Debt Resolution Services

Framework Schedule 1 (Specification)

Part B

Managed Debt Collection Services (URN1.0a)

Definitions

The following definitions shall apply to this Part B of Framework Schedule 1 (Specification) and will supplement those set out in Joint Schedule 1 (Definitions):

Term	Definition
Appointed Representative	a person who is party to a contract with an authorised person who permits or requires them to carry on certain 'regulated activities', as defined and set out in the FCA Handbook (including at PERG 5.13);
Assigned Date	the date that any Customer Account was assigned to a DCA Subcontractor by the Supplier;
Buyer On-Boarding	the Supplier's development of, and provision of information relating to, the Buyer's knowledge and understanding of how the Supplier will deliver the Service.
Call	any telephone call(s) made by the DCA Subcontractors to Customers as part of their Contact and Collections Strategy;
Controlled Go Live	means phased implementation and Service Start Date aligned to the Buyer Requirement as defined within the implementation plan
Credit Card	a card issued by a bank or building society, etc., allowing the holder (a person) to purchase goods or services on credit;
Debit Card	a card allowing the holder (a person) to transfer money electronically from their bank account when making a purchase;
Interim Permission	the interim permission provided by the Financial Conduct Authority (FCA) pending the Full Authorisation process being completed;
Original Debt Balance	the Debt balance, according to the Buyer, when the Customer Account was initially Placed with the Supplier by the Buyer;
Payment Reference Number	a unique reference number applied by the Supplier to each Customer payment;
Secure Web-Chat	the system of on-line engagement between the Supplier and/or Subcontractors with the Customer in line with the applicable Security Requirements for the Services;
UKAS	United Kingdom Accreditation Service

1. Debt Collections Services - Key Deliverables

1.1. This Paragraph 1 of Part B of Framework Schedule 1 (Specification) describes the Key Deliverables that the Supplier must provide as part of this Service. The remaining Paragraphs of this Part of this Schedule describe how the Supplier and its Debt Collection Agency (DCA) Subcontractors are required to operate when delivering these Services in accordance with the provisions of the Framework Contract

a) Managed Service - The Supplier shall provide a managed service of all DCA Subcontractors to ensure all aspects of the Service are delivered securely and to time and quality requirements, and in line with the Standards within this Framework Contract (including but not limited to those outlined at Part B Annex 1) and the Buyer's Call-Off Contract. The Supplier shall receive all cases from Buyers distributing to the DCA Subcontractors, and improving debt collection through effective use of data and analytics and effective supplier, contract, and relationship management.

b) The Supplier shall ensure that the Buyers' Data is protected at all times when delivering the Services in accordance with, amongst others i.e. the Law, Joint Schedule 11 (Processing Data) and Call-Off Security Schedule 9 (Security Requirements).

c) Case Management System - The Supplier and DCA Subcontractors shall utilise case management systems to create an accurate, secure and reconcilable audit trail of all records and activity relating to any Customer case received from the Buyer

d) Client Services – The Supplier shall provide nominated Supplier Staff contacts to Buyers that will be responsible for providing advice, information and resolution of any queries, issues or risks that arise and impact the Contract. The Supplier shall also provide named Supplier Staff operational contacts for day-to-day contract operations activities.

e) Collections Strategy - The Supplier and DCA Subcontractors shall utilise data and analytics to identify the Customer circumstances and the optimal approach to collecting their debt and apply the most effective strategy to enable the most appropriate outcomes.

f) Contact and Collections Strategy - The Supplier and DCA Subcontractors shall utilise a range of contact and collection strategies to optimise the volume and quality of engagement with Customers. The Supplier and DCA Subcontractors shall process all Debt as per the strategy agreed with the Buyer.

g) Payments - The Supplier and DCA Subcontractors shall provide a range of payment methods and channels to Customers.

h) Payment Arrangements – The Supplier and DCA Subcontractors must collect Debts on behalf of the Buyer, seek to collect payments in full, or establish payment arrangements in line with the Buyer's instructions, but ultimately aim to still collect payments in full. The Supplier shall also ensure effective, accurate and timely Pay-over of Debt collected to the Buyer.

i) Invoice and Charging – The Supplier shall ensure timely accurate invoices to the Buyer, and prompt payment of DCA Subcontractors.

j) MI and Reporting - The Supplier and DCA Subcontractors shall provide the Buyer with access to platforms and MI to enable the Buyer to view real-time status of Placements and trend analysis.

2. Standards

The following Standards are the minimum Standards that the Supplier and it DCA Subcontractors shall comply with if they provide Debt Collection Services:

2.1. The Supplier and its DCA Subcontractors who are contacting Customers and/or collecting Debts as part of the Managed Debt Collection Service must be licensed to do so by Financial Conduct Authority (FCA) and that license must be applicable to the Services provided to Buyers under this Framework Contract. If the Supplier and Subcontractors are not so licensed they may not provide Managed Debt Collection Services under this Framework Contract.

2.1.1 In respect of DCA Subcontractors (or the Supplier if delivering the Service directly), the requirement to have Interim Permission and be active in the process of applying for Full Authorisation, or Full Authorisation granted by the FCA shall also be satisfied where:

(a) a DCA Subcontractor is an Appointed Representative of an Affiliate of such DCA Subcontractor; and

(b) such Affiliate of the DCA Subcontractor has Full Authorisation granted by the FCA.

2.1.2 The Supplier shall provide CCS and Buyers with such evidence of the Supplier and DCA Subcontractors' FCA registration or authorisation (Interim Permission or Full Authorisation) prior to the Effective Date of the Framework Contract, and on each anniversary of the Framework Contract Start Date.

2.2. Where Suppliers and DCA Subcontractors process Personal Data they must have UKAS accredited ISO27001 certification applicable to the Services it provides under this Framework Contract and this must be promptly evidenced to CCS and Buyers within the statement of applicability upon request throughout the Contract Period.

2.3. Where the Supplier and/or DCA Subcontractors processes Credit Card, Debit Card or prepaid cards payments, it must be PCI DSS certificated. The certification will be via an approved scanning vendor (listed with the PCI Security Standards Council https://www.pcisecuritystandards.org/assessors_and_solutions/qualified_security_assessors

2.4. The Supplier must be ISO 9001 certificated or have an equivalent quality management system and be working towards ISO 9001 certification. Each DCA Subcontractors must either be ISO 9001 certificated or have equivalent quality management systems in place and this must be promptly evidenced to CCS and Buyers upon request throughout the Contract Period.

2.5. The Suppliers Key Staff who are responsible for the management of DCA Subcontractors must have or be working towards (and achieve within no later than 24 Months of the Framework Contract Start Date) relevant recognised industry standard supply chain management professional accreditation and be able to evidence such commitment to continuing professional development.

3. Case Management System

3.1. The Supplier shall receive all Placements from Buyers in accordance with the Buyer's specified secure method of transfer and store all such Data within a secure Case Management System.

3.2. The Case Management System shall operate at all times throughout every Day to enable effective delivery of all Buyer requirements

3.3. The Supplier shall receive Data from and send Data to the Buyer in accordance with the Buyers requirements as specified in the Call-Off Contract including identifying the specific file types and formats.

3.4. The Supplier and DCA Subcontractors shall record all Data and information relating to, all Accounts Placed by Buyers with them, the distribution of Accounts to DCA Subcontractors and all activity including, but not limited to, correspondence and contact with Customers, on an electronic Case Management System.

3.5. Any individual Customer record including Data and information within any Case Managements System used by the Supplier and DCA Subcontractors should be the same and be reconcilable across all Case Management Systems.

3.6. The Supplier must also be able to reconcile Accounts held at least each quarter end (every 3 Months) with the Buyer's record of any Accounts that have been Placed with the Supplier, and Accounts returned by The Supplier

3.7. The Supplier and DCA Subcontractors shall provide Buyers with access to all Customer Data and information within their Case Management System including Buyer access to the system, provision of MI and reporting requirements.

Buyer Portal

3.8. The Supplier must provide access to a Buyer's Authorised Users (both Buyer and Supplier shall control such access in accordance with Framework Schedule 1 (Specification)) which shall include instant access to a secure, auditable (all updates, Data, information, processing, Changes) online Buyer Portal that enables Buyers to view the current status and all historic actions taken on each Customer Account Placed, and allows for the 2-way flow of Data and information requests and responses between the Supplier, the Buyer and the DCA Subcontractor relating to Customer queries that, as a minimum, shall include:

- A Supplier unique identifier
- The Buyers Customer Account number
- The date of creation of the account within the Supplier Case Management System
- Assigned Date of the Account to a DCA Subcontractor
- The Debt Type
- The original Debt balance and current Debt balance
- The Customers name and address and telephone number

3.9. The Supplier shall ensure the Buyer Portal has, as a minimum:

- Functionality for each Buyer to have a minimum of 250 concurrent Authorised Users able to access and use the Buyer Portal simultaneously.
- Functionality for the Buyer to raise multiple types of queries, The Supplier shall provide the facility for at least 20 query types as specified by the Buyer.
- Functionality for a minimum of 5 types of separate Buyer escalation route categories as specified by the Buyer.
- A minimum of 800 characters made available for the Buyer to report the query.
- Functionality for the Buyer and Supplier to send and receive attachments, upload files & attach telephone recordings securely and protecting Customer Data.
- An alert feature for any system timeout to enable the Buyer to save work in progress.
- Functionality for the Buyer to have multiple Buyer Personnel (i.e. caseworker) accesses and to be able filter on a single caseworker name.

- Search facility for the Buyer to search for Customer records using:
  - the Suppliers unique ID
  - Sub-Contractor reference
  - Buyer Customer reference
- Functionality for all Buyer Personnel to allocate Queries to any Buyer Personnel including to themself.
- Functionality to allow the Buyer to filter Placements using a range of parameters specified by the Buyer.

3.10. The Supplier to have the functionality for the Buyer to filter by Debt Type/Customer type within 1 year of Call-Off Start Date.

3.11. Buyer Portal access times will be agreed with the Buyer but as a minimum should be available to cover Monday to Saturday 7am to 8pm

Suppliers Help Desk

3.12. The Buyer requires the Supplier to provide a free-of-charge telephone number and on-line Help Desk to support the provision of it's Buyer Portal.

3.13. The Help Desk shall be available for both technical incidents and support requests, including but not limited to:

- Service incidents;
- New Authorised User accesses;
- Password resets;
- Amendments to Authorised User roles or profiles; and
- Technical issues.

3.14. The Supplier shall log and acknowledge all Service & technical incidents reported to the Help Desk and issue an acknowledgement when the incident is resolved.

3.15. The Supplier shall acknowledge all support requests and confirm back to the Authorised User or Buyer contact (as appropriate) that the request has been actioned and completed.

3.16. The Supplier shall agree with the Buyer during implementation the category, prioritisation and timeframe for resolution of Help Desk incidents and support requests reported by the Buyer. However, as a minimum, the Buyer requires:

- Password resets to be actioned within 4 Work Hours of receipt of the request;
- New Authorised Users and/or amendments to Authorised User roles to be completed within 1 Working Day of the request;
- All technical incidents impacting system or functionality availability to be reported to the Buyer within 1 Work Hour of discovery; and
- Complete Service failure to be restored within 72 hours starting with the time the Service failure occurred.

3.17. The Help Desk shall be available within normal Working Hours of:

- 8am to 8pm Monday to Friday; and
- 9am to 4pm Saturday.

3.18. The Supplier should provide a Monthly report detailing the system availability during the Month and number and nature of incidents raised with the Help desk as part of Call-Off Schedule 1 (Transparency Reports).

3.19. The Buyer Portal must enable Buyer's to self-serve a range of on-line MI and reports, including but not limited to:

- DCA Subcontractor performance;
- DCA Subcontractor rates of Debt Collection;
- Query management, MI and status; and
- Placement case status.

4. Managed Services

4.1. The Supplier will provide a Managed Service including at least 2 DCA Subcontractors, ensuring effective delivery of all Debt Collection Services, including those described in this Part B and Annex 1 of this Part B, required by the Buyer within their Call-Off Contract.

4.2. The Supplier may provide any or all of the services directly, but they must also use DCA Subcontractors to Deliver the Services.

4.3. Notwithstanding the requirements set out within Call-Off Schedule 16 (Benchmarking), where a Supplier contacts Customers and / or Collects Debt, they shall benchmark their performance with that of the DCA Subcontractors at least annually. The Supplier shall propose the mechanism and timing for the benchmarking in writing to the Buyer within 3 months of the Call-Off Effective date and the Buyer shall not unreasonably withhold approval.

4.4. The Supplier will be responsible for ensuring all Specifications and Standards are effectively flowed down throughout its supply chain in accordance with the Framework Contract and the relevant Call-Off Contract, and that:

a) any DCA Subcontractor must have agreed to the Key-Subcontractor flow-down requirements detailed in Joint Schedule 6 (Key Subcontractors) prior to providing any Services or receiving any Placements through this Framework Contract.

b) the Supplier must also vet any DCA Subcontractor before appointment to ensure that they can evidence adequate service delivery on at least 2 contracts of similar scope within the last 3 years. The Supplier shall obtain references from the relevant contracting authorities to demonstrate this before permitting them to provide any Services or receive any Placements under this Framework Contract. The Supplier shall provide the Buyer or CCS with the copies of references obtained upon written request of the Buyer or CCS.

4.5. The Supplier will be responsible for audit and assurance activity that evidences delivery against the requirements, and that the required relevant Standards, certifications and accreditations are in place prior to Services commencement, and maintained throughout the life of any Call-Off Contracts. The Supplier audits & checks must be robust and include but not limited to:

- Monthly structured Call and Account audits for each of its DCA Subcontractors and report the outcomes of each audit to the Buyer
- Volume of Call and Account audits & checks as agreed with the Buyer.
- Annual on-site business audits for each of its DCA Subcontractors
- Additional Call & Account audits & checks where risks and/or negative trends are indicated
- Assurance that any Subcontractors who continues to collect Debts that are in established Payment Arrangements (where the DCA Subcontractor has terminated the Supplier's Subcontract or the Contract has expired), do so according to the Service Levels and Standards set out in the Buyer's Call-Off Contract.
- Supplier to enable supplementary on-site and remote assurance activity conducted by the Buyer on both the Supplier and-DCA Subcontractors.

4.6. The Supplier will ensure quality Standards and value for money, by, where appropriate utilising the most effective DCA Subcontractors, to provide the Debt Collection Services and to collect Buyer's specific Debt Types.

4.7. The Supplier shall retain Supplier Staff responsible for supply chain management with recognised supply chain management qualifications (or working towards qualification at the Start Date of the Contract and achieve qualification within 24 Months of the Start Date of this Framework Contract) throughout the Contract Period of the Contract, in accordance with Call-Off Schedule 7 (Key Supplier Staff).

4.8. The Supplier will ensure that any Service Management Fees Charged for the Debt Collection Services which relate to the Managed Services aspect of the Services provided, reflect the work undertaken to manage Debt Collections Services and drive Debt Collections Services qualitative and quantitative performance.

4.9. Where DCA Subcontractors are used to provide Services, the distribution of the Charges between the Supplier and DCA Subcontractors should fairly reflect the cost, risk, dependencies and value-add borne and brought by the Supplier and DCA Subcontractors.

4.10. The Supplier will be required to create an operations manual ("Operations Manual") that describes the detailed Supplier Staff, Key Staff, processes, systems, interfaces, vehicles and broader infrastructure being used to deliver the requirements. The timeline and acceptance criteria for the creation of the Operations Manual will be agreed with the Buyer as part of the Implementation Plan. The Supplier shall provide the Buyer with updated versions of the Operations Manual following agreement with the Buyer of any Changes or Variations made.

4.11. The Supplier and any DCA Subcontractors will provide all accommodation, equipment and staffing associated with the Service and takes all liability relating thereto.

4.12. The Supplier must be able to receive and provide any Data and information relating to any Placed cases referred via an API and / or other format as specified by the Buyer within their Order Form.

4.13. The Supplier and any DCA Subcontractors shall ensure that they have access to legal advice (at their own cost) in respect of Debt Recovery, the Services provided and any other applicable Law under the Contract.

4.14. The Supplier will, acting reasonably, provide flexibility in the supply chain, ensuring that the ongoing requirements of the Buyer can be met (for example, if the Buyer wishes to add a local DCA subcontractor or Subcontractor to the supply chain).

4.15. Suppliers shall where required benchmark the supply chain against wider market rates to ensure value for money over the long term.

4.16. Suppliers shall maintain effective processes for establishing and managing DCA Subcontractors, Supplier Staff and partners to enable the provision of the Goods and/or Services in accordance with the terms of the Contract.

4.17. Suppliers will manage the process of risk transfer to their Subcontractors, where appropriate.

4.18. The Supplier must conduct, and share the results with the Buyer in writing, periodic risk assessments (quarterly as a minimum) including mitigations with named risk owners and managers, on Supplier and DCA Subcontractor resilience and supply chain sustainability. This must include, as a minimum;

- An assessment of Supplier and DCA Subcontractor liquidity, using recognised industry standard data / information sources.
- An assessment of Supplier and DCA Subcontractor dependency on revenue generated through this agreement and the associated risk.
- DCA Sub-contractor failure contingency plans that describe what, when and how contingencies will be enacted with named Supplier Staff responsible.

- Evidence of DCA Sub-contractor engagement regarding any identified risks and mitigations.
- Updates made by the Supplier to their Business Continuity Plans

4.19. The Supplier must develop, review, maintain, agree and share with CCS and the Buyer, DCA Subcontractor risk and exit plans that capture, as a minimum;

- DCA Subcontractor risk, impact, mitigation and service continuity in the event that a DCA Subcontractor elects to Terminate the Subcontract with the Supplier.
- DCA Subcontractor risk, impact, mitigation and service continuity in the event that the DCA Subcontractor can no longer meet its subcontracted obligations due a Financial Distress Event (Joint Schedule 7 (Financial Difficulties).
- DCA Subcontractor risk, impact, mitigation and service continuity in the event that the Call-Off Contract with the Buyer ends.
- The relevant subcontracted obligation that enables risk mitigation with DCA Subcontractors

4.20. The Supplier must deliver the services in line with the minimum behaviours outlined within Annex 1 of Part B of this Schedule and the Supplier shall have or develop a policy that describes how they will deliver the description as per Paragraphs 2, 3 and 4 of Annex 1 of Part A of this Schedule. The Supplier shall provide CCS and Buyers with a copy of the policy at least annually and within 6 months of the start of the Framework Contract year. At CCS or the Buyer's written request the Supplier shall also promptly provide evidence of how they are demonstrating the detailed behaviours set out within Part B Annex 1.

4.21. The Supplier shall name the Supplier Staff responsible for each function within Schedule 7 (Key Supplier Staff)

4.22. The Supplier may be expected to work with Other Service Providers (OSPs) that deliver other goods and services to the Buyer as per Paragraph 11.2 of this Part B. This may include the receipt and distribution of Customer Account Data to and from an OSP. All activity must be recorded on the Supplier Case Management Systems.

4.23. CCS and the Buyer shall engage directly with DCA Subcontractors at their absolute discretion to discuss any matter relating to the Services.

4.24. The Supplier shall identify opportunities for innovations, cost efficiencies, improved collections and implementation and adoption of new and digital Customer contact and payment methods within its DCA Subcontractor supply chain. The Supplier shall report to CSS and Buyers in writing at least bi-annually on this and how and when any or all could be introduced as part of the Service, and when the Supplier intends to propose to do so as part of the Change Control procedure.

5. **Collection Strategies**

5.1. The Supplier shall develop strategies for the recovery of Debts according to Buyer requirements and ensure those strategies are utilised.

5.2. The Supplier shall develop bespoke and intelligent Debt Collection strategies which as a minimum:

(A) Are suitable for the particular Debt Type specified by the Buyer.
(B) Shall be varied according to past performance of Accounts within the portfolio.
(C) Shall be varied according to the past collection strategies applied to the portfolio.
(D) Are aligned with government policies.
(E) Ensure identification and fair treatment of vulnerable Customer.
(F) Ensure identification and fair treatment of Customers in financial difficulty.
(G) Can manage Customers from the age of 16 upwards.
(H) Are suitable for Customers with language requirements other than English

5.3. The Supplier shall use the intelligent application of data and analytics, on all available data, to propose Collections strategies which will maximise financial performance, deliver value for money, improve experiences for Customers and identify fair and affordable outcomes. This can include but is not limited to:

A. Appending Buyer Data with additional validated data acquired from a Credit Reference Agency and other commercial sources of data.
B. Where the required consent is provided, utilisation of open banking / finance to acquire and validate relevant personal financial information.
C. Appending Buyer Data with other sources of Government Data where the Buyer has permitted this within their Call-Off Contract and in accordance with relevant Law.
D. segmentation of performing and non-performing Accounts.
E. segmentation of Accounts based on Debt Type.
F. segmentation of Accounts based on past performance, contact, payment behaviour and preference.
G. Segmentation of Accounts requiring specialist treatment (e.g. identified formal debt solution, Customers identified as vulnerable, identified deceased Customer, etc.).
H. segmentation of Accounts based on Customer ability and propensity to pay scoring.
I. Using decision engines for automated segmentation.
J. Operating flexible allocation of Accounts to DCA Subcontractors based on DCA specialisms, DCA performance (e.g. champion/challenger results, etc.), DCA capacity etc.
K. Utilisation of multiple DCA Subcontractors on any Debt Segment to enable effective performance comparisons.
L. Operating strategies which vary the intensity and method of contact attempts and channels.

5.4. The Supplier shall identify and ensure that Collection and Contact Strategies include the (a) proposed treatment for vulnerable Customers, (b) Customers in financial hardship, and (c) Customers with any accessibility requirements. These strategies shall be agreed with the Buyer.

5.5. The Supplier shall ensure that, at a minimum, Collection strategies will outline:

(A) the channels that will be used to communicate with the Customer;
(B) at what point in the debt collection journey the various contact methods will be used;
(C) the contact frequency that will be applied to each Customer or Debt Type;
(D) how the Collection strategy will respond to Buyer circumstances;
(E) how the Collection strategy will respond to Customer circumstances; and
(F) how the collection strategy will ensure fair and proportionate treatment for Customers.

5.6. Scripts and/or templates for each communication channel shall be made available by the Supplier and Approved by the Buyer as part of the Collection strategy before being used by the Supplier and DCA Subcontractors.

5.7. The Supplier shall provide advice and assurance on different strategies to the Buyer providing, where requested, a clear assessment of different options, including but not limited to:
A. Practicality.
B. Timescales.
C. Costs.
D. Comparative value for money
E. Risks
F. Application of relevant Standards and applicable Law

5.8. The Supplier must be able to implement flexible Collections strategies which can be amended in agreed timeframes according to Buyer requirements.

5.9. The Supplier must submit a proposed Collection strategy to the Buyer sufficiently in advance of any proposed Placement Date.

5.10. The Supplier must, sufficiently in advance of the proposed Placement Date, propose a new Collection strategy to the Buyer each time a new Debt Type is Placed for Collection for the first time, unless otherwise agreed in writing with the Buyer.

5.11. The Supplier must maintain and make available to Buyers an up-to-date version controlled record of the end to end process in delivering the Services, deployed by the Supplier and any DCA Subcontractors.

6. **Execution of Collection Strategies**

6.1. The Supplier shall execute agreed strategies for the recovery of Debts.

6.2. The requirements set out in Paragraphs 5.1 to 5.11 above are applicable to any Service which involves the execution of a Collection strategy

6.3. The Supplier must only pursue a Collection strategy after Approval is received in writing from the Buyer.

6.4. The Supplier will perform the agreed Collection strategy on all Accounts Placed by the Buyer for Collection.

6.5. The Supplier shall use a unique identifier for each Account Placed, and a separate unique identifier for the collective of Accounts Placed for the same Customer, when multiple Accounts are Placed and when a single Customer view of all Debts the Supplier is collecting relating to that same Customer is required.

6.6. Where the Buyer makes a Placement of a subsequent Account(s) for the same Customer, the Supplier shall have the capability to use a unique identifier for each Account Placed relating to that Customer.

6.7. The Supplier and DCA Subcontractors shall have the ability to pursue multiple Accounts for the same Customer, in singular interactions with the Customer, where requested to do so by the Buyer in writing.

6.8. The Supplier shall have the ability to pursue multiple Accounts for the same Customer, in singular interactions with the Customer, where requested and agreed in writing by two or more Buyers. Data Processing of this nature must be fully assessed for compliance with the Data Protection Legislation prior to execution of Collection strategies that link Customers across two or more Buyers.

6.9. The Supplier must assess and report on the appropriateness of the Collections strategies on a Monthly basis and propose revisions of the Collections strategies as often as the Supplier considers necessary to improve the results it delivers to the Buyer.

6.10. The Supplier will ensure that the Collection strategy is executed through the Placement of Accounts with FCA regulated DCA Subcontractors as outlined in Paragraph 2 above.

6.11. The Supplier must be able to demonstrate that each Account has been given individual due attention as per the agreed Collections and contact strategy

6.12. The Supplier will ensure that it can evidence adherence to the Collection strategy agreed with the Buyer, including being able to track individual activity applied to each Account.

6.13. The Supplier shall - as specified by the Buyer within their Call-Off Contract - collect and provide on request, detailed case activity management information which may include regular batch updates.

6.14. The Supplier shall ensure all activity on all Accounts Placed with the Supplier can be subject to end to end reconciliation activity that demonstrates all action taken, contact made and

any payments / transactions that have occurred. This shall include all activity including that undertaken by any Subcontractor.

6.15. The Supplier will fully comply with the Buyer's periodic reconciliation of Accounts held, including the status and balances of Accounts held, against the Buyer's records as specified by the Buyer.

6.16. The Supplier shall review all inactive Accounts and, unless specified otherwise by the Buyer in writing, automatically reconcile and return them to the Buyer after a period agreed with the Buyer. The definition of 'inactive Accounts' shall be agreed between the Buyer and Supplier.

6.17. The Supplier shall ensure a multi-channel approach / flexibility for Customers to exit automated or set processes and flexibility within processes including allowing Supplier Staff and Key Staff to spend extra time with Customers who may need additional support.

6.18. The Supplier shall record any Customer financial vulnerabilities (a) at the start of their Customer Debt Collection journey, and (b) review Customer circumstances at regular intervals in accordance with the Collections strategies agreed with Buyers.

6.19. The Supplier shall proactively provide details of debt or specialist help to Customers through a range of channels.

6.20. The Supplier must report to the Buyer on the reasons for failing to obtain Debt Recovery on Accounts Placed with the Supplier for Collection and provide a report which provides these reasons at Account level, e.g. a closure file with detailed return codes.

6.21. Where requested by the Buyer, the Supplier shall provide comprehensive information to support the decision to close Accounts.

6.22. Where the Supplier or DCA Subcontractor Customer Portal and / or application software is to be utilised the Buyer, requires the following:

- Portal / application software design/security Standards must be agreed with the Buyer including any web chat function.
- Use of the portal / application software for Buyer Debts must Approved by the Buyer
- Where payments are taken via the portal / application software, payment references are to be validated by the Supplier or DCA Subcontractor (whichever is operating the Customer Portal)
- Where any automated online payment plans can be set up, they must meet the Buyers specified timeframes and criteria as per the Buyer's Call-Off Contract
- The Supplier or DCA Subcontractor shall ensure that Income and Expenditure details are completed with the Customer to inform the payment plan.

7.0 **Customer Contact Strategies**

7.1 The Supplier shall, and shall ensure that Subcontractors shall, initiate contact with Customers and act on contact with Customers, in accordance with the agreed Collection strategy.

7.2 The Supplier and any DCA Subcontractors shall utilise the Standard Financial Statement (SFS) or Scottish equivalent, to gather and review Customer income and expenditure unless specified otherwise in writing by the Buyer.

7.3 For Accounts Placed the Supplier or DCA Subcontractor shall contact all Customers where contact information is available and in accordance with the Collection strategy agreed with the Buyer.

7.4 The Supplier shall, in accordance with its obligations under Paragraph 1.4 of Part A of this Schedule, provide national coverage for contact with Customers.

7.5 The Supplier or DCA Subcontractor shall initiate contact using a full range of methods, unless specified otherwise in writing by the Buyer, which can include but are not limited to:

A. Letters.
B. SMS text.
C. Secure email.
D. Secure Web-Chat / web messaging.
E. Customer Portals.
F. Telephone Calls.
G. Automatic dialler.
H. Face to face (field or reconnections agents).

7.6 Contact channels and contact frequency must be agreed in writing with the Buyer.

7.7 The Supplier shall ensure that any contact with Customers agreed within the Collection strategy is executed promptly after Placement of Accounts from the Buyer.

7.8 Where a Buyer communicates a change of balance on an Account the Supplier must ensure that Customers are contacted promptly e.g. to review and re-negotiate payment arrangements, etc.

7.9 Where appropriate the Supplier or DCA Subcontractor shall deal with authorised representatives of the Customer (e.g. Power of Attorney) subject to validation rules to be agreed in writing with the Buyer.

7.10 In addition to the scripts and templates for Customer contact to be agreed as part of the Collection strategy, new guidance may be agreed from time to time between the Buyer and Supplier on how Customers should be communicated with.

7.11 Scripts and/or templates for each communication channel should as a minimum:

- Encourage the Customer to engage.
- Include reference to further support where appropriate, e.g. debt advice agencies.
- Clearly set out relevant information to enable the Customer to make informed decisions.

7.12 The Supplier shall respond to Customer queries using channels such as described in Paragraph 7.5 above as agreed with the Buyer.

7.13 The Supplier shall send all disputes, appeals, objections, queries and complaints as defined by the Buyer in writing, with or from Customers requiring input from the Buyer (alongside any related correspondence or additional information) to the Buyer and take action as instructed by a Buyer.

7.14 The Supplier shall record and track all disputes, appeals, objections, queries and complaints and report on these in accordance with the Buyer's requirements

7.15 Where a Buyer provides a response to any Customer disputes, appeals, objections, queries or complaints, the Supplier must review the Account and adjust the relevant outstanding balance and/or Collection strategy as appropriate or as instructed by the Buyer.

7.16 The Supplier shall include contact details for non-digital support throughout any digital / on-line / automated engagement with the Customer, allowing Customers to drop out of the process if they require an alternative approach.

8.0 **Calculating Interest and Penalties**

8.1 The Supplier shall, where requested, calculate and reflect interest and penalties in the Outstanding Balance as per any methodology provided by the Buyer.

8.2 Where requested by the Buyer, the Supplier shall notify the Customer promptly of the increase in their obligation due to the accrued interest and/or penalty due.

8.3 When requested by the Buyer, the Supplier must ensure that payment arrangement information which may result in a Customer accruing interest or penalties charged directly by the Buyer, is accurately & timeously recorded and flows back to the Buyer as required.

9.0 **Customer Circumstances**

9.1 The Supplier will monitor and react to Customer change of circumstances, including vulnerability and financial hardship, in accordance with the Collection strategy agreed with the Buyer.

9.2 The Supplier shall reflect any changes to Customer circumstances and, where appropriate, the Supplier will adjust the Collection strategy to an alternative strategy, update or renegotiate payment arrangements or return the Account to the Buyer.

9.3 Unless specified otherwise by the Buyer, the Supplier will notify the Buyer of:

(A) Changes to Customer contact information (verified by the Customer or authorised representative) in an agreed format.
(B) Customers identified by the Supplier as vulnerable, as per standards agree with the Buyer.
(C) Customers identified as undergoing a statutory debt solution.
(D) Any other material changes to the Customer's circumstances as specified by the Buyer (e.g. deceased, prison, armed forces placement).

9.3.1 Where the Supplier has verified that the Customer has changed address they shall restart or resume, as appropriate, the agreed Collections and communication strategy and issue communications to the newly verified address where appropriate.

9.3.2 The Supplier shall maintain well-established relationships and communication channels with the various industry commercial and charity debt advice providers to ensure that any notifications regarding a Customer's circumstances are received promptly from such debt advice providers, acted on in accordance with the Collection strategy and that information is passed to the Buyer where any decision-making is required at an Account level as per the Buyer's Call-Off Contract.

9.3.3 In accordance with Buyer requirements, the Supplier shall use all available tools to implement forbearance, freeze interest/charges or apply debt respite for Customers facing financial difficulty, including where this is requested from a debt advice provider who has assessed the Customer's circumstances.

9.3.4 For any statutory scheme the Supplier must ensure that the Buyer can meet its statutory obligations by delivering timely and effective processes where statutory schemes require immediate cessation of Debt Recovery the Supplier must act to stop recovery action with the Customer as agreed with the Buyer and within the Buyers timeframe.

- At the end of the specified hold period, Collection and contact Strategies shall be continued by the Supplier as agreed with the Buyer.

- The Supplier should ensure that where any notification comes direct to them or the DCA Subcontractor, processes are in place to stop recovery action and immediately inform the Buyer. Where the Debt has not been returned to the

Buyer at the end of the specified hold period, collection and contact strategies to be continued as agreed with the Buyer

10.0 Payment Arrangements

10.1 The Supplier or DCA Subcontractor as applicable to the Service, will aim to secure payment in full and, if a Customer is not able to pay, negotiate a suitable arrangement with the Customer in accordance with the SFS or Scottish equivalent unless other guidance is provided by the Buyer.

10.2 When the Supplier or DCA Subcontractor as applicable to the Service, is unable to secure a payment in full, the Supplier will negotiate a payment arrangement with Customer in line with the Buyer's instructions and follow up on non-compliance with the payment arrangement.

10.3 The Supplier or DCA Subcontractor as applicable to the Service, shall ensure that all payment arrangements are based on an assessment of the Customer's affordability to create tailored and affordable payment arrangements in accordance with the Buyer Specifications.

10.4 The Supplier or DCA Subcontractor as applicable to the Service, will not settle a Debt for less than 100% repayment of such Debt, unless specifically instructed in writing by the Buyer.

10.5 The Supplier or DCA Subcontractor as applicable to the Service, will offer direct debit as the first option for all payment arrangements unless otherwise agreed with the Buyer as part of the Collection strategy.

10.6 The Supplier or DCA Subcontractor as applicable to the Service, will contact a Customer immediately following the first missed payment and continue to follow up where payments have not been made in accordance with payment arrangements, in order to settle the Account in full or bring the Customer back onto a Repayment Plan

10.7 The Supplier or DCA Subcontractor as applicable to the Service, shall monitor all payment arrangements and follow up on breakages and rehabilitate the arrangement in line with Buyer guidance

10.8 The Supplier shall ensure that payment arrangements cover the full amount of the Debt and no more.

10.9 The Supplier shall ensure that any systems used to collect Debts shall cease collection of payments from a Customer immediately upon the Debt being paid in full.

10.10 If a Customer makes an overpayment at the end of the Repayment Plan or where a Customer continues to pay when the Debt is paid, the Supplier or DCA Subcontractor as applicable to the Service, shall immediately cease taking payments, and request Customers to cease making any further payments.

10.11 The Supplier or DCA Subcontractor as applicable to the Service, shall promptly repay any overpaid amounts to the Customer.

11.0 Payment Processing

11.1 The Supplier will liaise with Customers to resolve their Outstanding Balances, match payments to the relevant Outstanding Balance and transfer any funds collected to the Buyer.

11.2 The Supplier shall ensure that Customers can pay their Debts through a full range of payment methods. Accepted payment methods shall be agreed with the Buyer as part of the Call-Off Contract.

11.3 Where applicable, for any cash payments tendered by the Supplier or DCA Subcontractor as applicable to the Service, at an office or through a postal system, the Supplier shall issue a form of written receipt to the payer.

11.4 The Supplier shall ensure that each payment is matched to the relevant Outstanding Balance using the individual Account reference number and allocate payments correctly.

11.5 Unless specified in writing by the Buyer, if the Supplier or DCA Subcontractor as applicable to the Service, receives payment with no Debt reference from a Customer who has more than one Debt Placed with the Supplier, the Supplier must ensure that payments are allocated in accordance with the payment hierarchy specified by the Buyer within their Contract.

11.6 The Supplier shall monitor payments to ensure that funds are cleared through the Supplier's accounts and reduce Outstanding Balances by the amount of Customer payments accordingly.

11.7 The Supplier shall not be entitled to any payment in respect of any Direct Payments made after the Account has been returned or recalled by the Buyer, unless specified otherwise in writing by the Buyer.

11.8 The Supplier shall investigate queries to facilitate prompt (re)allocation of receipts and resolution of issues.

11.9 The Supplier shall have a process in place to trace unidentified and/or unallocated payments and manage them in accordance with the Buyer's requirement.

11.10 The Supplier shall transfer payments received from Customers electronically via composite payments(s) to an agreed frequency to the relevant Designated Account(s).

11.11 The Supplier shall support the composite payment with an electronic payment file, in a format and frequency to be agreed by the Buyer. The file must detail individual payments and include as a minimum:

- Supplier account reference number / unique identifier;
- Customer account reference number / unique identifier;
- The Customer name;
- The amount recovered;
- Effective date of payment;
- Payment Reference Number; and
- Where possible the file should also include details of payment method.

11.12 The Supplier shall submit the invoice in the format agreed with the Buyer via the method of submission specified in writing by the Buyer.

11.13 The Supplier shall only transfer payments in pounds sterling and cleared through the UK banking system or as agreed with the Buyer. Should any payments be reversed or dishonoured post transfer of funds to the Buyer, the Buyer should be notified and supplied with the relevant supporting documentation or a reconciliation file where appropriate. No Service Management Fee or DCA Commission Charges will not be payable on dishonoured payments and all payments received must be reconciled to ensure they can be linked to the appropriate Account, and credited to the Buyer.

11.14 The Supplier or DCA Subcontractors must not pass on any payment processing charges to the Customer or the Buyer and any charges shall be absorbed by the Supplier, unless payment is taken by the Customer's Credit Card or Debit Card.

11.15 The Supplier shall remit any credit balances/funds overpaid to the Customer with information explaining the reason for this, and contact the Customer to ensure overpayments do not continue, unless specified otherwise in writing by the Buyer.

11.16 Any overpayment transfers to the Buyer must be accompanied by detail of the Customers and Debts.

11.17 Any refunds to Customers must include reasons for the refund in writing.

11.18 The Supplier shall not be entitled to any Service Management Fees or DCA Commission Charges on any overpaid debt amounts.

12.0 **Ceasing Processing**

The Supplier shall ensure cessation of all Collection activity and return Accounts to the Buyer under each of the following trigger events, unless otherwise agreed in writing by the Buyer:

- The Outstanding Balance reached nil.
- The agreed Collection strategy has been exhausted and the Debt is no longer in recovery (e.g. in an active repayment plan).
- A formal notification of the Customer's death is received from the Buyer or the Buyer's representative or any other verified source.
- Any other trigger events defined by the Buyer.

12.1 For Accounts meeting the trigger events outlined in 13.1 above, the Supplier will automatically:

- Stop any recovery action and stop automated recovery occurring as part of the Service, from the Customer
- Ensure the issue any communications specified by the Buyer
- Return Accounts to the Buyer in a standardised file, the content and frequency to be agreed with the Buyer.

12.2 The Supplier should ensure that all Debt Collection strategies provide the ability for the Buyer to decide which portfolios or Debt Segments are to be returned to the Buyer for internal management, e.g. Accounts meeting a definition of severe financial difficulty, at any point within the agreed process.

12.3 The Supplier should ensure that Collections strategies, particularly dialler operations have the ability to cease or limit activity, if, as and when agreed by the Buyer, where a media-sensitive event occurs e.g. ceasing dialling the W11 1TQ postcode (Grenfell Tower).

Other Collections Services

13.0 **URN 1.0c Collections Packaged Rate Card Services**

13.1 The Supplier shall propose a resource model to the Buyer that is specific to the Buyers requirement using the template at Section 2 of Annex 1 of Framework Schedule 3 (Framework Prices).

13.2 Unless specified by the Buyer each of the Paragraphs in this Part B of this Schedule shall apply to the Collections Packaged Rate Card Services

13.3 The Supplier shall ensure its DCA Subcontractors deploy suitably skilled Key Staffthat are devoted solely to the delivery of the Service for the entirety of the time outlined within the resource model.

13.4 The Supplier shall provide information to the Buyer bi-annually that demonstrates that the Supplier has ensured that the most suitable Supplier Staff and Key Staff have been deployed to deliver the Service. This will include details and reasons for any redeployment of personnel into or out of the original proposed workforce.

14.0 **URN 1.0d Collections Fixed Price Debt Service**

14.1 The Supplier shall provide a Fixed Price Debt Service where the Buyer elects to do so.

14.2 The standard Fixed Price Debt Services are described in the table below. The packages represent the activities required and the volume of activities. Unless specified otherwise by the Buyer, the Supplier shall deliver the Service in accordance with this Part B of this Schedule.

Package	Description Of Requirements
URN 1.0di Basic	1 letter, 2 dials, 1 SMS, emails (if requested by the Buyer)
URN 1.0d ii Standard	3 letters, 5 dials, 3 SMS, emails (if requested by the Buyer
URN 1.0d iii Enhanced	3 letters, 10 dials, 10 SMS, additional data cleanse and append, The fee is based on individual case management once contact is made.
URN 1.0d iv Aggregated	Provision of a Debt Collection Service where multiple Buyers using this Service will have their Accounts managed collectively by the Supplier as one single portfolio. The Supplier will maximise the performance of the portfolio as a whole including data cleansing, data enrichment, segmentation, Subcontractor performance management and Subcontractor conduct oversight. This Service will be standard across all Customers with a standard Operations Manual. The Supplier will provide a self-service digital portal through which Buyers can: upload a Placement file in a pre-determined format; raise and respond to Subcontractor queries including document exchange; request Accounts be recalled and closed by DCA Subcontractors;

	update Accounts with non-financial updates; make adjustments to Account balances; access self-serve reporting on Placements, cash collected and queries; and download transactions. The Supplier will deliver enhanced strategy segmentation aimed to maximise net Collections. Where appropriate the Supplier will make available new segmentation strategies with optimised segments, treatment paths and Subcontractor fees which Buyers have the option to adopt via the Change Control Procedure. Placement periods will vary according to the strategy. First and second Placement period will be a minimum of 4 Months each. Payment Arrangement will be of no fixed length, with DCA Subcontractors making an affordability assessment with Customers of what Monthly payments they can afford in line with FCA guidelines. The outcome of this assessment will then determine the term of the Payment arrangement based on the value of Debt owed.
URN 1.0d v Residential Trace and Collect	Residential trace activity using Credit Reference Agency data to validate address data or provide new address data plus activities at URN 1.0d iii
URN 1.0d vi Commercial Trace and Collect	Commercial trace using Credit Reference Agency data to validate address data or provide new address data plus activities at URN 1.0d iii

14.3 The Fixed Price Debt Services will be set out within the Buyers Call-Off Schedule 20 (Specification) and the Charges shall be calculated in accordance with Framework Schedule 3 (Framework Prices) and set out in Call-Off Schedule 5 (Pricing Details), where the Buyer requires a Fixed Price Debt Service and:

a. does not require the Supplier to provide the all the Services listed in this Part B of the Specification; or
b. requires the Supplier to provide an additional or different element(s) of the Service.

15.0 **URN 1.0e Set-up / Implementation and Change**

Set-up / Implementation

15.1 Each Milestone with the Implementation Plan will have a set of delivery acceptance criteria to be Achieved by the Supplier and upon completion of each Milestone the Buyer will issue a Milestone Certificate largely in the form of a Satisfaction Certificate as detailed in Call-Off Schedule 13 (Implementation and Testing).

15.2 The scope of the Deliverables in the Buyers draft implementation plan will include but not limited to:

- Supplier IT Connectivity: connecting to the Buyers secure file exchange system
- Buyer IT Connectivity: connecting to the Supplier's Case Management System, Buyer Portal and setting up users
- Configuration: Supplier set up of Buyers file formats & file types
- Collection Strategies and Letters Approvals
- Report & MI template set up
- Operations Manual – where the Buyer requires one
- Financial requirements set up, e.g bank accounts, deeds of trust, etc
- Buyer On-Boarding
- Training and guidance delivery
- Controlled Go Live

15.3 The Supplier must ensure that all products and Services provided to the Buyer for Approval have been through appropriate quality control checks by the Supplier prior to being submitted to the Buyer for Approval.

15.4 Notwithstanding the warranty period specified in the Core Terms Clause 3.1.2, the Supplier must produce a "Stabilisation Report" as services are transitioned into live running. Where agreed by the Buyer that it is acceptable to carry forward into live running, the Stabilisation Report must include any agreed outstanding actions, incidents or defects, their remediation dates and responsible owners. The Supplier shall continue reporting progress against these in the performance meetings until advised otherwise by the Buyer

16.0 URN 1.0f Run-Down Portfolio Management

16.1 Subject to the terms of the Buyer's Call-Off Schedule 10 (Exit Management), the Supplier and any DCA Subcontractors shall continue to recover Debt where:

- a payment arrangement with the Customer is already in place at the End Date of the Buyer's Call-Off Contract,
- or a payment arrangement is obtained as a result of a case Placed with the Supplier prior to the End Date of the Buyer's Call-Off Contract, but where the payment arrangement is established after the End Date.

16.2 The Supplier shall ensure Customers are treated fairly and minimise the risk of breakage of payment plans and ensure a smooth hand-back of Accounts to the Buyer. The Supplier and DCA Subcontractors will manage any such payments arrangements until the Debt is fully repaid or the payment arrangement breaks down.

16.3 Where Paragraph 16.1 and 16.2 above apply, the Supplier and DCA Subcontractors will be continue to be directly responsible for all aspects of the Service related to those Placed Accounts, and solely in relation to these Placed Accounts the Call-Off Contract shall continue until all Customer Repayments plans have completed and or ceased or within a timeframe approved by the Buyer in writing, and the Supplier shall required to provide (amongst others) the following:

- Managed Services;
- Monitoring of payment plans;
- Customer contact;
- Transfer of payments to the Buyer;
- MI; and
- Invoices and charging.

16.4 Notwithstanding Paragraph 16.1 and 16.2 above, the Buyer, acting reasonably, will ensure that at the time this Service is required that they specify within their Contract as part of the

exit planning process under Call-Off Schedule 10 (Exit Management), that the requirements are relative to volume and value of the activity required.

17.0 **URN 1.0g Imported Portfolio Management**

17.1 Buyers may instruct the Supplier to import and manage a portfolio of debt where payments plans have already been established by a previous Supplier (for the purposes of this Service URN 1.0g they will be known as the Exporting Supplier) and the previous Supplier is no longer required to maintain them.

17.2 Any DCA Subcontractor responsible for maintaining the payment plans under the exporting contract will have agreed to any flow-down contractual terms relevant to this Contract.

17.3 The Supplier shall manage the Exporting Supplier's DCA Subcontractors that will continue to deliver the collections service. The terms agreed with the Exporting Supplier for calculation of Charges for DCA Subcontractors will be used and preserved for the duration of this service unless specified by the Buyer within their Call-Off Contract.

17.4 Unless specified by the Buyer, the Supplier shall then provide the same services related to the imported portfolio of debt, as described in Part A and Part B of this Framework Schedule 1 (Specification.)

18.0 **New Debt**

18.1 Where a New Debt Type arises and a Buyer requires this to be included as Managed Collections Services, or Optional Collections Services, this shall be managed as a Change in accordance with Clause 24 (Changing the contract) of the Core Terms following the Change Control Procedure set out in Part B of Joint Schedule 2 (Variation Form and Change Control Procedure) with all proposed costs provided on an Open Book Costs basis.

18.2 Where Paragraph 18.1 applies, the Buyer and the Supplier shall agree what data and information is required and can be provided to enable the Buyer to develop a proposed service solution and for any proposed Price.

Optional Services

19.0 **URN 1.0 h Integrated Service Management**

19.1 Buyers may require a Supplier to provide a Managed Service for other Services that Buyers have procured through their Call-Off Contract.

19.2 Where a Supplier provides this Service, the Supplier shall deliver Integrated Service Management in accordance with Paragraph 4 of this Part B of this Framework Schedule 1 (Specification), unless stated in writing by the Buyer.

19.3 The Supplier shall ensure that the Subcontractors deliver Services in line with relevant Contract and as instructed by the Buyer.

19.4 The Subcontractor Charges will be agreed separately between the Subcontractor and the Buyer as part of their Call-Off Contract

19.5 Unless agreed in writing by the Buyer, the Supplier should use reasonable endeavours in seeking to Subcontract with Suppliers of the Services for the provision of this Integrates Service Management service.

20.0 **International Collections**

20.1 The Supplier may provide an international Collections Service to collect Debts from Customers who do not reside in the United Kingdom.

20.2 The Supplier or its Subcontractors should have the capability to provide UK based and International Services, as specified by the Buyer.

20.3 The specific Buyer requirements will be detailed in the Buyer's Call-Off Contract.

20.4 The Supplier may propose a solution at Part B Annex 2 of this Part B, and pricing that can be added to the Services and a price for the solution to be added to Schedule 3 (Framework Prices). Where this is agreed after the Start Date, the Parties shall comply with the Variation Procedure.

Part B Annex 1

Subcontractor, Contract and Relationship Management

1 The following sections outline CCS and the Buyers minimum key behavioural requirements of the Supplier when delivering Subcontract, Contract and relationship management functions. The Supplier must demonstrate each of the requirements at all of the levels specified below. They are based on the Skills for the Information Age (SFIA 7) skills that can be found at https://sfia-online.org/ The SFIA refers to Suppliers, whereas this Contract refers to Subcontractors to ensure consistency of terminology.

2 What we mean by Subcontractor Management

2.1 The alignment of the Supplier's Subcontractor performance objectives and activities with sourcing strategies and plans, balancing costs, efficiencies and service quality. The establishment of working relationships based on collaboration, trust, and open communication in order to encourage co-innovation and service improvement with Subcontractors. The proactive engagement of Subcontractors for mutual benefit to resolve operational incidents, problems, poor performance and other sources of conflict. The use of clear escalation paths for discussing and resolving issues. The management of performance and risks across multiple Subcontractors (internal and external) using a set of agreed metrics.

2.2 Subcontractor management: Level 7

2.2.1 Determines overall Subcontractor management strategy, embracing effective management and operational relationships at all levels. Leads collaborative Subcontractor partnerships that reduce costs and risks, and create opportunities for innovation and value creation. Aligns Subcontractor performance objectives and relationship management activities with business and commercial objectives and sourcing strategies. Establishes a framework to monitor the service provided and deliver commercial value over the lifetime of the contract. Puts in place, and has overall responsibility for, conformance to legislation; supply chain management; commercial governance; risk management policies for selection of Subcontractors and benchmarking their performance. Represents the organisation in commercially significant disputes involving Subcontractors.

2.3 Subcontractor management: Level 6

2.3.1 Develops organisational policies, standards, and guidelines to ensure effective Subcontractor management across the integrated supply chain. Defines the approach for commercial communications, and the management and maintenance of the relationship between the organisation and Subcontractors. Creates an environment in which the organisation and its Subcontractors collaborate to their mutual benefit, ensuring positive and effective working relationships are developed and maintained across the supply chain. Ensures that resources

and tools are in place to conduct benchmarking. Reviews Subcontractor analysis and assesses effectiveness across the supply chain. Assures that the quality of the services delivered by Subcontractors meet contractual commitments and business needs. Manages risks associated with information security, continuity and integrity of supply.

2.4 Subcontractor management: Level 5

2.4.1 Manages Subcontractors to meet key performance indicators and agreed targets. Manages implementation of Subcontractor service improvement actions. Use Subcontractors' expertise to support and inform development roadmaps. Manages operational relationships between Subcontractors. Ensures potential disputes or conflicts are raised at an early stage, with clear escalation paths for resolving them. Performs benchmarking and makes use of Subcontractor performance data to ensure that Subcontractor performance is properly monitored and regularly reviewed. Identifies constraints and opportunities when negotiating or renegotiating contracts.

2.5 Subcontractor management: Level 4

2.5.1 Collects Subcontractor performance data and investigates problems. Monitors and reports on Subcontractor performance, customer satisfaction, and market intelligence. Validates that Subcontractors' performance is in accordance with contract terms. Engages proactively and collaboratively with Subcontractors to resolve incidents, problems, or unsatisfactory performance. Implements Subcontractor management-related service improvement initiatives and programmes.

2.6 Subcontractor management: Level 3

2.6.1 Acts as the routine contact point between the organisation and Subcontractors. Supports resolution of Subcontractor related incidents, problems, or unsatisfactory performance. Collects and reports on Subcontractor performance data.

2.7 Subcontractor management: Level 2

2.7.1 Assists in the collection and reporting on Subcontractor performance data. Assists with the routine day-to-day communication between the organisation and Subcontractors

3 What we mean by Contract Management

3.1 The overall management and control of the operation of formal contracts for supply of products and Services

3.2 Contract management: Level 6

3.2.1 Negotiates and resolves contractual issues, including failure to meet contractual obligations. Promotes change control processes and leads variation negotiations when necessary. Champions continuous improvement programmes, jointly developing strategies and incentives to enhance performance. Undertakes comprehensive financial evaluations. Ensures non-discriminatory behaviour and legal compliance. Ensures that lessons learned from reviews are documented and promoted with all stakeholders. Develops broad industry/ category credentials as ‘best practice’ champion.

3.3 Contract management: Level 5

3.3.1 Oversees and measures the fulfilment of contractual obligations. Uses key performance indicators (KPIs) to monitor and challenge performance and identify opportunities for continuous improvement. Develops strategies to address under-performance and compliance failures, including application of contract terms. Identifies where changes are required, evaluates the impact, and advises stakeholders about the implications and consequences for

the business and/or the procurement element of programmes/projects. Negotiates variations and seeks appropriate authorisation. Actively supports and engages with experts and stakeholders to ensure continuous improvements are identified through review and benchmarking processes. Develops and implements change management protocols.

3.4 Contract management: Level 4

3.4.1 Sources and collects contract performance data (such as pricing and supply chain costs), and monitors performance against KPIs. Identifies and reports under-performance and develops opportunities for improvement. Monitors compliance with Terms and Conditions and take appropriate steps to address non-compliance. Pro-actively manages risk and reward mechanisms in the contract. Monitors progress against business objectives specified in the business case. Identifies where change is required, and plans for variations. In consultation with stakeholders, ensures that change management protocols are implemented

4 What we mean by Relationship Management

4.1 The systematic identification, analysis, management, monitoring and improvement of stakeholder relationships in order to target and improve mutually beneficial outcomes. Gains commitment to action through consultation and consideration of impacts. Design the relationship management approach to be taken; including roles and responsibilities, governance, policies, processes, and tools, and support mechanisms. Creatively combines formal and informal communication channels in order to achieve the desired result.

4.2 Relationship management: Level 7

4.2.1 Determines the strategic approach to understanding stakeholder objectives and requirements. Works with all interested parties to establish effective relationships between stakeholders, including responsibility for the relationship between technology functions and end users. Establishes and promotes the overall vision for how stakeholder objectives are met and determines organisational roles and alignment. Actively manages relationships with the most senior stakeholders, and is the ultimate escalation point for issue resolution. Defines, and gains agreement on, the principles for establishing effective relationships between stakeholders, including responsibility for the relationship between IT functions and end users.

4.3 Relationship management: Level 6

4.3.1 Leads the development of comprehensive stakeholder management strategies and plans. Builds long-term, strategic relationships with senior stakeholders (internal and external). Facilitates the engagement of stakeholders and delivery of services and change projects, acting as a single point of contact for senior stakeholders, facilitating relationships between them. Negotiates to ensure that stakeholders understand and agree what will meet their needs, and that appropriate agreements are defined. Oversees monitoring of relationships including lessons learned and appropriate feedback. Leads actions to improve relations and open communications with and between stakeholders.

4.4 Relationship management: Level 5

4.4.1 Identifies the communications and relationship needs of stakeholder groups. Translates communications/stakeholder engagement strategies into specific activities and deliverables. Facilitates open communication and discussion between stakeholders, acting as a single point of contact by developing, maintaining and working to stakeholder engagement strategies and plans. Provides informed feedback to assess and promote understanding. Facilitates business decision-making processes. Captures and disseminates technical and business information.

4.5 Relationship management: Level 4

4.5.1 Implements stakeholder engagement/communications plan. Deals with problems and issues, managing resolutions, corrective actions, lessons learned and the collection and dissemination of relevant information. Collects and uses feedback from customers and stakeholders to help measure effectiveness of stakeholder management. Helps develop and enhance customer and stakeholder relationships.