



Home Office

AUTHORITY: The Secretary of State for the Home Department

Schedule S – Service Improvement

Colnbrook & Harmondsworth IRCs

DOCUMENT LIST

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1. SERVICE IMPROVEMENTS AND COST SAVINGS

- 1.1 The Service Provider shall at all times during the Contract Term and at its own cost use all reasonable endeavours to ensure that:
 - 1.1.1 it shall work with Service Provider Parties and Sub-contractors to continually improve its systems, operating procedures and processes in delivering the Services under this Contract so as to reduce the costs to the Service Provider of delivering such Services to the Authority;
 - 1.1.2 in complying with Paragraph 1.1.1 above, it proactively (and in any event at least monthly) monitors such systems, operating procedures and processes and seeks to identify benefits to the Authority in improving the delivery of the Services (including, without limitation, the reduction in costs and charges) (the "**Service Improvements**"); and
 - 1.1.3 the Authority receives a share (in accordance with the provisions of this Schedule) of the benefits of any Service Improvements and reduced Service Provider and/or third party costs and charges relevant to the provision of the Services (including, without limitation, endeavouring to source supplies, equipment and any software from suppliers at best value rates).
- 1.2 Where the Service Provider identifies such Service Improvements in accordance with Paragraph 1.1.1 above, it shall promptly inform the Authority and submit a notice in writing to the Authority (the "**Service Improvement Proposal**") including:
 - 1.2.1 a brief overview of the Service Improvement(s) identified;
 - 1.2.2 the operational impact (including, without limitation, an assessment of quality, reliability and other relevant factors) of the Service Improvements on the delivery of the Services by the Service Provider in accordance with this Contract;
 - 1.2.3 the financial benefits of the Service Improvements to the Authority (including, without limitation, details of the cost savings and projected reduction to the Operating Fee); and
 - 1.2.4 advice to the Authority of any risks associated with the Service Improvements.
- 1.3 If the Authority, in its absolute discretion, having considered the Service Improvement Proposal shall conclude that the implementation of the Service Improvement(s) is desirable, the Service Provider shall put in place and, subject to Paragraph 1.4 of this Schedule, at its own cost, all necessary arrangements to facilitate the delivery of such Service Improvement(s) (including, without limitation, implementing the resultant reductions in the Operating Fee).
- 1.4 Where the achievement of the Service Improvements in the Service Improvement Proposal by the Authority would constitute a change, such change shall be deemed to be a Service Provider Change and the provisions of Schedule N (*Change Control Procedures*) shall apply.

- 1.5 Any cost and/or charges savings arising from any Service Improvements referred to in this Schedule shall be shared by the Authority and the Service Provider in proportions to be agreed by the parties acting reasonably (to avoid doubt, any costs incurred by the Service Provider in accordance with paragraph 1.3 above in developing and/or implementing the necessary Service Improvement(s) shall be deducted, prior to the calculation of each party's share, from any savings arising) and the Operating Fee shall be reduced accordingly to reflect such agreed proportions.
- 1.6 For the avoidance of doubt, the Authority shall have and make the final decision in relation to what proportions of benefits realised are payable to the Service Provider.
- 1.7 The allocated payments in respect of Service Improvements will be forfeited by the Service Provider where:
- 1.7.1 Overall performance of the Services is deemed to be poor by the Authority
 - 1.7.2 Benefits are not delivered, or demonstrably quantifiable
 - 1.7.3 Monies payable to the Authority are outstanding
 - 1.7.4 The Service Provider has been given notice of termination for an Event of Default.
- 1.8 Following the implementation of a Service Improvement in accordance with this Schedule, the Parties shall meet quarterly to review the actual achievement of the savings as against the savings identified in the relevant Service Improvement Proposal. Without prejudice to any obligations, rights or liabilities of either Party, the Parties shall discuss with each other and seek to understand the reasons behind the successes and/or failures in achieving the anticipated savings. The Service Provider shall apply any lessons learnt in the identification, development and implementation of subsequent Service Improvements during the Contract Term.

2. CONTRACT PERFORMANCE AND IMPROVEMENTS

- 2.1 The Service Provider shall be required to attend regular meetings to discuss current performance, and improvements. These meetings shall include (but not limited to)
- 2.1.1 Daily Operational Review Meetings
 - 2.1.2 Weekly Operational Review Meetings
 - 2.1.3 Monthly Operational Review Meeting; and
 - 2.1.4 Quarterly Contract Review Meetings
- 2.2 The four tiers of meetings referred to above shall act as an escalation channel for issues that have not been resolved, with the Quarterly Contract Review meeting representing the highest tier.
- 2.3 The Service Provider and the Authority shall provide representatives of the appropriate level of seniority for each of the meetings referred to above.