

## **Order Schedule 14 (Service Levels)**

### **1. Definitions**

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

<b>"Critical Service Level Failure"</b>	has the meaning given to it in the Order Form;
<b>"Service Credits"</b>	any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to the Buyer in respect of any failure by the Supplier to meet one or more Service Levels;
<b>"Service Credit Cap"</b>	has the meaning given to it in the Order Form;
<b>"Service Level Failure"</b>	means a failure to meet the Service Level Performance Measure in respect of a Service Level;
<b>"Service Level Performance Measure"</b>	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and
<b>"Service Level Threshold"</b>	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule.

### **2. What happens if you don't meet the Service Levels**

- 2.1 The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
- 2.2 The Supplier acknowledges that any Service Level Failure shall entitle the Buyer to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Buyer as a result of the Supplier's failure to meet any Service Level Performance Measure.
- 2.3 The Supplier shall send Performance Monitoring Reports to the Buyer detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.
- 2.4 A Service Credit shall be the Buyer's exclusive financial remedy for a Service Level Failure except where:
- 2.4.1 the Supplier has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or
- 2.4.2 the Service Level Failure:

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- (a) exceeds the relevant Service Level Threshold;
- (b) has arisen due to a Prohibited Act or wilful Default by the Supplier;
- (c) results in the corruption or loss of any Government Data; and/or
- (d) results in the Buyer being required to make a compensation payment to one or more third parties; and/or

2.4.3 the Buyer is otherwise entitled to or does terminate this Contract pursuant to Clause 10.4 (CCS and Buyer Termination Rights).

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

2.5.1 the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;

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

2.5.3 there is no change to the Service Credit Cap.

### 3. Critical Service Level Failure

On the occurrence of a Critical Service Level Failure:

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

3.2 the Buyer shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this paragraph **Error! Reference source not found.** shall be without prejudice to the right of the Buyer to terminate this Contract and/or to claim damages from the Supplier for material Default.

## **Part A: Service Levels and Service Credits**

### **1. Service Levels**

If the level of performance of the Supplier:

- 1.1 is likely to or fails to meet any Service Level Performance Measure; or
- 1.2 is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Buyer in writing and the Buyer, in its absolute discretion and without limiting any other of its rights, may:

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

### **2. Service Credits**

- 2.1 The Buyer shall use the Performance Monitoring Reports supplied by the Supplier to verify the calculation and accuracy of the Service Credits, if any, applicable to each Service Period.
- 2.2 Service Credits are a reduction of the amounts payable in respect of the Deliverables and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in the Annex to Part A of this Schedule.

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**Annex A to Part A: Services Levels and Service Credits Table**

Service Levels				Service Credit
Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Level Threshold	
KPI 1: Customer satisfaction	<p>Fixed 6-monthly client satisfaction survey threshold, out of a 1 to 4 rating card, increasing in increments of 1. Surveys will be provided during Progress review meetings, as outlined within the order form.</p> <p>Satisfaction survey will cover the following categories:</p> <ol style="list-style-type: none"><li>1. Understanding of the client's business, objectives, priorities and challenges</li><li>2. Suitability of recommendations vs brief</li><li>3. Recommendations of proactive / innovative solutions</li><li>4. Quality of final outputs</li><li>5. Keeping to SLAs or agreed timings</li></ol>	Client satisfaction surveys which will be provided by the Department. The authority reserve the right to determine all scores.	No category within the 6 monthly client satisfaction survey should be scored at a 2 (Needs Improvement) or lower in 2 consecutive 6-month periods.	<p>If one category in the client satisfaction survey is scored below 2 (Needs Improvement) for 2 consecutive 6-month periods, a service credit will be charged at a rate of 5% of total spend in that period.</p> <p>If two or more categories are scored below a 2 (Needs Improvement) for 2 consecutive periods, the service credit will increase to 10% of total spend in that period.</p>

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Service Levels				Service Credit
Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Level Threshold	
	6. Response times / availability / contactability 7. Transparency and accuracy of costs and billing 8. Collaboration with other agencies within the wider inter-agency group			
KPI 2: Accurate and timely billing and reconciliation of client account	<p>Adherence to DfE's billing and reconciliation requirements, broken down by project with the provision of a monthly project and finance tracker; reconciliation within 8 weeks upon request by the Department. The supplier will be expected to provide and evidence this KPI. Invoices should be submitted one month in arrears for fees or within one month of project completion.</p> <p>The Department also requires Yonder to maintain a project tracker, for planning</p>	Proportion of invoices that are accurate and on time.	At least 98% of invoices to be accurate and on time	The department reserves the to impose a service credit of 1% of costs for each percentage under the service level performance thresholds, up to a maximum of 5% of the Department's total costs for the 6-month period in question.

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Service Levels				Service Credit
Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Level Threshold	
	resources and capacity to meet peak demands.			
KPI 3: Social value commitment	Number of apprenticeships being offered within the calendar year, this commitment is to be measured by the suppliers and evidenced upon the contract manager or Departments chosen representatives' request, within 30 days.	Successful completion of one third of all apprenticeships committed to, on a per year basis.	33.34% (one third of all apprenticeships, rounded to the nearest whole number)	Annual charge: A 1% service credit of total spend per calendar year will be retrospectively applied for if the provider fails to deliver all apprenticeships for that calendar year. This is capped to a maximum of 1% of all charges for the year in question.

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**Example service credit for KPI 1:****Rating card illustrated:**

The Department reserves the right to determine performance scores

Score:	1	2	3	4
Corresponding Performance:	Unsatisfactory	Needs improvement	Meets expectations	Exceeds expectations

**Method:** a service charge of 5% of per project costs for the period under review will be charged if one category is scored at a 2 (Needs Improvement) for two consecutive 6-month periods. If the supplier is scored a 2 (Needs Improvement) in one or more categories are scores at a 2 (Needs Improvement) for two consecutive 6 month periods areas across the capped to a total charge of 10%.

**Worked example:** 3 categories have been scored at 2 (Needs Improvement) for two consecutive 6-month periods. 10% of said projects costs will be reimbursed to the Department as a service credit for the period under.

**Example Service credits for KPI 2:**

The Service Credits shall be calculated on the basis of the following formula:

**Formula:**  $x\% (\text{Service Level Performance Measure}) - x\% (\text{actual Service Level performance})$ . This is capped to a 5% charge. =  $x\%$  of the Charges payable to the Buyer as Service Credits to be deducted from the next Invoice payable by the Buyer

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**Worked example:** 98% (e.g. Service Level Performance Measure requirement for accurate and timely billing Service Level) - 75% (e.g. actual percentage of timely and accurate invoices). This is capped to a 5% charge.

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5% of the Charges payable to the Buyer as Service Credits to be deducted from the next Invoice payable by the Buyer. This is capped to a 5% charge.

**Social value commitment:**

The Department highly values Yonder's commitment to fostering apprenticeships. As a minimum target, Yonder is expected to successfully create at least one-third of the opportunities outlined in its bid. The minimum number of committed apprenticeships will be rounded up to the nearest whole number on a calendar year basis, accounting for factors beyond the provider's control (such as apprentices abandoning training or unforeseen costs). Under this contract, Yonder aims to establish [REDACTED] apprenticeships, throughout its lifetime. The initial tender aimed to deploy [REDACTED] apprentices per year. The table below summarizes the Department's expectations:

Calendar year	Threshold target	Number of opportunities committed to during bid	Minimum target:
2024	one third of aspired apprenticeships	[REDACTED]	[REDACTED]
2025		[REDACTED]	[REDACTED]
2026		[REDACTED]	[REDACTED]
2027		[REDACTED]	[REDACTED]

**Example Service credits for KPI 3:**



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**Method:** Annual service cost reimbursed to the Department at a rate of 1% for all charges if no apprenticeships are delivered within a calendar year of the contract.

**Worked example:**

If no apprenticeships are delivered in 2026, 1% of all costs incurred by the Department under the scope of this contract in 2026 will be reimbursed.

## Part B: Performance Monitoring

### 3. Performance Monitoring and Performance Review

- 3.1 Within thirty (30) Working Days of the Start Date the Supplier shall provide the Buyer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
- 3.2 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") **on a 6 Monthly basis (during the progress meeting), as established within the order form.** The Performance Review Meetings will be the forum for the review by the Supplier and the Buyer of the Performance Monitoring Reports. The Performance Review Meetings shall:
  - 3.2.1 take place within two (2) week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Buyer shall reasonably require;
  - 3.2.2 be attended by the Supplier's Representative and the Buyer's Representative; and
  - 3.2.3 be fully minuted by the Supplier and the minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Buyer's Representative and any other recipients agreed at the relevant meeting.
- 3.3 The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Buyer's Representative at each meeting.
- 3.4 The Supplier shall provide to the Buyer such documentation as the Buyer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

### 4. Satisfaction Surveys

- 4.1 The Buyer may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Buyer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with this Contract.
- 4.2 The Supplier shall provide to the Buyer such documentation as the Buyer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.