**Schedule 10 (Service Levels)**

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

|  |  |
| --- | --- |
| **"Critical Service Level Failure"** | has the meaning given to it in the Award Form; |
| **"Service Credits"** | 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; |
| **"Service Credit Cap"** | has the meaning given to it in the Award Form; |
| **"Service Level Failure"** | means a failure to meet the Service Level Performance Measure in respect of a Service Level; |
| **"Service Level Performance Measure"** | shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and |
| **"Service Level Threshold"** | shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule. |

1. **What happens if you don’t meet the Service Levels**
   1. The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
   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.
   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.
   4. A Service Credit shall be the Buyer’s exclusive financial remedy for a Service Level Failure except where:
      1. the Supplier has over the previous twelve (12) Month period exceeded the Service Credit Cap; and/or
      2. the Service Level Failure:
         1. exceeds the relevant Service Level Threshold;
         2. has arisen due to a Prohibited Act or wilful Default by the Supplier;
         3. results in the corruption or loss of any Government Data; and/or
         4. results in the Buyer being required to make a compensation payment to one or more third parties; and/or
      3. the Buyer is also entitled to or does terminate this Contract pursuant to Clause 14.4 of the Core Terms (When the Buyer can end the contract).
   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:
      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. 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
      3. there is no change to the Service Credit Cap.
2. **Critical Service Level Failure**

On the occurrence of a Critical Service Level Failure:

* 1. any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
  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 3 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. is likely to or fails to meet any Service Level Performance Measure; or
  2. is likely to cause or causes a Critical Service Level 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. 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;
    2. instruct the Supplier to comply with the Rectification Plan Process;
    3. if a Service Level Failure has occurred, deduct the applicable Service Credits payable by the Supplier to the Buyer; and/or
    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 and the consequences of termination in Clause 14.5.1 shall apply).

1. **Service Credits**
   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. 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.

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

**SLAs 2024 v 1\_2:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Service Level Performance Criteria** | **Key Indicator** | **Service Level Performance Measure** | **Service Level Threshold** | **Service Credit for each Service Period** |
| **Availability**  **NEW KPI** | Availability per system supported, measured as a % of supported hours (Service Hours) in each Service Period during which the system is functional and available to end users.  This is excluding scheduled/approved downtime and outages caused by services outside the scope of this contract (e.g. the Infrastructure).  Systems excluded from the Availability KPI are:   * CPC ODE and * FYNI | 99.5% per system at all times | Going below 99.5% per system in any month.  Tier1  For the following:   * TARS (comprising DTCS and IRDT) and * CPC R&E, * IBS, * OBS | 1.0% on breach of threshold.  Plus  1.0% for each subsequent 0.5% drop in availability or part thereof\*.  Ie  <99.5% = 1.0% credit  <99.0% = 2.0% credit |
| Tier2  For the following:   * CPC DE, * RSIS * TARS MI. * BOE/Crystal Reports, | 0.5% on breach of threshold.  Plus  0.5% for each subsequent 0.5% drop in availability or part thereof.  Ie  <99.5% = 0.5% credit  <99.0% = 1.0% credit |

Part thereof refers to the % drop in service. If availability drops to 99.4%, that is a drop below the threshold of 99.5% and so the initial 1% service credit would apply.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Service Level Performance Criteria** | **Key Indicator** | **Service Level Performance Measure** | **Service Level Threshold** | **Service Credit for each Service Period** |
| **Priority 1 Incident**   (Major Incident) | Time to respond to and resolve to the reasonable satisfaction of the Customer.  Systems in scope of a P1 include:   * TARS (comprising DTCS and IRDT) and * CPC R&E, * CPC DE, * IBS, * OBS, * RSIS * TARS MI. * BOE/Crystal Reports,   Those excluded from Priority 1 level are:   * CPC ODE and * FYNI | 100% of P1 Incidents Communicated to Customer within 10 minutes of incident identification for incidents that are identified by the Supplier  100% of P1 Incidents resolved within 4 Service Hours | Tier1  Any and each P1 not resolved within 4 Service Hours (e.g. 4 hours 10 minutes is a fail)  For the following:   * TARS (comprising DTCS and IRDT) and * CPC R&E, * IBS, * OBS, | 1.0% for each additional hour above the 4 hour service level threshold, or part thereof. |
| Tier2  Any and each P1 not resolved within 4 Business Hours (e.g. 4 hours 10 minutes is a fail).  Note - moved to Business Hour to reflect lower impact from outages on these systems.  For the following:   * CPC DE, * RSIS * TARS MI. * BOE/Crystal Reports, | 0.5% for each additional hour above the 4 hours service level threshold, or part thereof. |

| **Service Level Performance Criteria** | **Key Indicator** | **Service Level Performance Measure** | **Service Level Threshold** | **Service Credit for each Service Period** |
| --- | --- | --- | --- | --- |
| **Priority 2 Incident**  (High Priority Incident) | Time to respond to and resolve to the reasonable satisfaction of the Customer | 100% of P2 Incidents communicated to Customer within 1 Business Hour  100% of P2 Incidents resolved within 8 Business Hours | Any and each two P2 incidents where they are not resolved within 8 Business Hours (e.g. 8 hours 10 minutes is a fail) | 0.5% for each additional hour above the 8 hours service level threshold, or part thereof. |
| **Priority 3 Incident**  (Medium Priority Incident) | Time to respond to and resolve to the reasonable satisfaction of the Customer | 100% of P3 Incidents responded to within 4 Business Hours  100% of P3 Incidents resolved within 24 Business Hours | If less than or equal to 90% of P3 Incidents are not resolved within 24 Business Hours (e.g. 24 hours 10 minutes is a fail) | 0.5% for each whole percentage point below the specified service level threshold or part thereof. |
| **Priority 4 Incident**  (Low Priority Incident) | Time to respond to and resolve to the reasonable satisfaction of the Customer | 100% of P4 Incidents responded to within 8 Business Hours  100% of P4 Incidents resolved within 80 Business Hours | If less than or equal to 90% of P4 Incidents are not resolved within 80 Business Hours (e.g. 80 hours 10 minutes is a fail) | 0.5% for each whole percentage point below the specified service level threshold or part thereof. |
| **Work Around items**  (see section 10.4 of the requirements) |  | The time taken from the request being assigned to the supplier and the resolution time should be no greater than 4 Business Hours.  Even though these may be logged as a P4 | If less than or equal to 90% of work arounds take more than 4 Business Hours to resolve | 0.5% for each whole percentage point below the specified service level threshold or part thereof. |
| **Reporting** | Timely delivery of all Service Reports | 100% of Monthly Reports delivered within five working days of the month following the Month covered in the Report  100% of Annual Reports delivered within 15 working days of the month following the end of each Call Off Contract Year | If the report is delivered in more than 10 working days for the Monthly or 15 working days for the Quarterly/Annual Report | 0.5% for Failure in Service Period  1% for Failure in second consecutive Service Period  1.5% for Failure in third consecutive Service Period |
| **Release Management** | The Supplier will fully support releases in conjunction with the TSS supplier, DVSA and other suppliers as required. | 100% of releases are to be fully supported by the supplier | Failure to support releases is to be fully explained to DVSA immediately it becomes apparent and detailed in that months Service Reports. |  |
| **Failover/Service Continuity Testing** | Ensuring Service Continuity Failover Tests are carried out to satisfy the customer the resilience for the infrastructure works on all systems. | Twice per year for all services. The Supplier will produce a report on the outcomes of the tests and any recommendations to improve the failover in case of emergency.  Test to be defined by DVSA and carried out in conjunction with the TSS supplier. | Failure to carry out any test, and deliver the report (within 10 working days of the test completing), within a 12-month period unless agreed with the DVSA | 0.5% for Failure to carry out test and deliver report in Period  1% for Failure to carry out test and deliver report in second consecutive Period  1.5% for Failure to carry out test and deliver report in third consecutive Period |
| **Escalations** | The number of incidents escalated to the Service manager | No greater than 1 P1 in a month.  No greater than 2 P2 in a month.  No greater than 4 P3 in a month.  No greater than 10 P4 in a month. |  | 0.1% for Failure of any of the 4 measures each month.  0.2% for failure of any of the 4 measures each month, in the following month. |
| **Suppliers Team**  **New KPI** | The supplier may amend their team membership at any stage of the contract’s life in agreement with DVSA and with 30 calendar days notice of the change, but the supplier will be responsible for the knowledge transfer within the supplier’s team at the supplier’s cost and service delivery must be maintained at the level required by DVSA. | 100% of staff changes meet this requirement. | Staff changes taking place with less than 30 calendar days notice | probably Nil - however could there be some other impact? |
| **Continual Service Improvement** | The supplier shall carry out CSI on services and will maintain a CSI log which will be supplied and discussed with the customer |  |  |  |

**NOTE:**

1. Service credits will be capped at 5% in a reporting period
2. Where Service Credits are incurred, DVSA may be prepared to discuss reinvestment of the Service Credit amount into making Service improvements necessary to recover Service Levels. This would be at the discretion of DVSA.
3. Were a long running Priority 1 incident causes a failure of the P1 KPI and also causes a failure of the Availability KPI, service credits will only be charge against one of the KPIs (the one with the highest service credit) but both will be considered as fails for service reporting purposes.

**Resolution Time:** is defined as ‘the elapsed time from assignment of the call to the Suppliers Apps 2nd/3rd line queue on ServiceNow to the time confirmed (on ServiceNow) by the Suppliers Apps team of restoration of the user’s ability to perform their normal work practices.

**Critical Service Level Failure**: DVSA will consider a Critical Service Level failure to have occurred where one or more SLAs have significantly breached over multiple service reporting periods, where it is deemed that the supplier is at fault and insufficient mitigation has been put in place to recover service levels.

**Priority Definitions**

|  |  |
| --- | --- |
| **Priority Level** | **Description** |
| **Priority 1** | Refers to a critical fault affecting multiple users which prevents them from performing their day to day work. This could be for:   * a whole system outage, * a system outage impacting multiple external users * or for internal users, an issue affecting a whole team or the majority of users of a system/service.   The Contractor shall report all Priority Level 1 faults to the nominated Authority contact point within 10 minutes and shall provide progress reports at 30 minute intervals thereafter.  100% of P1 Incidents resolved within 4 hours  Links to systems in Scope, see SLA |
| **Priority 2** | Refers to a fault/issue/service call that prevents:   * multiple user from performing their day to day work, but not a whole team or key site * if the fault is preventing a User from meeting a business-critical deadline.   A critical fault for CPC ODE and FYNI.  The Contractor shall report all Priority Level 2 faults to the nominated Authority contact point within 1 hours and shall provide a progress report to a nominated Authority contact point every hour thereafter.  100% of P2 Incidents resolved within 8 Business Hours. |
| **Priority 3** | Refers to a fault/issue/service call when this prevents a single User from working or a customer transaction from being progressed but when there is an alternative available.  The Contractor shall respond to within 4 Business Hours and a progress report shall be provided daily (Working Days) thereafter.  100% of P3 Incidents resolved within 24 Business Hours. |
| **Priority 4** | Refers to all other non-urgent service calls (i.e. when the issue does not prevent the User from working, a customer transaction from being progressed or there is an alternative available).  The Contractor shall respond to within 8 Business Hours and a progress report shall be provided every two (2) Working Days.  100% of P4 Incidents resolved within 80 Business Hours. |
| **Work Around** | Items on the work around list are to be delivered as agreed but can be classified as a P4. Some can be timetabled and generated automatically. Others are as needed. |

**Part** B**: Performance Monitoring**

1. **Performance Monitoring and Performance Review**
   1. Within twenty (20) Working Days of the Effective 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.
   2. The Supplier shall provide the Buyer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to Paragraph 1.1 of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
      1. for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
      2. a summary of all failures to achieve Service Levels that occurred during that Service Period;
      3. details of any Critical Service Level Failures;
      4. for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
      5. the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
      6. such other details as the Buyer may reasonably require from time to time.
   3. The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and the Buyer of the Performance Monitoring Reports. The Performance Review Meetings shall:
      1. take place within one (1) 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;
      2. be attended by the Supplier's Representative and the Buyer’s Representative; and
      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.
   4. 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.
   5. 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.
2. **Satisfaction Surveys**

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.