that Data Subject that the Contractor holds; and

- 2.1.10. ensure that it notifies the other Party as soon as it becomes aware of a Data Loss Event.
 - 2.1.11. For the purposes of this Joint Controller Agreement "Personnel" means all directors, officers, employees, agents, consultants and suppliers of the Parties and/or of any Sub-Processor engaged in the performance of its obligations under this Contract;
- 2.2.** Each Joint Controller shall use its reasonable endeavours to assist the other Controller to comply with any obligations under applicable Data Protection Legislation and shall not perform its obligations under this Annex in such a way as to cause the other Joint Controller to breach any of its' obligations under applicable Data Protection Legislation to the extent it is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations.

3. DATA PROTECTION BREACH

- 3.1.** Without prejudice to Paragraph 3.2, each Party shall notify the other Party promptly and without undue delay, and in any event within 48 hours, upon becoming aware of any Personal Data Breach or circumstances that are likely to give rise to a Personal Data Breach, providing the other Party and its advisors with:
- 3.1.1. sufficient information and in a timescale which allows the other Party to meet any obligations to report a Personal Data Breach under the Data Protection Legislation;
 - 3.1.2. all reasonable assistance, including:
 - (a) co-operation with the other Party and the Information Commissioner investigating the Personal Data Breach and its cause, containing and recovering the compromised Personal Data and compliance with the applicable guidance;
 - (b) co-operation with the other Party including taking such reasonable steps as are directed by the Authority to assist in the investigation, mitigation and remediation of a Personal Data Breach;

- (c) co-ordination with the other Party regarding the management of public relations and public statements relating to the Personal Data Breach;
- (d) providing the other Party and to the extent instructed by the other Party to do so, and/or the Information Commissioner investigating the Personal Data Breach, with complete information relating to the Personal Data Breach, including, without limitation, the information set out in Paragraph 3.2.

3.2. Each Party shall take all steps to restore, re-constitute and/or reconstruct any Personal Data where it has lost, damaged, destroyed, altered or corrupted as a result of a Personal Data Breach as if it was that Party's own data at its own cost with all possible speed and shall provide the other Party with all reasonable assistance in respect of any such Personal Data Breach, including providing the other Party, as soon as possible and within 48 hours of the Personal Data Breach relating to the Personal Data Breach, in particular:

- 3.2.1. the nature of the Personal Data Breach;
- 3.2.2. the nature of Personal Data affected;
- 3.2.3. the categories and number of Data Subjects concerned;
- 3.2.4. the name and contact details of the Contractor's Data Protection Officer or other relevant contact from whom more information may be obtained;
- 3.2.5. measures taken or proposed to be taken to address the Personal Data Breach; and
- 3.2.6. describe the likely consequences of the Personal Data Breach.

4. AUDIT

4.1. The Contractor shall permit:

- 4.1.1. the Authority, or a third-party auditor acting under the Authority's direction, to conduct, at the Authority's cost, data privacy and security audits, assessments and inspections concerning the Contractor's data security and privacy procedures relating to Personal Data, its compliance with this Annex 1 and the Data Protection Legislation.
- 4.1.2. the Authority, or a third-party auditor acting under the Authority's direction, access to premises at which the Personal Data is accessible or at which it is

able to inspect any relevant records, including the record maintained under Article 30 of the GDPR by the Contractor so far as relevant to the Contract, and procedures, including premises under the control of any third party appointed by the Contractor to assist in the provision of the Services.

- 4.2.** The Authority may, in its sole discretion, require the Contractor to provide evidence of the Contractor's compliance with Paragraph 4.1 in lieu of conducting such an audit, assessment or inspection.

5. IMPACT ASSESSMENTS

- 5.1.** The Parties shall:

- 5.1.1. provide all reasonable assistance to each other to prepare any Data Protection Impact Assessment as may be required (including provision of detailed information and assessments in relation to Processing operations, risks and measures);
- 5.1.2. maintain full and complete records of all Processing carried out in respect of the Personal Data in connection with this Contract, in accordance with the terms of Article 30 of the GDPR.

6. ICO GUIDANCE

The Parties agree to take account of any guidance issued by the Information Commissioner and/or any relevant Central Government Body. The Authority may on not less than thirty (30) Working Days' notice to the Contractor amend this Contract to ensure that it complies with any guidance issued by the Information Commissioner and/or any relevant Central Government Body.

7. LIABILITIES FOR DATA PROTECTION BREACH

- 7.1.** If financial penalties are imposed by the Information Commissioner on either the Authority or the Contractor for a Personal Data Breach ("**Financial Penalties**") then the following shall occur:
- 7.1.1. If in the view of the Information Commissioner, the Authority is responsible for the Personal Data Breach, in that it is caused as a result of the actions or inaction of the Authority, its employees, agents, contractors (other than the Contractor) or systems and procedures controlled by the Authority, then the Authority shall be responsible for the payment of such Financial Penalties. In

this case, the Authority will conduct an internal audit and engage at its reasonable cost when necessary, an independent third party to conduct an audit of any such data incident. The Contractor shall provide to the Authority and its third party investigators and auditors, on request and at the Contractor's reasonable cost, full cooperation and access to conduct a thorough audit of such data incident;

- 7.1.2. If in the view of the Information Commissioner, the Contractor is responsible for the Personal Data Breach, in that it is not a breach that the Authority is responsible for, then the Contractor shall be responsible for the payment of these Financial Penalties. The Contractor will provide to the Authority and its auditors, on request and at the Contractor's sole cost, full cooperation and access to conduct a thorough audit of such data incident.
 - 7.1.3. If no view as to responsibility is expressed by the Information Commissioner, then the Authority and the Contractor shall work together to investigate the relevant data incident and allocate responsibility for any Financial Penalties as outlined above, or by agreement to split any Financial Penalties equally if no responsibility for the Personal Data Breach can be apportioned. In the event that the Parties do not agree such apportionment then such dispute shall be referred to the dispute resolution procedure Clause 19 (Dispute Resolution) of Schedule 2.
- 7.2.** If either the Authority or the Contractor is the defendant in a legal claim brought before a court of competent jurisdiction ("**Court**") by a third party in respect of a Personal Data Breach, then unless the Parties otherwise agree, the Party that is determined by the final decision of the Court to be responsible for the Personal Data Breach shall be liable for the losses arising from such breach. Where both Parties are liable, the liability will be apportioned between the Parties in accordance with the decision of the Court.
- 7.3.** In respect of any losses, cost claims or expenses incurred by either Party as a result of a Personal Data Breach (the "Claim Losses"):
- 7.3.1. if the Authority is responsible for the relevant breach, then the Authority shall be responsible for the Claim Losses;
 - 7.3.2. if the Contractor is responsible for the relevant breach, then the Contractor shall be responsible for the Claim Losses: and
 - 7.3.3. if responsibility is unclear, then the Authority and the Contractor shall be responsible for the Claim Losses equally.

- 7.4.** Nothing in Paragraphs 7.2-7.3 shall preclude the Authority and the Contractor reaching any other agreement, including by way of compromise with a third party complainant or claimant, as to the apportionment of financial responsibility for any Claim Losses as a result of a Personal Data Breach, having regard to all the circumstances of the breach and the legal and financial obligations of the Authority.

8. TERMINATION

If the Contractor is in material Default under any of its obligations under this Annex 2 (Joint Controller Agreement), the Authority shall be entitled to terminate this Contract by issuing a Termination Notice to the Contractor in accordance with Clause 16 (Termination) of Schedule 2.

9. SUB-PROCESSING

- 9.1.** In respect of any Processing of Personal Data performed by a third party on behalf of a Party, that Party shall:

- 9.1.1. carry out adequate due diligence on such third party to ensure that it is capable of providing the level of protection for the Personal Data as is required by this Contract, and provide evidence of such due diligence to the other Party where reasonably requested; and
- 9.1.2. ensure that a suitable agreement is in place with the third party as required under applicable Data Protection Legislation.

10. DATA RETENTION

- 10.1.** The Parties agree to erase Personal Data from any computers, storage devices and storage media that are to be retained as soon as practicable after it has ceased to be necessary for them to retain such Personal Data under applicable Data Protection Legislation and their privacy policy (save to the extent (and for the limited period) that such information needs to be retained by a Party for statutory compliance purposes or as otherwise required by this Contract), and taking all further actions as may be necessary to ensure its compliance with Data Protection Legislation and its privacy policy.

SCHEDULE 14 BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

1. BUSINESS CONTINUITY AND DISASTER RECOVERY PLAN

1.1. The Contractor shall ensure that the BCDR Plan shall include:

- 1.1.1. details of how the Contractor will implement the BCDR Plan;
- 1.1.2. details of how the BCDR Plan inter-operates with any other disaster recovery and business continuity plan of the Authority (as notified by the Authority from time to time);
- 1.1.3. details as to how the invocation of any element of the BCDR Plan may impact on the operation of the Services and a full analysis of the risks to the operation of the services; and
- 1.1.4. identification of all reasonably possible failures of or disruptions to the Services.

1.2. The Contractor shall ensure that the BCDR Plan shall also include:

- 1.2.1. back-up methodology;
- 1.2.2. data verification procedures;
- 1.2.3. identification of all potential disaster recovery scenarios;
- 1.2.4. provision of appropriate levels of spares, maintenance equipment and test equipment;
- 1.2.5. responsibilities of the Sub-contractors in the event of a disaster;
- 1.2.6. hardware configuration details, network planning and invocation rules and procedures;
- 1.2.7. data centre site audits;
- 1.2.8. Authority obligations and dependencies.

1.3. The BCDR Plan shall be designed so as to ensure that:

- 1.3.1. the Services are provided in accordance with this Contract at all times during and after the invocation of the BCDR Plan;

- 1.3.2. the adverse impact of any disaster is minimised as far as reasonably possible;
 - 1.3.3. it complies with the relevant provisions of ISO/IEC 27002; ISO22301/ISO22313 and all other industry standards from time to time in force; and
 - 1.3.4. it details a process for the management of disaster recovery testing.
- 1.4.** The Contractor shall also ensure that the BCDR Plan defines the processes, activities and responsibilities relating to the application of emergency fixes in business-critical emergency situations. It shall also define the rules for storing data, the required availability for that data and the mechanisms for making that data available. It shall also include:
- 1.4.1. risk analysis (including failure scenarios, assessments, identification of single points of failure and ways to manage such failure and business impact analysis);
 - 1.4.2. possible areas where system critical elements can be "dual sourced" so as to eliminate or minimise single points of failure;
 - 1.4.3. business continuity maintenance;
 - 1.4.4. documentation of business processes, procedures and responsibilities;
 - 1.4.5. a communications strategy; and
 - 1.4.6. procedures for reverting to normal service.

SCHEDULE 15 STEP-IN RIGHTS

1. STEP-IN RIGHTS

1.1. In this Schedule, the following definitions shall apply:

“Deductions” means any service credits, compensation for unacceptable KPI failure, delay payments or any other deduction which is paid or payable to the Authority under this Contract;

“Sites” means any premises (including the Premises, the Contractor's premises or third party premises) from, to or at which:

(a) the Services are (or are to be) provided; or

(b) the Contractor manages, organises or otherwise directs the provision or the use of the Services.

“Step-In Notice” has the meaning given in Clause 1.2 of this Schedule 15 (Step-In Rights);

“Step-In Trigger Event” means:

(a) a condition occurs that triggers the Authority's right to terminate the Contract under Clause 16 (Termination) of Schedule 2;

(b) a Default by the Contractor that is materially preventing or materially delaying the performance of the Services or any material part of the Services;

(c) the Authority considers that the circumstances constitute an emergency despite the Contractor not being in breach of its obligations under this Contract;

(d) the Authority being advised by a regulatory body that the exercise by the Authority of its rights under Clause 1.2 of this Schedule 15 (Step-In Rights) is necessary;

(e) the existence of a serious risk to the health or safety of persons, property or the environment in connection with the Services; and/or

(f) a need by the Authority to take action to discharge a statutory duty.

“Step-Out Date” has the meaning given in Clause 1.6.2 of this Schedule 15 (Step-In Rights);

“Step-Out Notice” has the meaning given in Clause 1.6 of this Schedule 15 (Step-In Rights);

“Step-Out Plan” has the meaning given in Clause 1.7 of this Schedule 15 (Step-In Rights);

“Required Action” has the meaning given in Clause 1.2.1 of this Schedule 15 (Step-In Rights);

1.2. On the occurrence of a Step-In Trigger Event, the Authority may serve notice on the Contractor (a **“Step-In Notice”**) that it will be taking action under this Schedule 15 (Step-In Rights), either itself or with the assistance of a third party (provided any third parties appointed by the Authority shall be subject to the same confidentiality obligations as the Authority under Clause 27 (Confidential Information) of Schedule 2). The Step-In Notice shall set out the following:

1.2.1. the action the Authority wishes to take and in particular the Services that it wishes to control (the **“Required Action”**);

1.2.2. the Step-In Trigger Event that has occurred and whether the Authority believes that the Required Action is due to the Contractor’s Default;

1.2.3. the date on which it wishes to commence the Required Action;

1.2.4. the time period which it believes will be necessary for the Required Action;

1.2.5. whether the Authority will require access to the Contractor's premises and/or the Sites; and

- 1.2.6. to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Contractor's obligations to provide the Services during the period that the Required Action is being taken.
- 1.3. Following service of a Step-In Notice, the Authority shall:
 - 1.3.1. take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;
 - 1.3.2. keep records of the Required Action taken and provide information about the Required Action to the Contractor;
 - 1.3.3. co-operate wherever reasonable with the Contractor in order to enable the Contractor to continue to provide the Services in relation to which the Authority is not assuming control; and
 - 1.3.4. act reasonably in mitigating the cost that the Contractor will incur as a result of the exercise of the Authority's rights under this Schedule 15 (Step-In Rights).
- 1.4. For so long as and to the extent that the Required Action is continuing, then:
 - 1.4.1. the Contractor shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;
 - 1.4.2. no Deductions shall be applicable in relation to the Contract Price in respect of Services that are the subject of the Required Action and the provisions of Clause 1.5 of this Schedule 15 (Step-In Rights) shall apply to Deductions from Contract Price in respect of other Services; and
 - 1.4.3. the Authority shall pay to the Contractor the Contract Price after subtracting any applicable Deductions and the Authority's costs of taking the Required Action.
- 1.5. If the Contractor demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in the degradation of any Services not subject to the Required Action beyond that which would have been the case had the Authority not taken the Required Action, then the Contractor shall be entitled to an agreed adjustment of the Contract Price.
- 1.6. Before ceasing to exercise its Step-In rights under this Schedule 15 (Step-In Rights) the Authority shall deliver a written notice to the Contractor (a "**Step-Out Notice**"), specifying:

- 1.6.1. the Required Action it has actually taken; and
 - 1.6.2. the date on which the Authority plans to end the Required Action (the “**Step-Out Date**”) subject to the Authority being satisfied with the Contractor's ability to resume the provision of the Services and the Contractor's plan developed in accordance with Clause 1.7 of this Schedule 15 (Step-In Rights).
- 1.7. The Contractor shall, following receipt of a Step-Out Notice and not less than 20 Working Days prior to the Step-Out Date, develop for the Authority's approval a draft plan (a “**Step-Out Plan**”) relating to the resumption by the Contractor of the Services, including any action the Contractor proposes to take to ensure that the affected Services satisfy the requirements of this Contract.
- 1.8. If the Authority does not approve the draft Step-Out Plan, the Authority shall inform the Contractor of its reasons for not approving it. The Contractor shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's approval. The Authority shall not withhold or delay its approval of the draft Step-Out Plan unnecessarily.
- 1.9. The Contractor shall bear its own costs in connection with any step-in by the Authority under this Schedule 15 (Step-In Rights), provided that the Authority shall reimburse the Contractor's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority under:
- 1.9.1. limbs (c) or (d) of the definition of a Step-In Trigger Event; or
 - 1.9.2. limbs (e) and (f) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Contractor's Default).