HM Revenue & Customs

HMRC Tier 3 Model ICT Contract
Version 2.0 (April 2019)

SCHEDULE 2.2 | Performance Levels

OFFICIAL – SENSITIVE - COMMERCIAL

Schedule 2.2 | Performance Levels

1 DEFINITIONS

In this Schedule, the following definitions shall apply:

"KBE Notice" and "KBE End Notice"	has the meaning given at Paragraph 2.8 of Part A;
"Key Business Event"	means an event designated as such by the Authority from time to time;
"Performance Failure"	has the meaning given in Paragraph 1.6 of Part A;
"Performance Monitoring Report"	has the meaning given in Paragraph 1.1 of Part B;
"Performance Review Meeting"	the regular meetings between the Supplier and the Authority to manage and review the Supplier's performance under this Schedule, as further described in Paragraph 1.5 of Part B;
"Repeat KPI Failure"	has the meaning given in Paragraph 4.1 of Part A;
"Repeat SPI Failure"	has the meaning given in Paragraph 4.2 of Part A;
"Repeat Failure Count"	has the meaning given in Paragraph 4.3 of Part A;
"Service Credit"	Service credits are NOT USED as part of this contract. Any reference to Service Credits within the Schedule shall be ignored;
"Severity Levels"	means, for each Performance Indicator, the bands or levels of performance falling below the Target Performance Level which determine the seriousness of the Supplier's failure, as determined in accordance with the tables in Annex 1 and which are further described in paragraph 1.6 of Part A.

PART A | PERFORMANCE INDICATORS AND SERVICE CREDITS

1 PERFORMANCE INDICATORS

1.1 Annex 1 to this Schedule sets out the Performance Indicators which the Parties have agreed shall be used to measure the performance of the Services by the Supplier. The Target Performance Levels and Severity Levels which are applicable to this Agreement and for each Performance Indicator will depend upon and be determined by the Service Level Category which has been selected by the Authority for the relevant the relevant Services from time to time and which applies at the relevant time. The initial Service Level Category which has been selected for each Performance Indicator shall be as determined by the Authority and set out in Annex 1 for the avoidance of doubt where and to the extent that the Authority has not expressly selected a particular Service Level Category for a Performance Indicator, the relevant level shall apply.

1.2 Performance Indicators are be broken down into Key Performance Indicators and Subsidiary Performance Indicators, the Supplier's performance of and against which the Parties have agreed will be measured.

1.3 The Supplier shall perform the Services so that they meet or exceed the applicable Target Performance Levels at all times.

1.4 Each Performance Indicator which relates to a Service shall apply and be measured from the relevant Operational Service Date of the relevant Service(s) to which that Performance Indicator relates (unless otherwise stated in Annex 1).

1.5 The Supplier shall monitor its performance of the Services against the Target Performance Level for each Performance Indicator and shall send the Authority a Performance Monitoring Report detailing the level of service and relevant level of performance actually achieved by the Supplier against each Performance Indicator in the relevant Measurement Period in accordance with the provisions of Part B of this Schedule.

1.6 The Target Performance Level is the minimum standard of performance which is required by the Authority. A **"Performance Failure"** will have occurred where the Supplier fails to provide any part of the Services in accordance with and so as to at least meet the relevant Target Performance Levels. Performance Failures are further divided into the following Severity Levels:

(a) a "Minor KPI Failure" or "Minor SPI Failure" will have occurred where the Supplier fails to provide any part of the Services to a level which meets or exceeds the Target Performance Level for the relevant Performance Indicator, but where performance meets or exceeds the relevant Major Failure Performance Threshold;

(b) a "Major KPI Failure" or "Major SPI Failure" will have occurred where the Supplier fails to provide any part of the Services to a level which meets or exceeds the Major Failure Performance Threshold for the relevant Performance Indicator, but, in the case of a KPI where performance meets or exceeds the relevant Critical Failure Performance Threshold (as appropriate) (if one exists)

(c) a "Critical KPI Failure" or “Critical SPI Failure” will have occurred where the Supplier fails to provide any part of the Services to a level which meets or exceeds the Critical Failure Performance Threshold for the relevant Performance Indicator. It is acknowledged and agreed by the Supplier that the Critical Failure Performance Threshold level has been set for the most critical of the Services and Performance Indicators, and represents a level of non-performance by the Supplier which would represent a serious Performance Failure

1.7 The Parties acknowledge and agree that not every Performance Indicator has each Severity Level associated with it. The Parties further acknowledge and agree that no Key Performance Indicator shall be modelled in a way which only has a Critical KPI Failure level. For example, a Key Performance Indicator may have a "Minor KPI Failure" Level and a "Critical KPI Failure" level attributed to it, but not a "Critical KPI Failure" level only.

1.8 If the Supplier fails to measure or report on a Performance Indicator in accordance with the requirements placed upon it by Part B of this Schedule, the Supplier shall be deemed to have failed to meet the Target Performance Level for the relevant Performance Indicator in the relevant Measurement Period, unless the Authority otherwise agrees in writing. For the purposes of paragraphs 3 below, Service Points shall accrue to the Supplier in respect of that deemed Performance Failure and following the relevant Service Period at the highest available level associated with that Performance Indicator.

1.9 Service Points, and therefore Service Credits, shall accrue for any KPI Failure which occurs in the relevant Measurement Period and shall be calculated in accordance with Paragraphs 3,4 and 6 of this Part A.

1.10 Service Points do not accrue for any SPI Failure which occurs in the relevant Measurement Period, however the relevant Subsidiary Performance Indicator shall be monitored and reported on in accordance with Part B of this Schedule.

2 CREATION, MODIFICATION, PROMOTION AND DEMOTION OF PERFORMANCE INDICATORS AND KEY BUSINESS EVENTS

2.1 Without prejudice to the rules on promotion and demotion below, new Performance Indicators for existing Services may only be added to the Agreement through the Change Control Procedure. Where a new Service is introduced to this Agreement through the Change Control Procedure, appropriate Performance Indicators, Target Performance Levels Major Failure Performance Thresholds and Critical Failure Performance Thresholds may either be proposed by the Authority or failing that, shall be proposed by the Supplier (acting reasonably and in good faith in accordance with Good Industry Practice) as part of its Impact Assessment in relation to the relevant proposed Change (and, so far as possible, taking an approach which is commensurate with the nearest equivalent Performance Indicator(s) already in existence under the Agreement and the best equivalent level which is otherwise available in the market at the relevant time). Such proposed details will be agreed and documented at the same time that the new Service is agreed and documented. Unless otherwise agreed in writing by the Authority, the Supplier shall not be entitled to invoice for any Charges for any new Service and the new Service shall not commence until the Performance Indicators, Target Performance Levels Major Failure Performance Thresholds and Critical Failure Performance Thresholds which are to apply to the same have been defined, agreed and documented.

2.2 Once Performance Indicators, Target Performance Levels and Major Failure and Critical Failure Performance Thresholds and Severity Levels have been defined, agreed and documented for a new Service in accordance with paragraph 2.1 above, the Supplier shall be entitled to invoice the Authority in respect of its provision of the new Service from the date on which the new Service commenced. Any such invoice shall take account of and include any Service Credits which would have accrued to the Authority had the new Performance Indicators, Target Performance Levels and Severity Levels (which have been agreed in respect of the relevant Service) been agreed and applicable from and including the date on which the new Service commenced (including deemed failures as provided for in paragraph 1.8 above).

2.3 The Authority may remove a Performance Indicator at its sole discretion at any time by giving notice to the Supplier. Such notice and removal will take effect from the end of the relevant applicable Measurement Period or, if sooner, the date following 30 days from the date of the notice (or such other time, if any, as may be specified by the Authority in the relevant notice). The consequence of such removal by the Authority shall be that the removed Performance Indicator will no longer be applicable to future or existing Services and any Service Points which may have been attributed to such a removed Performance Indicator may be re-allocated by the Authority amongst the remaining Performance Indicators in accordance with paragraph 3.5 below save that such re-allocation may happen at any time in line with, and shall take effect at the same time as, the removal of the relevant Performance Indicator.

2.4 Without prejudice to the ability of the Authority to select between different Service Level Categories in accordance with Annex 1 and/or any changes in accordance with Paragraphs 2.8 and 2.9 below Target Performance Level, Major Failure Performance Threshold, Critical Failure Performance Threshold, and/or a Severity Level may only be changed as a result of the application of:

(a) the Change Control Procedure;

(b) the continuous improvement requirements set out in clause 8 of this Agreement which will be addressed through the Change Control Procedure;

(c) the agreed results of a benchmarking exercise which is carried out pursuant to the provisions of Schedule 7.3 (*Value for Money*) which will be addressed through the Change Control Procedure; or

(d) an adjustment under paragraphs 2.8 and 2.9 below to reflect the designation by the Authority of a Key Business Event.

2.5 Any KPI may, at any time, be demoted by the Authority to an SPI at the sole discretion of the Authority and by sending written notice to the Supplier. Any such demotion shall take effect from the end of the relevant applicable Measurement Period or, if sooner, the date falling 30 days from the date of the relevant notice (or such other time, if any, as may be specified by the Authority in the relevant notice) . Where a KPI is demoted to a SPI, Service Points shall no longer accrue where the Supplier fails to meet or exceed the Target Performance Level in respect of such Performance Indicator. All other attributes (including the relevant Target Performance Level and Severity Levels) of the KPI shall remain unaffected. Any Service Points which may have been attributed to such a demoted KPI may be re-allocated by the Authority amongst the remaining Performance Indicators in accordance with paragraph 3.5 below, save that such re-allocation may happen at any time and in line with, and shall take effect at the same time as, the demotion of the relevant KPI.

2.6 Subject to the remaining provisions of this paragraph 2.6, and without prejudice (and in addition) to paragraph 2.7 below, a SPI may be promoted to a KPI at the sole discretion of the Authority by sending written notice to the Supplier [at least one relevant Measurement Period in advance of any such promotion. The promotion of an SPI to a KPI shall take effect at [the start of the next Measurement Period to commence for that promoted SPI following service of notice in writing by the Authority in accordance with this paragraph 2.6. The Parties agree that:

(a) no more than one (1) SPI can be promoted to a KPI in any one Measurement Period (where relevant, in respect of any one Delivery Group) but without prejudice and in addition to any promotion under paragraph 2.7 below;

(b) no promoted KPI can be demoted to an SPI for three (3) full relevant Measurement Periods (commencing with the first Measurement Period to occur for the new KPI following service of notice in writing by the Authority in accordance with this paragraph 2.6);

(c) promoted KPIs shall be liable to accrue Service Points in accordance with the provisions of paragraph 3 (and the Authority may in the notice of promotion confirm how Service points are to be allocated to the relevant promoted KPI and, where relevant, moves from other KPIs); and

(d) to the extent that it does not already have one, the Authority may designate the Major Failure Performance Threshold(s) and/or Critical Failure Performance Threshold(s) which will apply to the newly promoted KPI.

2.7 In addition to any promotion under paragraph 2.6 above, the Authority shall be entitled to promote a SPI to a KPI when the SPI has accrued a Repeat SPI Failure (as further outlined in paragraph 4). Where the relevant SPI is promoted to a KPI (which shall be conducted in accordance with paragraph 2.6), the Repeat Failure Count which applied to the SPI shall be reset to zero (0) (i.e. as if there had been no preceding Performance Failure in respect of the newly promoted KPI).

2.8 The Authority may, at any time on 30 days' notice in writing to the Supplier, declare that a particular event relating to the business of the Authority and/or any Delivery Group is a Key Business Event ("**KBE Notice**"). In such KBE Notice, the Authority may also set out any adjustments which it requires in relation to the Performance Indicators and which will apply for the purposes of that Key Business Event. Such adjustments and notice may include:

(a) The date on which the adjustments will take effect;

(b) The relevant duration for which the adjustments will apply

2.9 In the event that the Authority serves a KBE Notice on the Supplier in accordance with paragraph 2.8 above, the Supplier agrees that the relevant adjustments shall apply to this Schedule for any duration set out in the notice or, if no such duration is specified, until the Authority provides a further notice in writing to the Supplier confirming that the relevant Key Business Event has ended and the relevant adjustments are no longer required ("**KBE End Notice**"). The KBE End Notice shall take effect meaning that the relevant adjustments shall (without prejudice to any Changes to the Agreement which may have been agreed between the Parties following the service of the relevant KBE Notice) cease to apply for the purposes of this Agreement no sooner than 30 days from the date of the relevant KBE End Notice.

3 SERVICE POINTS

3.1 If the level of performance of the Supplier during a Measurement Period meets or exceeds the Target Performance Level in respect of a Key Performance Indicator, no Service Points shall accrue to the Supplier in respect of that Key Performance Indicator.

3.2 If the level of performance of the Supplier during a Measurement Period is below the Target Performance Level in respect of a Key Performance Indicator, Service Points shall accrue to the Supplier in respect of that Key Performance Indicator as set out in Annex 1 (and as such points may be adjusted in accordance with this Schedule).

3.3 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure shall be the relevant number as set out in Annex 1 (in its form at the relevant time and as may be adjusted in accordance with this Schedule and the Agreement) depending on whether the KPI Failure is a Minor KPI Failure, a Major KPI Failure or a Critical KPI Failure, unless the KPI Failure is a Repeat KPI Failure in which case the provisions of paragraph 4 shall also apply. For the avoidance of doubt, where a KPI only has Service Points associated with a Minor KPI failure and/or a Major KPI Failure, then in the event of a Critical KPI Failure against that KPI, Service Points shall still accrue to the Supplier, and at the highest available amount associated with that KPI.

3.4 It is acknowledged and agreed that the total number of Service Points that may be allocated across all KPIs shall not exceed 100. In calculating this figure, the Service Points that are deemed to be allocated to any one KPI shall be the maximum Service Points that can be awarded in respect of a Performance Failure relating to that Key Performance Indicator. Annex 1 to this Schedule sets out the initial allocation of Service Points across the KPIs and shall be updated from time to time in accordance with the provisions of this Schedule.

Example: if, for a particular KPI, a Minor KPI Failure is allocated 10 Service Points and a Major KPI Failure is allocated 20 Service Points, the total Service Point allocation to that KPI for the purposes of this paragraph (and assessing the amount from the total mentioned above which is allocated to that KPI) would be 20.

3.5 The Authority shall be entitled to redistribute Service Points between KPIs (including newly promoted KPIs and from demoted or removed KPIs) at its sole discretion by giving at least one (1) months' notice in writing to the Supplier without prejudice to any time periods applicable under paragraph 2.3, 2.5 or 2.6 above but without having to follow the Change Control Procedure, subject to the following restrictions:

(a) the maximum number of Service Points that can be allocated to any one (1) single KPI is 30 (without prejudice to the application of Paragraph 4 below in relation to Repeat Failures);

(b) no more than 60 Service Points can be reallocated across all of the KPIs in any one Measurement Period (save for any reallocation as a result of a promotion under paragraph 2.7 above and/or as a result of a Key Business Event as described at paragraphs 2.8 and 2.9 above);

(c) any such reallocation shall take effect at the start of the next Measurement Period to commence for the relevant KPIs following service of notice in writing by the Authority in accordance with this paragraph 3.5; and

(d) the total Service Points allocated cannot (without prejudice to the application of Paragraph 4 below) exceed the limit specified in paragraph 3.4, although not all Service Points need to be allocated at all times (For example only and without prejudice to the formality of this section, a KPI which is measured on a monthly basis may have 10 Service Points deducted from it and moved to a KPI which is measured on a quarterly basis. As the KPI measured on a quarterly basis is on a different measurement cycle to the monthly KPI, those Service Points will not be relevant for accrual until the end of the relevant quarterly Measurement Period). Any unallocated Service Points are available to be allocated by HMRC in addition to the limit specified in 3.5(b).

3.6 For the avoidance of doubt:

(a) Service Points will be accrued by the Supplier in relation to each Delivery Group, based on the relevant Performance Failures which have occurred against the Performance Indicators for that Delivery Group; and

(b) Service Points (and accordingly Service Credits) shall be accrued cumulatively by the Supplier (and for each KPI against which there is a relevant Performance Failure). Service Credits and Service Points accrued by the Supplier for all Performance Failures in a Service Period shall be added together to give the total Service Credit due from the Supplier in respect of that Service Period.

4 REPEAT KPI FAILURES

4.1 If a KPI Failure occurs in respect of the same Key Performance Indicator in any two consecutive Measurement Periods, the second and any subsequent such KPI Failure shall be a **"Repeat KPI Failure"**.

4.2 If a SPI Failure occurs in respect of the same Subsidiary Performance Indicator in any two consecutive Measurements Periods, the second and any subsequent SPI Failure shall be a **"Repeat SPI Failure"**. The Supplier shall track and report on the current number of sequential Repeat SPI Failures for each Subsidiary Performance Indicator.

4.3 In each Performance Monitoring Report, the Supplier shall track and report on the current number of sequential Repeat KPI Failures for each KPI (the "**Repeat Failure Count"**). For example, if a KPI Failure has occurred in three (3) sequential Measurement Periods, the Repeat Failure Count will be two (2).

4.4 The Repeat Failure Count shall be a count of the number of sequential Repeat KPI Failures (being failures to meet the relevant Target Performance Levels). The severity of the Performance Failure shall be irrelevant to the Repeat Failure Count. Any Minor KPI Failures, Major KPI Failures and Critical KPI Failures shall each be counted as one increment of the Repeat Failure Count.

4.5 When, in a Measurement Period, a KPI with a Repeat Failure Count above zero (0) meets its Target Performance Level, the Repeat Failure Count shall be reset to zero (0).

4.6 Without prejudice to the Authority's other rights and remedies, there shall be no upper limit to the Repeat Failure Count. However, a Repeat Failure Count of four (4) or more shall be deemed to be a Critical KPI Failure by the Supplier against the relevant KPI.

4.7 The number of Service Points that shall accrue to the Supplier in respect of a Measurement Period and for a KPI Failure that is a Repeat KPI Failure shall be calculated as follows:

SP = P + (P * RFC * 0.5)

where:

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

P = the applicable number of Service Points for that KPI Failure as set out in Annex 1 (as updated) depending on whether the relevant Repeat KPI Failure is a Minor KPI Failure, a Major KPI Failure or a Critical KPI Failure and the applicable Service Level Category; and

RFC = the Repeat Failure Count.

5 REMEDIES

5.1 Without prejudice to the Authority's other rights and remedies in this Agreement, the Parties acknowledge and agree that Critical KPI Failures and Repeat KPI Failures (at the level referred to at paragraph 4.6 above) represent a level of non-performance that would entitle the Authority to invoke its termination rights set out in clause 33.1(b)of this Agreement.

5.2 The Parties agree that Service Credits are a non-exclusive remedy, and shall be without prejudice to any rights or remedies of the Authority under this Agreement or at Law including any entitlement that the Authority may have to damages and/or to terminate.

5.3 The provisions of clause 32 of this Agreement shall apply in respect of any failure by the Supplier to provide the Services in accordance with the Target Performance Levels which would not have occurred but for an Authority Cause.

5.4 Once any necessary allocation of Service Points has been determined and made, the Parties shall make the necessary adjustments to the next invoice to be raised by the Supplier pursuant to Schedule 7.1 (*Charges and Invoicing*).

6 SERVICE CREDITS AND AMOUNT AT RISK

6.1 Schedule 7.1 (*Charges and Invoicing*) sets out the mechanism by which Service Credits are applied to invoices.

6.2 The maximum Service Credits which shall be payable by the Supplier in a Measurement Period in respect of a failure to meet the relevant Key Performance Indicators, irrespective of the number of Service Points accrued, shall not exceed the Service Credit Cap.

6.3 The Service Credit Cap shall be, 15% of the monthly Service Charges for the Services. For the avoidance of doubt, the operation of a Service Credit Cap shall not affect the continued accrual of Service Points where relevant in accordance with the provisions of this Schedule (for the purposes of calculating whether certain thresholds within this Agreement have been reached).

6.4 Service Credits shall be calculated by reference to the number of Service Points accrued in any one Service Period in relation to that Delivery Group and by reference to those Key Performance Indicators for which the Measurement Period ended in or at the end of that Service Period.

6.5 For each Service Period:

(a) the Service Points accrued shall be converted to a percentage deduction from the Service Charges for the relevant Service Period; and

(b) the total Service Credits applicable for a Delivery Group in respect of the Service Period shall be calculated in accordance with the following formula:

SC = ((TSP x %) x (x SCC)) x AC

where:

SC is the total Service Credits for the relevant Service Period;

TSP is the total Service Points that have accrued for the relevant Service Period;

% is 1%;

SCC is the Service Credit Cap; and

AC is the total Services Charges payable for the relevant Service Period (prior to deduction of applicable Service Credits).

6.6 The Authority shall use the Performance Monitoring Reports provided pursuant to Part B, amongst other things, to verify the calculation and accuracy of the Service Credits (if any) applicable to each Service Period.

6.7 It is acknowledged and agreed that, where in accordance with this Schedule, a change is made to the Performance Indicators, including (but not limited to) a change in the allocation of Service Points and/or the promotion or demotion of a SPI or KPI, the Authority may issue a revised version of Annex 1 reflecting such changes and that version shall, as between the Parties, apply for the purposes of this Schedule from that point.

PART B | PERFORMANCE MONITORING

1 PERFORMANCE MONITORING AND PERFORMANCE REVIEW

1.1 Within 10 Working Days of the end of each Service Period, the Supplier shall provide a report to the Authority Representative which summarises the performance by the Supplier against each of the applicable Target Performance Levels as more particularly described in Paragraph 1.2 of this Part B (the "**Performance Monitoring Report**").

1.2 The Supplier shall carry out and show the performance monitoring and performance review individually for each Delivery Group. The method of performance reporting for each Delivery Group in accordance with this Part B shall be in such format (and using such tools) as the Authority may request from time to time.

1.3 The Performance Monitoring Report shall be in such format as requested by the Authority from time to time, but shall contain, as a minimum, the following information:

Information in respect of the Service Period just ended

(a) for each Key Performance Indicator and Subsidiary Performance Indicator, the actual performance achieved over the Service Period and the relevant Measurement Period which has just ended, and that achieved over the previous three (3) relevant Measurement Periods;

(b) a summary of all Performance Failures that occurred during or which have occurred by the end of the Service Period;

(c) the Severity Level of each Performance Failure which occurred during the Service Period or by the end of it;

(d) which Performance Failures remain outstanding and progress in resolving them;

(e) for any Critical KPI Failures occurring during or by the end of the Service Period, the cause of the relevant KPI Failure and the action being taken to reduce the likelihood of recurrence;

(f) the status of any outstanding Rectification Plan processes, including:

(i) whether or not a Rectification Plan has been agreed; and

(ii) where a Rectification Plan has been agreed, a summary of the Supplier's progress in implementing that Rectification Plan;

(g) for any Repeat KPI Failures and/or Repeat SPI Failures, actions taken to resolve the underlying cause and prevent recurrence;

(h) the number of Service Points awarded in respect of each KPI Failure;

(i) the Service Credits to be applied, indicating the KPI Failure(s) to which the Service Credits relate;

(j) relevant particulars of any aspects of the Supplier's performance which fail to meet the requirements of this Agreement;

(k) such other details as the Authority may reasonably require from time to time;

Information in respect of previous Service Periods

(l) a rolling total of the number of Performance Failures that have occurred over or by the end of the past six Service Periods, including any Repeat Failure Counts; and

(m) the amount of Service Credits that have been incurred by the Supplier over or by the end of the past six Service Periods.

Performance Disputes

1.4 The Performance Monitoring Report shall be reviewed by the Authority including at the next Performance Review Meeting held in accordance with Paragraph 1.5. The Supplier acknowledges and agrees that the Authority may, whilst it considers the Performance Monitoring Report, provide, acting reasonably and in good faith, its own assessment of the Supplier's actual level of performance against a particular Performance Indicator. In the event of any dispute or difference between the Supplier's assessment and the Authority's assessment in respect of a Performance Indicator the Authority's assessment shall, for the purposes of the calculation of the Supplier's level of actual performance in relation to the relevant Measurement Period (and any associated remedies) prevail. However, without prejudice to the foregoing, the Supplier shall be entitled to subsequently escalate any remaining dispute or difference in accordance with Schedule 8.4.

1.5 The Parties shall attend meetings on a monthly basis (unless otherwise agreed) to review the Performance Monitoring Reports. These meetings (**"Performance Review Meetings"**) shall (unless otherwise agreed):

(a) take place within 5 Working Days of the Performance Monitoring Report being issued by the Supplier;

(b) take place at such location and time (within normal business hours) as the Authority shall reasonably require (unless otherwise agreed in advance); and

(c) be attended by the Supplier Representative and the Authority Representative.

1.6 The Authority shall be entitled to raise any additional questions and/or request any further information from the Supplier regarding any Performance Failure.

1.7 In addition to the requirements above and elsewhere in this Agreement to maintain and provide appropriate documents and records, the Supplier shall provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the level of the performance of the Supplier both before and after each Operational Service Date.

1.8 The Supplier shall ensure that the Performance Monitoring Report, and any variations or amendments thereto, any reports and summaries produced in accordance with this Schedule and any other document or record reasonably required by the Authority are available to the Authority on-line and are capable of being printed.

2 PERFORMANCE VERIFICATION

The Authority reserves the right to verify any aspect of the Services and the Supplier's performance under this Agreement against the Target Performance Levels, including by sending test transactions through the IT Environment or otherwise.

ANNEX 1 | KEY PERFORMANCE INDICATORS AND SUBSIDIARY PERFORMANCE INDICATORS

PART I: KEY PERFORMANCE INDICATORS AND SUBSIDIARY PERFORMANCE INDICATORS TABLES

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

Table 1 - Key Performance Indicators

KPI 1: Availability

Description	Supplier connection to the CoP network is up and running and can be accessed by the Authority via the Supplier's CoP API.
Key Performance Indicator	Supplier aims for an availability of 99.80%, 7 days per week and 24 hours per day
Minor KPI Failure Service Points	None
Major KPI Failure Service Points	None
Measurement Period	Monthly
Measurement Start Date (if not an Operational Service Date)	N/A - Operational Service Date
Method of calculation	The KPI is measured from the part that is inside the Supplier's domain is measured as an average on a monthly basis and for a maximum of 30 TPS. In case of more than 30 TPS, excess transactions may not be processed. Excess transactions that are processed will not form part of the KPI measurement.
Reporting Restrictions	In case of more than 30 TPS, excess transactions that are processed will be reported on in connection with the service levels. Excess transactions that are not processed will not be reported on in connection with the service levels.

KPI Target Performance Levels and Severity Level Thresholds			
Service Level Category	Target Performance Level	Major Failure Performance Threshold	Critical Failure Performance Threshold
Gold	99.80%	<98.00%	<95.00%
Silver	N/A	N/A	N/A
Bronze	N/A	N/A	N/A

KPI 2. Pass Rate

Description	The pass rate is defined as the ratio of correct outbound CoP requests that succeed. A correct request is defined as all requests with the exception of server-side errors returning http-status code 5XX caused by the Supplier's system).
Key Performance Indicator	The Supplier aims for a pass rate of 99.00%, 7 days per week and 24 hours per day.
Minor KPI Failure Service Points	None
Major KPI Failure Service Points	None
Measurement Period	Monthly
Measurement Start Date (if not an Operational Service Date)	N/A - Operational Service Date
Method of calculation	The service KPI is measured as an average on a monthly basis and applies for a maximum of 30 TPS. In case of more than 30 TPS, excess transactions may not be processed. Excess transactions that are processed will not form part of the KPI measurement.
Reporting Restrictions	In case of more than 30 TPS, excess transactions that are processed will be reported on in connection with the service levels. Excess transactions that are not

	processed will not be reported on in connection with the service levels.

KPI Target Performance Levels and Severity Level Thresholds			
Service Level Category	Target Performance Level	Major Failure Performance Threshold	Critical Failure Performance Threshold
Gold	99.00%	<98.00%	<95.00%
Silver	N/A	N/A	N/A
Bronze	N/A	N/A	N/A

KPI 3. Response Time

Description	The time that passes between the time Supplier receives a CoP request from the Authority at the Supplier endpoint and the time a response leaves the Supplier platform to the Authority excluding the time involved with external parties responding to the Supplier-generated request.
Key Performance Indicator	The Supplier response time of 250 milliseconds, 7 days per week and 24 hours per day.
Minor KPI Failure Service Points	None
Major KPI Failure Service Points	None
Measurement Period	Monthly
Measurement Start Date (if not an Operational Service Date)	N/A - Operational Service Date
Method of calculation	The KPI is measured as an average on a monthly basis and applies for a maximum of 30 TPS. In case of more than 30 TPS, excess transactions may not be processed. Excess

	transactions that are processed will not form part of the KPI measurement.
Reporting Restrictions	In case of more than 30 TPS, excess transactions that are processed will be reported on in connection with the service levels. Excess transactions that are not processed will not be reported on in connection with the service levels.

KPI Target Performance Levels and Severity Level Thresholds			
Service Level Category	Target Performance Level	Major Failure Performance Threshold	Critical Failure Performance Threshold
Gold	250 milliseconds	>500 milliseconds	>750 milliseconds
Silver	N/A	N/A	N/A
Bronze	N/A	N/A	N/A

Table 2 - Subsidiary Performance Indicators

NOT USED

Performance Area	
Subsidiary Performance Indicator	
Minor KPI Failure Service Points	
Major KPI Failure Service Points	
Description	
Measurement Period	
Measurement Start Date (if not an Operational Service Date)	
Method of calculation	

SPI Target Performance Levels and Severity Level Thresholds			
Service Level Category	Target Performance Level	Major Failure Performance Threshold	Critical Failure Performance Threshold
Gold			
Silver			
Bronze			

PART II: PERFORMANCE INDICATOR SPECIFIC DEFINITIONS

NOT USED