

**FRAMEWORK SCHEDULE 4**

**TECHNOLOGY PRODUCT ORDER FORM AND TECHNOLOGY PRODUCT CALL-OFF  
TERMS**

## PART 1 – TECHNOLOGY PRODUCT ORDER FORM

### SECTION A

This Order Form is issued in accordance with the provisions of the Technology Product Framework Agreement RM 1054. The Supplier agrees to supply the Goods and/or Services specified below on and subject to the Order Form and the Call Off Terms (together referred to as the Call Off Contract).

<b>DATE</b>	<b>13/07/2016</b>	
<b>ORDER NUMBER</b>	CCZN16A02	
<b>FROM</b>	Driver Vehicle Licencing Agency (DVLA)	<b>"CUSTOMER"</b>
	<b>Contact Name :</b> [REDACTED]	
	<b>Contact Address:</b> [REDACTED]	
	[REDACTED]	
	[REDACTED]	
	[REDACTED]	
	[REDACTED]	
	<b>Contact Email:</b> [REDACTED]	
	<b>Contact Telephone:</b> [REDACTED]	
<b>TO</b>	Computacenter (UK) Limited	<b>"SUPPLIER"</b>
	<b>Contact Name:</b> [REDACTED]	
	<b>Contact Address:</b> [REDACTED]	
	<b>Contact Email:</b> [REDACTED]	
	<b>Contact Telephone</b> [REDACTED]	

### SECTION B

#### 1. TERM

##### 1.1 Call Off Commencement Date:

18/07/2016

**1.2 Call Off Expiry Date:**

End date of Call Off Initial Period

Hardware Support: 3 Years after delivery of Hardware

Software Support: 18/12/2017

End date of Call Off Extension Period

N/A

**2. CUSTOMER CORE GOODS AND/OR SERVICES REQUIREMENTS****2.1 Goods and/or Services required (including any items which are considered business critical)**

Please see Call Of Schedule 2: Goods and Services

**2.2 Packing/Packaging**

N/A

**2.3 [Warranty Period (Goods only)]**

Refer to Clause 7.6

The Warranty Period shall be the duration of any guarantee or warranty period the Supplier has received from the third party manufacturer or supplier.

**2.4 Location/Sites of Delivery**

DVLA

Longview Road

Swansea

SA67JL

Title to Goods is transferred to the Customer on payment to the Supplier in full (save in respect of software where title to the same shall remain at all times with the relevant licensor).

**2.5 Dates for Delivery of the Goods and/or the Services**

No later than 4 weeks following award of contract

The Customer shall notify the Supplier within 3 working days of delivery in the event of any damage to or short delivery of the Goods

**2.6 Implementation Plan**

Refer to Schedule 4: Implementation Plan

**2.7 Standards and Quality**

Refer to Schedule 7: Standards

**2.8 Service Levels and Service Credits**

Refer to Call Off Schedule 6: Service Levels, Service Credits And Performance Monitoring. Refer to Schedule 7: Standards

Service Credits: N/A

**2.9 Critical Service Level Failure**

N/A

**2.10 Performance Monitoring**

Refer to Call Off Schedule 6: Service Levels, Service Credits And Performance Monitoring.

**2.11 Security Requirements (including details of Security Policy and outline Security Management Plan)**

Refer to Schedule 8: Security

**2.12 Software**

7000 Clearswift Secure Web Gateway Licences [REDACTED]

Third party software (if any) shall be licensed subject to the third party licensor's standard licence terms which shall govern the supply, the Customer's use of and obligations relating to the software in their entirety and which shall prevail in the event of any conflict with the terms and conditions of this Call-Off Contract.

**2.13 Customer Complaints Handling Escalation Path**

DVLA CONTRACT OWNER: [REDACTED]

EMAIL: [REDACTED]

**3. SUPPLIER'S INFORMATION**

**3.1 Commercially Sensitive Information**

Supplier's pricing and/or any Supplier specific solution(s).

Call-Off Term +2 years

**3.2 Termination on Customer Cause for Failure to Pay**

An amount equal to one (1) month's average Call-Off Contract Charges or equivalent

**3.3 Supplier Complaints Handling Escalation Path**

Karen Baldock karen.baldock@computacenter.com

**4. CUSTOMER RESPONSIBILITIES**

**4.1 Customer Responsibilities**

As per Computacenter's response to tender

**5. CALL OFF CONTRACT CHARGES AND PAYMENT**

**5.1 Call Off Contract Charges payable by the Customer (including any applicable Milestone Payments and/or discount(s), but excluding VAT) and payment terms/profile including method of payment (e.g. Government Procurement Card (GPC) or BACS)**

Refer to Schedule 3 - Annex 1: Call Off Contract Charges

The Supplier shall submit invoices directly to the billing address as per the Customer's order

The Supplier shall invoice the Customer for Goods on despatch and for Services as per Supplier's quotation

**SECTION C**

**6. CUSTOMER OTHER CONTRACTUAL REQUIREMENTS**

#### **6.1 Call Off Guarantor**

N/A

#### **6.2 Limitations on Liability**

Clause 26 'Liability' of the Call-Off Terms shall apply. For the purpose of the Definitions, the 'Estimated Year 1 Call Off Contract Charges' shall be the Charges paid or payable by the Customer in the first twelve months following the Commencement Date of this Call Off Contract

#### **6.3 Insurance**

Refer to Clause 27

#### **6.4 Termination without cause**

Refer to Clause 31.6

### **7. ADDITIONAL AND/OR ALTERNATIVE CLAUSES**

#### **7.1 Supplemental requirements to the Call-Off Terms**

N/A

#### **7.2 Amendments to/refinements of the Call-Off Terms**

N/A

#### **7.3 Alternative and/or Additional Clauses (select from Annex 1 to the Call Off Terms)**

N/A

## 8. FORMATION OF CALL OFF CONTRACT

**8.1** BY SIGNING AND RETURNING THIS ORDER FORM (which may be done by electronic means) the Supplier agrees to enter a Call Off Contract with the Customer to provide the Goods and the Services.

**8.2** The Parties hereby acknowledge and agree that they have read the Order Form and the Call-Off Terms and by signing below agree to be bound by this Call Off Contract.

**8.3** In accordance with paragraph 7 of Framework Schedule 5 (Call Off Procedure), the Parties hereby acknowledge and agree that this Call Off Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of the Order Form from the Supplier within two (2) Working Days from receipt (the “**Call Off Execution Date**”).

### For and on behalf of the Supplier:

Name and Title	[REDACTED]
Signature	[REDACTED]
Date	26/07/2016

### For and on behalf of the Customer:

Name and Title	[REDACTED]
Signature	[REDACTED]
Date	29/07/2016

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## **Part 2 – Call off Terms**

### **TERMS AND CONDITIONS**

#### **A. PRELIMINARIES**

##### **1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Call Off Contract, unless the context otherwise requires, capitalised expressions shall have the meanings set out in Call Off Schedule 1 (Definitions) and the Call Off Terms or the relevant Call Off Schedule in which that capitalised expression appear.
- 1.2 If a capitalised expression does not have an interpretation in Call Off Schedule 1 (Definitions) or relevant Call Off Schedule, it shall have the meaning given to it in the Framework Agreement. If no meaning is given to it in the Framework Agreement, it shall, in the first instance, be interpreted in accordance with the common interpretation within the relevant market sector/industry where appropriate. Otherwise, it shall be interpreted in accordance with the dictionary meaning.
- 1.3 In this Call Off Contract, unless the context otherwise requires:
  - 1.3.1 the singular includes the plural and vice versa;
  - 1.3.2 reference to a gender includes the other gender and the neuter;
  - 1.3.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
  - 1.3.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
  - 1.3.5 the words "including", "other", "in particular", "for example" and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words "without limitation";
  - 1.3.6 references to "writing" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing shall be construed accordingly;
  - 1.3.7 references to "representations" shall be construed as references to present facts, to "warranties" as references to present and future facts and to "undertakings" as references to obligations under this Call Off Contract;
  - 1.3.8 references to "Clauses" and "Call Off Schedules" are, unless otherwise provided, references to the clauses and schedules of this Call Off Contract and references in any Call Off Schedule to parts, paragraphs, annexes and tables are, unless otherwise provided, references to the parts, paragraphs, annexes and tables of the Call Off Schedule in which these references appear; and
  - 1.3.9 the headings in this Call Off Contract are for ease of reference only and shall not affect the interpretation or construction of this Call Off Contract.

- 1.4 Subject to Clauses 1.5, 1.6 and 1.7, in the event of and only to the extent of any conflict between the Order Form, the Call Off Terms and the provisions of the Framework Agreement, the conflict shall be resolved in accordance with the following order of precedence:
- 1.4.1 the Framework Agreement, except Framework Schedule 20 (Tender);
  - 1.4.2 the Order Form;
  - 1.4.3 the Call Off Terms ;
  - 1.4.4 Framework Schedule 19 (Tender).
- 1.5 Any permitted changes by the Customer to the Call Off Terms and the Order Form under Clause 4 of the Framework Agreement and Framework Schedule 5 (Call Off Procedure) prior to them becoming the Call Off Terms and the Order Form and the Parties entering this Call Off Contract shall prevail over the Framework Agreement.
- 1.6 If the Customer has specified security requirements in section 2.11 of the Order Form and security-related clauses in section 7 of the Order Form those provisions shall prevail over the Framework Agreement.
- 1.7 Where Framework Schedule 19 (Tender) contains provisions which are more favourable to the Customer in relation to the Call Off Contract such provisions of the Tender (as applicable) shall prevail. The Customer shall in its absolute and sole discretion determine whether any provision in the Tender and/or the Supplier Call Off Solution (as applicable) is more favourable to it in this context.

## **2. DUE DILIGENCE**

- 2.1 The Supplier acknowledges that:
- 2.1.1 the Customer has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Call Off Contract;
  - 2.1.2 it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information;
  - 2.1.3 the Supplier shall not be excused from the performance of any of its obligations under this Call Off Contract on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of any failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

## **3. REPRESENTATIONS AND WARRANTIES**

- 3.1 Each Party represents and warranties that:
- 3.1.1 it has full capacity and authority to enter into and to perform this Call Off Contract;
  - 3.1.2 this Call Off Contract is executed by its duly authorised representative;
  - 3.1.3 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it (or, in the case of the

- Supplier, any of its Affiliates) that might affect its ability to perform its obligations under this Call Off Contract; and
- 3.1.4 its obligations under this Call Off Contract constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable (as the case may be for each Party) bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law).
- 3.2 The Supplier represents and warrants that:
- 3.2.1 it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;
- 3.2.2 it has all necessary consents (including, where its procedures so require, the consent of its Parent Company) and regulatory approvals to enter into this Call Off Contract;
- 3.2.3 its execution, delivery and performance of its obligations under this Call Off Contract does not and will not constitute a breach of any Law or obligation applicable to it and does not and will not cause or result in a Default under any agreement by which it is bound;
- 3.2.4 as at the Call Off Commencement Date, all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation to its Tender and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Call Off Contract;
- 3.2.5 as at the Call Off Commencement Date, it has notified the Customer in writing of any Occasions of Tax Non-Compliance or any litigation that it is involved in connection with any Occasions of Tax Non-Compliance;
- 3.2.6 it has and shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPR, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-Contractor) to the Customer which are necessary for the performance of the Supplier's obligations under this Call Off Contract including the receipt of the Goods and/or Services by the Customer;
- 3.2.7 it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Call Off Contract; and
- 3.2.8 it is not affected by an Insolvency Event and no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue.
- 3.3 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any undertaking in this Call Off Contract.

- 3.4 If at any time a Party becomes aware that a representation or warranty given by it under Clauses 3.1 and 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.
- 3.5 For the avoidance of doubt, the fact that any provision within this Call Off Contract is expressed as a warranty shall not preclude any right of termination the Customer may have in respect of breach of that provision by the Supplier which constitutes a material Default.

#### **4. CALL OFF GUARANTEE – N/A**

- 4.1 Where the Customer has stipulated during a Further Competition Procedure that the award of this Call Off Contract shall be conditional upon receipt of a Call Off Guarantee, then, on or prior to the Call Off Commencement Date, the Supplier shall deliver to the Customer:
- 4.1.1 an executed Call Off Guarantee from a Call Off Guarantor; and
  - 4.1.2 a certified copy extract of the board minutes and/or resolution of the Call Off Guarantor approving the execution of the Call Off Guarantee.
- 4.2 The Customer may in its sole discretion at any time agree to waive compliance with the requirement in Clause 4.1 by giving the Supplier notice in writing.

### **B. DURATION OF CALL OFF CONTRACT**

#### **5. CALL OFF CONTRACT PERIOD**

- 5.1 This Call Off Contract shall take effect on the Call Off Commencement Date and shall expire on the Call Off Expiry Date.

### **C. CALL OFF CONTRACT PERFORMANCE**

#### **6. IMPLEMENTATION PLAN**

- 6.1 **Formation of Implementation Plan**
- 6.1.1 Where the Parties agreed in the Order Form (or elsewhere in this Call Off Contract) that an Implementation Plan (or parts thereof) shall be provided in draft by the Supplier prior to the commencement of the provision of the supply of the Goods and the Services, the Supplier's draft must contain information at the level of detail necessary to manage the implementation stage effectively and as the Customer may require. The draft Implementation Plan shall take account of all dependencies known to, or which should reasonably be known to the Supplier.
  - 6.1.2 The Supplier shall submit the draft Implementation Plan to the Customer for Approval (such decision of the Customer to Approve or not shall not be unreasonably delayed or withheld) within such period as specified by the Customer in the Order Form (or elsewhere in this Call Off Contract).
  - 6.1.3 The Supplier shall perform each of the Deliverables identified in the Implementation Plan by the applicable date assigned to that

Deliverable in the Implementation Plan so as to ensure that each Milestone identified in the Implementation Plan is Achieved on or before its Milestone Date.

- 6.1.4 The Supplier shall monitor its performance against the Implementation Plan and Milestones (if any) and any other requirements of the Customer as set out in this Call Off Contract and report to the Customer on such performance.

## **6.2 Control of Implementation Plan**

- 6.2.1 Subject to Clause 6.2.2, the Supplier shall keep the Implementation Plan under review in accordance with the Customer's instructions and ensure that it is maintained and updated on a regular basis as may be necessary to reflect the then current state of the supply of the Goods and the provision of the Services. The Customer shall have the right to require the Supplier to include any reasonable changes or provisions in each version of the Implementation Plan.

- 6.2.2 Changes to the Milestones (if any), Milestone Payments (if any) and Delay Payments (if any) shall only be made in accordance with the Variation Procedure and provided that the Supplier shall not attempt to postpone any of the Milestones using the Variation Procedure or otherwise (except in the event of a Customer Cause which affects the Supplier's ability to achieve a Milestone by the relevant Milestone Date).

- 6.2.3 Where so specified by the Customer in the Implementation Plan or elsewhere in this Call Off Contract, time in relation to compliance with a date, Milestone Date or period shall be of the essence and failure of the Supplier to comply with such date, Milestone Date or period shall be a material Default unless the Parties expressly agree otherwise.

## **6.3 Rectification of Delay in Implementation**

- 6.3.1 If the Supplier becomes aware that there is, or there is reasonably likely to be a Delay under this Call Off Contract:

a) it shall:

- (i) notify the Customer as soon as practically possible and no later than within two (2) Working Days from becoming aware of the Delay or anticipated Delay; and
- (ii) include in its notification an explanation of the actual or anticipated impact of the Delay; and
- (iii) comply with the Customer's instructions in order to address the impact of the Delay or anticipated Delay; and
- (iv) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay; and

- b) if the Delay or anticipated Delay relates to a Milestone in respect which a Delay Payment has been specified in the Implementation Plan, Clause 6.4 (Delay Payments) shall apply Unless the Delay is deemed as resulting from Customer Cause.

## **6.4 Delay Payments**

- 6.4.1 If Delay Payments have been included in the Implementation Plan (if any) then, if a Milestone has not been achieved by the relevant

Milestone Date the Supplier shall pay to the Customer such Delay Payments (calculated as set out by the Customer in the Implementation Plan) and the following provisions shall apply:

- a) The Supplier acknowledges and agrees that any Delay Payment is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to Achieve the corresponding Milestone;
- b) Delay Payments shall be the Customer's exclusive financial remedy for the Supplier's failure to Achieve a corresponding Milestone by its Milestone Date except where:
  - (i) the Customer is otherwise entitled to or does terminate this Call Off Contract pursuant to Clause 31 (Customer Termination Rights) except Clause 31.6 (Termination Without Cause); or
  - (ii) the delay exceeds the period of one hundred (100) days commencing on the relevant Milestone Date;
- c) the Delay Payments will accrue on a daily basis from the relevant Milestone Date and shall continue to accrue until the date when the Milestone is Achieved (unless otherwise specified by the Customer in the Implementation Plan);
- d) no payment or concession to the Supplier by the Customer or other act or omission of the Customer shall in any way affect the rights of the Customer to recover the Delay Payments or be deemed to be a waiver of the right of the Customer to recover any such damages unless such waiver complies with Clause 38 (Waiver and Cumulative Remedies) and refers specifically to a waiver of the Customer's rights to claim Delay Payments; and
- e) the Supplier waives absolutely any entitlement to challenge the enforceability in whole or in part of this Clause 6 and Delay Payments shall not be subject to or count towards any limitation on liability set out in Clause 26.

## **7. GOODS AND SERVICES**

### **7.1 Provision of the Services**

- 7.1.1 The Supplier acknowledges and agrees that the Customer relies on the skill and judgment of the Supplier in the provision of the Goods and the Services and the performance of its obligations under this Call Off Contract.
- 7.1.2 The Supplier shall ensure that the Goods and Services:
  - a) comply in all respects with the description of the Goods and the Services in the Order Form (or elsewhere in this Call Off Contract); and
  - b) are supplied in accordance with the provisions of this Call Off Contract
- 7.1.3 The Supplier shall perform its obligations under this Call Off Contract in accordance with:
  - a) All applicable Law;

- b) Good Industry Practice;
- c) The Standards;
- d) The Security Policy;
- e) The ICT Policy (if so required by the Customer); and
- f) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 7.1.3a) to 7.1.3e).

**7.1.4 The Supplier shall:**

- a) at all times allocate sufficient resources with the appropriate technical expertise to supply the Goods and the Deliverables and to provide the Services in accordance with this Call Off Contract;
- b) subject to Clause 17.1.1 (Variation Procedure), obtain, and maintain throughout the duration of this Call Off Contract, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Goods and the Services;
- c) minimise any disruption to the Services, and/or the Customer's operations when providing the Goods and the Services;
- d) ensure that any Documentation and training provided by the Supplier to the Customer are comprehensive, accurate and prepared in accordance with Good Industry Practice;
- e) provide the Customer with such assistance as the Customer may reasonably require during the Call Off Contract Period in respect of the supply of the Goods and the Services;
- f) deliver the Goods and the Services in a proportionate and efficient manner;
- g) ensure that neither it, nor any of its Affiliates, embarrasses the Customer or otherwise brings the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer, regardless of whether or not such act or omission is related to the Supplier's obligations under this Call Off Contract; and
- h) gather, collate and provide such information and co-operation as the Customer may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Call Off Contract.

**7.1.5** An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-contractors and Supplier Personnel also do, or refrain from doing, such act or thing.

**7.2 Time of Delivery of the Goods and the Services**

**7.2.1** The Supplier shall provide the Goods and the Services on the date(s) specified in the Order Form (or elsewhere in this Call Off Contract) and the Milestone Dates (if any). Such provision shall include compliance with the obligation on the Supplier set out in Clause 6 (Implementation Plan).



- 7.2.2 Subject to Clause 7.2.4, where the Goods are physically delivered by the Supplier, the point of delivery shall be when the Goods are removed from the transporting vehicle and transferred at the Sites. At the Customer's option, Delivery of the Goods shall include unloading and stacking of the Goods by the Supplier Personnel at such place as the Customer shall reasonably direct. Where the Goods are collected by the Customer, the point of delivery shall be when the Goods are loaded on the Customer's vehicle.
- 7.2.3 Unless expressly agreed to the contrary, the Customer shall not be obliged to accept delivery of the Goods by instalments. If however, the Customer does specify or agree to delivery by instalments, delivery of any instalment later than the date specified or agreed for its Delivery shall, without prejudice to any other rights or remedies of the Customer, howsoever arising, entitle the Customer to terminate the whole or any unfulfilled part of this Call Off Contract for material Default without further liability to the Customer.
- 7.2.4 Where the Customer has specified any Installation Works in the Order Form (or elsewhere in this Call Off Contract), Delivery shall include installation of the Goods by the Supplier Personnel at the Sites or at such place as the Customer shall reasonably direct.
- 7.2.5 The Supplier shall undertake timed deliveries and out-of-hours deliveries as specified in the Order Form (or elsewhere in the Call-Off Contract). Timed delivery is delivery on a specified date and within a defined time range specified by the Customer on that date. The Customer shall be able to reject early deliveries and late deliveries at no cost to the Customer where a timed delivery or out-of-hours delivery has been specified.
- 7.2.6 The Supplier shall deliver to secure locations as directed by the Customer in the Order Form (or elsewhere in the Call-Off Contract) and in accordance with the Customer's security requirement set out at Schedule 8 (Security) where this is used.

**7.3 Location and Manner of Delivery of the Goods and the Services**

- 7.3.1 Except where otherwise provided in this Call Off Contract, the Supplier shall supply the Goods to the location(s) specified in the Order Form, and provide the Services to the Customer through the Supplier Personnel at the Sites. The Customer can require the Supplier Personnel to comply with the Customer's security requirements set out in Schedule 8 (Security) while on site, including the requirement to undertake formal personnel security clearance procedures. Where Supplier Personnel are required to undertake personnel security clearance procedures to access the Sites the Customer shall notify the Supplier at least ten (10) Working Days in advance of the delivery date.
- 7.3.2 If requested by the Customer prior to Delivery, the Supplier shall provide the Customer with a sample or samples of Goods for evaluation and Approval, at the Supplier's cost and expense.
- 7.3.3 The Goods shall be marked, stored, handled and delivered in a proper manner and in accordance the Customer's instructions as set out in the Order Form (or elsewhere in this Call Off Contract), Good Industry Practice, any applicable Standards and any Law. In particular, the Goods shall be marked with the Order number and the

net, gross and tare weights, the name of the contents shall be clearly marked on each container and all containers of hazardous Goods (and all documents relating thereto) shall bear prominent and adequate warnings.

7.3.4 On dispatch of any consignment of the Goods the Supplier shall send the Customer an advice note specifying the means of transport, the place and date of dispatch, the number of packages, their weight and volume together with the all other relevant documentation and information required to be provided under any Laws.

7.3.5 The Customer may inspect and examine the manner in which the Supplier provides the Services at the Sites and, if the Sites are not the Customer Premises, the Customer may carry out such inspection and examination during normal business hours and on reasonable notice.

#### 7.4 Risk and Ownership in Relation to the Goods

7.4.1 Without prejudice to any other rights or remedies of the Customer howsoever arising:

- a) risk in the Goods shall pass to the Customer at the time of Delivery; and
- b) ownership of the Goods shall pass to the Customer on the earlier of Delivery of the Goods or payment by the Customer of the Call Off Contract Charges

#### 7.5 Undelivered Goods and Services

7.5.1 In the event that any of the Goods or Services are not Delivered in accordance with Clauses 7.1 to 7.3 ("**Undelivered Goods and Services**"), or the Goods are Damaged or lost, the Customer, without prejudice to any other rights and remedies of the Customer howsoever arising, shall be entitled to withhold payment of the applicable Call Off Contract Charges for the Goods or Services that were not so Delivered until such time as the Undelivered Goods and Services are Delivered.

7.5.2 The Customer may, at its discretion and without prejudice to any other rights and remedies of the Customer howsoever arising, deem the failure to comply with Clauses 7.1 to 7.3 and meet the relevant Milestone Date (if any) to be a material Default.

#### 7.6 Warranty

7.6.1 The Supplier hereby guarantees the Goods for the Warranty Period against faulty materials and workmanship.

7.6.2 If the Customer shall within such Warranty Period give notice in writing to the Supplier of any defect in any of the Goods as may have arisen during such Warranty Period under proper and normal use, the Supplier shall (without prejudice to any other rights and remedies of the Customer howsoever arising) promptly remedy such faults or defects (whether by repair or replacement as pursuant to the applicable published warranty terms of the manufacturer) free of charge.

7.6.3 The Supplier warrants to the Customer that all components of any Specially Written Software shall:

- a) be free from material design and programming errors;
  - b) perform in all material respects in accordance with the relevant specifications; and
  - c) not infringe any Intellectual Property Rights.
- 7.6.4 Where Goods are repaired or replaced under a warranty, the repaired or replaced Goods shall have either the remainder of the original Warranty Period or where offered a full Warranty Period as if supplied as new under the Call-Off Contract.
- 7.6.5 In undertaking any repairs to the Goods, the Supplier shall not replace any parts or components of the ordered Goods with parts or components that are of lower quality or which are unsuitable for use in their designed purpose either by the Customer or a Replacement Supplier, prior to the expiry or termination of the Call-Off Contract (howsoever arising).
- 7.6.6 Where there is fault in any ordered Goods which cannot be repaired, the Supplier shall ensure and procure that any data residing in any ordered Goods is removed prior to such ordered Goods at no additional cost to the Customer being returned to any manufacturer or other third party for disposal.
- 7.6.7 The Customer has the sole option to remove and retain any hard drives or solid state drives prior to the return of Goods to the Supplier at no additional cost to the Customer.
- 7.6.8 The Supplier confirms that where a Customer has an in-house warranty provider or technical staff who undertake warranty repair work, the Supplier shall work with the the Customer's in-house warranty provider and/or technical staff to provide any required training to enable the transfer of warranty repair work without cost or loss of service to the Customer. Where this reduces the cost to the Supplier of providing the warranty, the Supplier shall pass such cost savings on to the Customer.

**7.7 Obligation to Remedy of Default in the Supply of the Goods and Services**

- 7.7.1 Subject to Clauses 23.9.2 and 23.9.3 (IPR Indemnity) and without prejudice to any other rights and remedies of the Customer howsoever arising (including under Clauses 7.5.2 (Undelivered Goods and Services) and 28 (Customer Remedies for Inadequate Performance)), the Supplier shall, where practicable:
  - a) remedy any breach of its obligations in this Clause 7 within three (3) Working Days of becoming aware of the relevant Default or being notified of the Default by the Customer or within such other time period as may be agreed with the Customer (taking into account the nature of the breach that has occurred); and
  - b) meet all the costs of, and incidental to, the performance of such remedial work.

**7.8 Continuing Obligation to Provide the Goods and Services**

- 7.8.1 The Supplier shall continue to perform all of its obligations under this Call Off Contract and shall not suspend the provision of the Goods or the Services, notwithstanding:

- a) any withholding or deduction by the Customer of any sum due to the Supplier pursuant to the exercise of a right of the Customer to such withholding or deduction under this Call Off Contract;
- b) the existence of an unresolved Dispute; and/or
- c) any failure by the Customer to pay any Call Off Contract Charges,
- d) unless the Supplier is entitled to terminate this Call Off Contract under Clause 32.1 (Termination on Customer Cause) for failure by the Customer to pay undisputed Charges.

#### **7.9 Over Delivered Goods**

- 7.9.1 The Customer shall be under no obligation to accept or pay for any Goods delivered in excess of the quantity specified in the Order Form (or elsewhere in this Call Off Contract) ("Over-delivered Goods").
- 7.9.2 If the Customer elects not to accept such Over-delivered Goods it may, without prejudice to any other rights and remedies of the Customer howsoever arising, give notice in writing to the Supplier to remove them within five (5) Working Days and to refund to the Customer any expenses incurred by the Customer as a result of such over-delivery (including but not limited to the costs of moving and storing the Over-delivered Goods).
- 7.9.3 If the Supplier fails to comply with the Customer's notice under Clause 7.9.2, the Customer may dispose of such Over-delivered Goods and charge the Supplier for the costs of such disposal. The risk in any Over-delivered Goods shall remain with the Supplier.

#### **7.10 Responsibility for Damage to or Loss of the Goods**

- 7.10.1 Without prejudice to the Supplier's other obligations to provide the Goods in accordance with this Call Off Contract, the Supplier accepts responsibility for all damage to or loss of the Goods if:
- 7.10.2 the same is notified in writing to the Supplier within twenty eight (28) Working Days of receipt and inspection of the Goods by the Customer. The Supplier and Customer shall agree the date of inspection of the Delivered Goods in the Implementation Plan. In the event that no such date is specified in the Implementation Plan (or elsewhere in the Call Off Contract), then Clause 7.10.1 shall apply if damage to or loss of the Goods is notified in writing to the Supplier within twenty eight (28) Working Days of the Delivery of the Goods at the Customer's nominated site; and
- 7.10.3 the Goods have been handled by the Customer in accordance with the Supplier's instructions.
- 7.10.4 Where the Supplier accepts responsibility under Clause 7.10.1 it shall, at its sole option, replace or repair the Goods (or part thereof) within such time as is reasonable having regard to the circumstances and as agreed with the Customer. Return of the Damaged Goods shall be at the Supplier's cost. For the avoidance of doubt, the Customer shall not approve any Damaged or lost Goods as Delivered, and for the purposes of the Implementation Plan such Goods shall be deemed as Undelivered Goods.

#### **7.11 Goods Replacement/Substitution**

- 7.11.1 In the event that the Goods become genuinely unavailable after the Supplier has accepted and/or confirmed the Customer's Order and is contractually bound, the Supplier shall offer the Customer the replacement model or equivalent substitute goods at no additional cost to the Customer. The equivalent substitute goods shall be of an equivalent or higher specification and provide the same or additional functionality than the Goods it replaces. It shall be the Customer's sole decision whether to accept the replacement model or equivalent substitute goods. In the event that the Customer rejects the replacement model or equivalent substitute goods, the Supplier's failure to Deliver in accordance with the Call-Off Contract shall be deemed a material Default entitling the Customer to terminate the Call-Off Contract.

#### **7.12 Product Lifecycle Information**

- 7.12.1 The Supplier shall provide product lifecycle information, including product roadmaps, on request of the Customer. Where the Supplier becomes aware that Goods are to become End of Life, the Supplier shall use all reasonable endeavours to give the Customer three (3) Months' notice of this event; in any event, the Supplier shall notify the Customer within a reasonable time period when Goods are End of Life.

#### **7.13 Access to Spares**

- 7.13.1 The Supplier shall have access to a sufficient stock of spare devices that have been specified as business critical on the Order Form to allow the Customer to initiate business-critical swaps of faulty devices, or to address Dead On Arrival/Installation (DOA/DOI) business critical issues, with replacement by the same model and specification of device. Upon notification by the Customer of the requirement for a business-critical swap or DOA/DOI business critical issue, the Supplier shall swap the device with a spare device within twenty-four (24) hours of the Customer reporting the issue. For the avoidance of doubt, the Customer shall not Approve any DOA/DOI devices, and for the purposes of the Implementation Plan such Goods shall be deemed as Undelivered Goods.
- 7.13.2 The Supplier shall have access to a sufficient stock of spare components to undertake repairs to Goods in accordance with warranty requirements, and in any case to undertake required repairs within a reasonable time period.

#### **7.14 Test Devices**

- 7.14.1 The Supplier shall make a stock of Test Devices, for the purpose of testing compatibility with a Customer's IT infrastructure, available to the Customer as required. Test Devices shall be shipped to the Customer's nominated Site on request and at the Supplier's expense. The Customer shall return Test Devices to the Supplier in the same condition as initially provided to them by the Supplier (unless agreed otherwise between the Parties). Risk and ownership for any Test Devices shall remain with the Supplier.

#### **7.15 Endemic Failures**

- 7.15.1 The Supplier shall collate information on the failure rate of Goods such that it can trace failure rate by batch, principal reasons for

failure, and by Customer affected by Goods failure. This information will help the Supplier to identify situations of Endemic Failures. In the event of Endemic Failure of the Goods supplied, the Supplier shall inform the Customer and the Customer has the right to reject all Goods in the affected batch and require their replacement by the Supplier at no cost to the Customer and without prejudice to the Customer's right of remedies. Endemic Failure also triggers a material Default by the Supplier, entitling the Customer to terminate the Call-Off Contract.

**7.16 Coding Requirements - N/A**

- 7.16.1 Unless otherwise confirmed and/or agreed by the Customer in writing and subject to Clause 7.16.2, the Supplier shall ensure comprehensive product information relating to each category of the Goods such be placed by the Supplier into a GS1 certified data pool within the following timescales:
- a) prior to or on the Commencement Date, in relation to all categories of Goods to be provided as part of the Call Off Contract as at the Commencement Date; or
  - b) where further categories of Goods are to be supplied in accordance with Clause 17 (Change) prior to or on the date of implementation of any such Variation.
- 7.16.2 Where it is not practical for whatever reason for the Supplier to comply with its obligations under Clause 7.16.1 within the timescales stated and the Customer requires compliance with such coding requirements, the Supplier shall provide an Implementation Plan and timetable that sets out how the Supplier shall Achieve such compliance by an alternative timescale. This Implementation Plan and timetable must be submitted by the Supplier for the Approval by the Customer prior to the first delivery of the relevant Goods under the Call Off Contract (such Approval shall not be unreasonably withheld or delayed). Any failure by the Parties to agree such a timetable and Implementation Plan shall be referred to and resolved in accordance with the Dispute Resolution Procedure. Once a timetable and Implementation Plan have been agreed by the Customer, the Supplier shall comply with such timetable and Implementation Plan as a condition of this Call Off Contract.
- 7.16.3 Once product information relating to the Goods is placed by the Supplier into a GS1 certified data pool, the Supplier shall, during the Call Off Contract Period, keep such information updated with any changes to the product data relating to the Goods.

**8. STANDARDS AND QUALITY**

- 8.1 The Supplier shall at all times during the Call Off Contract Period comply with the Standards and maintain, where applicable, accreditation with the relevant Standards' authorisation body.
- 8.2 The Supplier shall ensure that the Supplier Personnel shall at all times during the Call Off Contract Period:
- 8.2.1 be appropriately experienced, qualified and trained to supply the Goods and/or Services in accordance with this Call Off Contract;

- 8.2.2 apply all due skill, care, diligence in faithfully performing those duties and exercising such powers as necessary in connection with the provision of the Services; and
- 8.2.3 obey all lawful instructions and reasonable directions of the Customer (including, if so required by the Customer, the ICT Policy) and provide the Goods and/or Services to the reasonable satisfaction of the Customer.
- 8.3 The Supplier shall ensure that the Goods are Delivered in accordance with the Specifications requirements in the Order Form, the manufacturer's specification (as applicable) and the Framework Agreement as this applies to the Call Off Contract.
- 8.4 The Supplier shall ensure that the Goods are free from defects in design and workmanship and are fit for the purpose made known to the Supplier by the Customer.

## 9. TESTING

- 9.1 The Parties shall comply with the provisions specified in the Order Form in relation to the procedures to determine whether a Milestone or Test has been Achieved.

## 10. SERVICE LEVELS AND SERVICE CREDITS

- 10.1 The Supplier shall at all times during the Call Off Contract Period provide the Goods and/or Services to meet or exceed the Service Level Performance Measure for each Service Level Performance Criterion specified in the Order Form or Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring) where this is used.
- 10.2 The Supplier acknowledges that any Service Level Failure may have a material adverse impact on the business and operations of the Customer and that it shall entitle the Customer to Service Credits if so specified in the Order Form.
- 10.3 The Supplier acknowledges and agrees that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to meet any Service Level Performance Measure.

## 11. CRITICAL SERVICE LEVEL FAILURE – N/A

- 11.1 On the occurrence of a Critical Service Level Failure:
    - 11.1.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
    - 11.1.2 the Customer shall (subject to the Service Credit Cap set out in Clause 26.2 (Liability)) be entitled to withhold and retain as compensation for the Critical Service Level Failure a sum equal to any Call Off Contract 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 Clause shall be without prejudice to the right of the Customer to terminate this Call Off Contract and/or to claim damages from the Supplier for material Default as a result of such Critical Service Level Failure.

11.2 The Supplier:

- 11.2.1 agrees that the application of Clause 11.1 is commercially justifiable where a Critical Service Level Failure occurs; and
- 11.2.2 acknowledges that it has taken legal advice on the application of Clause 11.1 and has had the opportunity to price for that risk when calculating the Call Off Contract Charges.

**12. DISRUPTION**

- 12.1 The Supplier shall take reasonable care to ensure that in the performance of its obligations under this Call Off Contract it does not disrupt the operations of the Customer, its employees or any other contractor employed by the Customer.
- 12.2 The Supplier shall immediately inform the Customer of any actual or potential industrial action, whether such action be by the Supplier Personnel or others, which affects or might affect the Supplier's ability at any time to perform its obligations under this Call Off Contract.
- 12.3 In the event of industrial action by the Supplier Personnel, the Supplier shall seek Approval to its proposals for the continuance of the supply of the Goods and/or Services in accordance with its obligations under this Call Off Contract.
- 12.4 If the Supplier's proposals referred to in Clause 12.3 are considered insufficient or unacceptable by the Customer acting reasonably then the Customer may terminate this Call Off Contract for material Default.

**13. SUPPLIER NOTIFICATION OF CUSTOMER CAUSE**

- 13.1 Without prejudice to any other obligations of the Supplier in this Call Off Contract to notify the Customer in respect of a specific Customer Cause (including the notice requirements under Clause 32.1.1 (Termination on Customer Cause for Failure to Pay)), the Supplier shall:
  - 13.1.1 notify the Customer as soon as reasonably practicable ((and in any event within two (2) Working Days of the Supplier becoming aware)) that a Customer Cause has occurred or is reasonably likely to occur, giving details of:
    - a) the Customer Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Call Off Contract; and
    - b) any steps which the Customer can take to eliminate or mitigate the consequences and impact of such Customer Cause; and
    - c) use all reasonable endeavours to eliminate or mitigate the consequences and impact of a Customer Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

**D. CALL OFF CONTRACT GOVERNANCE**

**14. PERFORMANCE MONITORING**

- 14.1 Unless otherwise Approved or notified by the Customer, the Supplier shall comply with the monitoring requirements set out in the Order Form or elsewhere in this Call-Off Contract.



- 14.2 The Supplier shall implement all measurement and monitoring tools and procedures necessary to measure, monitor and report on the Supplier's performance of the provision of the Goods and/or Services against the applicable Service Levels at a level of detail sufficient to verify compliance with the Service Levels.

## **15. REPRESENTATIVES**

- 15.1 Each Party shall have a representative for the duration of this Call Off Contract who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Call Off Contract.
- 15.2 The initial Supplier Representative shall be the person named as such in the Order Form. Any change to the Supplier Representative shall be agreed in accordance with Clause 21 (Supplier Personnel).
- 15.3 The Customer shall notify the Supplier of the identity of the initial Customer Representative within five (5) Working Days of the Call Off Commencement Date. The Customer may, by written notice to the Supplier, revoke or amend the authority of the Customer Representative or appoint a new Customer Representative.

## **16. RECORDS, AUDIT ACCESS AND OPEN BOOK DATA**

- 16.1 The Supplier shall keep and maintain for seven (7) years after the Call Off Expiry Date (or as long a period as may be agreed between the Parties), full and accurate records and accounts of the operation of this Call Off Contract including the Goods and/or Services provided under it, any Sub-Contracts and the amounts paid by the Customer.
- 16.2 The Supplier shall:
- 16.2.1 keep the records and accounts referred to in Clause 16.1 in accordance with Good Industry Practice and Law; and
  - 16.2.2 afford any Auditor access to the records and accounts referred to in Clause 16.1 at the Supplier's premises and/or provide copies of such records and accounts (including copies of the Supplier's published accounts), as may be required by any of the Auditors from time to time during the Call Off Contract Period and the period specified in Clause 16.1, in order that the Auditor(s) may carry out an inspection to assess compliance by the Supplier and/or its Sub-Contractors of any of the Supplier's obligations under this Call Off Contract Agreement including for the following purposes:
    - a) to verify the accuracy of the Call Off Contract Charges and any other amounts payable by the Customer under this Call Off Contract;
    - b) to verify the costs of the Supplier (including the costs of all Sub-Contractors and any third party suppliers) in connection with the provision of the Services;
    - c) to verify the Open Book Data;
    - d) to verify the Supplier's and each Sub-Contractor's compliance with the applicable Law;
    - e) to identify or investigate an actual or suspected Prohibited Act, impropriety or accounting mistakes or any breach or threatened

breach of security and in these circumstances the Customer shall have no obligation to inform the Supplier of the purpose or objective of its investigations;

- f) to identify or investigate any circumstances which may impact upon the financial stability of the Supplier, the Framework Guarantor and/or the Call Off Guarantor and/or any Sub-Contractors or their ability to perform the Services;
- g) to obtain such information as is necessary to fulfil the Customer's obligations to supply information for parliamentary, ministerial, judicial or administrative purposes including the supply of information to the Comptroller and Auditor General;
- h) to review any books of account and the internal contract management accounts kept by the Supplier in connection with this Call Off Contract;
- i) to carry out the Customer's internal and statutory audits and to prepare, examine and/or certify the Customer's annual and interim reports and accounts;
- j) to enable the National Audit Office to carry out an examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Customer has used its resources;
- k) to review any performance monitoring reports provided under this Call Off Contract and to verify that these reflect the Supplier's own internal reports and records;
- l) to verify the accuracy and completeness of any information delivered or required by this Call Off Contract;
- m) to review the Supplier's compliance with the Standards;
- n) to review the integrity, confidentiality and security of the Customer Data.

16.3 The Customer shall use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Goods and/or Services save insofar as the Supplier accepts and acknowledges that control over the conduct of audits carried out by the Auditor(s) is outside of the control of the Customer.

16.4 Subject to the Supplier's rights in respect of Confidential Information, the Supplier shall on demand provide the Auditor(s) with all co-operation and assistance in:

16.4.1 all information requested by the Customer within the scope of the audit;

16.4.2 reasonable access to sites controlled by the Supplier and to any Supplier Equipment used in the provision of the Services; and

16.4.3 access to the Supplier Personnel.

16.5 The Parties agree that they shall bear their own respective costs and expenses incurred in respect of compliance with their obligations under this Clause 16, unless the audit reveals a Default by the Supplier in which case the Supplier shall reimburse the Customer for the Customer's reasonable costs incurred in relation to the audit.

## 17. CHANGE

### 17.1 Variation Procedure

- 17.1.1 Subject to the provisions of this Clause 17 and, where this is used, of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), either Party may request a variation to this Call Off Contract provided that such variation does not amount to a material change of this Call Off Contract within the meaning of the Regulations and the Law. Such a change once implemented is hereinafter called a "Variation".
- 17.1.2 A Party may request a Variation by completing and sending the Variation Form to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.
- 17.1.3 The Customer may require the Supplier to carry out an impact assessment of the Variation on the Goods and/or Services (the "Impact Assessment"). The Impact Assessment shall be completed in good faith and shall include:
- a) details of the impact of the proposed Variation on the Goods and/or Services and the Supplier's ability to meet its other obligations under this Call Off Contract;
  - b) details of the cost of implementing the proposed Variation;
  - c) details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Call Off Contract Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;
  - d) a timetable for the implementation, together with any proposals for the testing of the Variation; and
  - e) such other information as the Customer may reasonably request in (or in response to) the Variation request.
- 17.1.4 Where the Customer has requested the Variation and the Supplier can show that the Impact Assessment required resources other than those ordinarily deployed in the provision of the Services the Customer shall pay any reasonable costs incurred by the Supplier in producing the Impact Assessment.
- 17.1.5 The Parties may agree to adjust the time limits specified in the Variation request to allow for the preparation of the Impact Assessment.
- 17.1.6 Subject to 17.1.5, the receiving Party shall respond to the request within the time limits specified in the Variation Form. Such time limits shall be reasonable and ultimately at the discretion of the Customer having regard to the nature of the Order and the proposed Variation.
- 17.1.7 In the event that:
- a) the Supplier is unable to agree to or provide the Variation; and/or

- b) the Parties are unable to agree a change to the Call Off Contract Charges that may be included in a request of a Variation or response to it as a consequence thereof,
- c) the Customer may:
  - (i) agree to continue to perform its obligations under this Call Off Contract without the Variation; or
  - (ii) terminate this Call Off Contract with immediate effect, except where the Supplier has already fulfilled part or all of the Order in accordance with this Call Off Contract or where the Supplier can show evidence of substantial work being carried out to fulfil the Order, and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.

17.1.8 If the Parties agree the Variation, the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Call Off Contract.

## 17.2 Legislative change

17.2.1 The Supplier shall neither be relieved of its obligations under this Call Off Contract nor be entitled to an increase in the Call Off Contract Charges as the result of a:

- a) General Change in Law;
- b) Specific Change in Law where the effect of that Specific Change in Law on the Goods and/or Services is reasonably foreseeable at the Call Off Commencement Date.

17.2.2 If a Specific Change in Law occurs or will occur during the Call Off Contract Period (other than as referred to in Clause 17.2.1b)), the Supplier shall:

- a) notify the Customer as soon as reasonably practicable of the likely effects of that change including:
  - (i) whether any Variation is required to the provision of the Goods and the Services, the Call Off Contract Charges or this Call Off Contract; and
  - (ii) whether any relief from compliance with the Supplier's obligations is required, including any obligation to Achieve a Milestone and/or to meet the Service Level Performance Measures; and
- b) provide to the Customer with evidence:
  - (i) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-Contractors;
  - (ii) as to how the Specific Change in Law has affected the cost of providing the Services; and

- (iii) demonstrating that any expenditure that has been avoided, , has been taken into account in amending the Call off Contract Charges.
- 17.2.3 Any change in the Call Off Contract Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as referred to in Clause 17.2.1b)) shall be implemented in accordance with the Variation Procedure.

## **E. PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS**

### **18. CALL OFF CONTRACT CHARGES AND PAYMENT**

#### **18.1 Call Off Contract Charges**

- 18.1.1 In consideration of the Supplier carrying out its obligations under this Call Off Contract, including the provision of the Goods and the Services, the Customer shall pay the undisputed Call Off Contract Charges in accordance with the pricing and payment profile and the invoicing procedure in the Order Form, and where used, with Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing).
- 18.1.2 Except as otherwise provided, each Party shall each bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 9 (Testing), 16 (Records, Audit Access and Open Book Data), 24.6 (Freedom of Information), 24.7 (Protection of Personal Data).
- 18.1.3 If the Customer fails to pay any undisputed Charges properly invoiced under this Call Off Contract, the Supplier shall have the right to charge interest on the overdue amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.
- 18.1.4 If at any time during this Call Off Contract Period the Supplier reduces its Framework Prices for any Goods and/or Services which are provided under the Framework Agreement (whether or not such Goods and/or Services are offered in a catalogue, if any, which is provided under the Framework Agreement) in accordance with the terms of the Framework Agreement, the Supplier shall immediately reduce the Call Off Contract Charges for such Goods and/or Services under this Call Off Contract by the same amount.

#### **18.2 VAT**

- 18.2.1 The Call Off Contract Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Customer following delivery of a Valid Invoice.
- 18.2.2 The Supplier shall indemnify the Customer on a continuing basis against any liability, including any interest, penalties or costs incurred, which is levied, demanded or assessed on the Customer at any time (whether before or after the making of a demand pursuant to the indemnity hereunder) in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Call Off Contract. Any amounts due under this Clause 18.2.2 shall be paid in cleared funds by the Supplier to the

Customer not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Customer.

**18.3 Retention and Set off**

- 18.3.1 The Customer may retain or set off any amount owed to it by the Supplier against any amount due to the Supplier under this Call Off Contract or under any other agreement between the Supplier and the Customer.
- 18.3.2 If the Customer wishes to exercise its right pursuant to Clause 18.3.1 it shall give notice to the Supplier within thirty (30) days of receipt of the relevant invoice, setting out the Customer's reasons for retaining or setting off the relevant Call Off Contract Charges.
- 18.3.3 The Supplier shall make any payments due to the Customer without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise unless the Supplier has obtained a sealed court order requiring an amount equal to such deduction to be paid by the Customer to the Supplier.

**18.4 Euro**

- 18.4.1 Any requirement of Law to account for the Goods and/or Services in Euro, (or to prepare for such accounting) instead of and/or in addition to Sterling, shall be implemented by the Supplier free of charge to the Customer.
- 18.4.2 The Customer shall provide all reasonable assistance to facilitate compliance with Clause 18.4.1 by the Supplier.

**18.5 Income Tax and National Insurance Contributions**

- 18.5.1 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Call Off Contract, the Supplier shall:
  - a) at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and
  - b) indemnify the Customer against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made (whether before or after the making of a demand pursuant to the indemnity hereunder) in connection with the provision of the Goods and/or Services by the Supplier or any Supplier Personnel.

**19. PROMOTING TAX COMPLIANCE**

- 19.1 If, at any point during the Call Off Contract Period, an Occasion of Tax Non-Compliance occurs, the Supplier shall:
  - 19.1.1 notify the Customer in writing of such fact within five (5) Working Days of its occurrence; and
  - 19.1.2 promptly provide to the Customer:

- a) details of the steps that the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and
- b) such other information in relation to the Occasion of Tax Non-Compliance as the Customer may reasonably require.

## **20. CONTINUOUS IMPROVEMENT AND BENCHMARKING**

### **20.1 Continuous Improvement**

20.2 The Supplier shall have an ongoing obligation throughout the Call Off Contract Period to identify new or potential improvements to the provision of the Goods and Services in accordance with this Clause 20.2 with a view to reducing the Customer's costs (including the Call Off Contract Charges) and/or improving the quality and efficiency of the Goods and Services and their supply to the Customer. As part of this obligation the Supplier shall identify and report to the Customer once every twelve (12) months:

20.2.1 the emergence of new and evolving relevant technologies which could improve the supply of the Goods and Services and those technological advances potentially available to the Supplier and the Customer which the Parties may wish to adopt;

20.2.2 new or potential improvements to the provision of the Goods and Services including the quality, responsiveness, procedures, likely performance mechanisms and Customer support services; and/or

20.2.3 changes in business processes and ways of working that would enable the Goods and Services to be provided at lower costs and/or at greater benefits to the Customer.

20.3 The Supplier shall ensure that the information that it provides to the Customer shall be sufficient for the Customer to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Customer requests.

20.4 If the Customer wishes to incorporate any improvement identified by the Supplier, the Customer shall request a Variation in accordance with the Variation Procedure and the Supplier shall implement such Variation at no additional cost to the Customer.

### **20.5 Benchmarking – N/A**

20.6 The Customer shall be entitled to regularly benchmark the Call Off Contract Charges and level of performance by the Supplier of the supply of the Goods and/or Services, against other suppliers providing goods and/or services substantially the same as the Goods and/or Services during the Call Off Contract Period.

20.7 The Customer, acting reasonably, shall be entitled to use any model to determine the achievement of value for money and to carry out the benchmarking evaluation referred to in Clause 20.6 above.

20.8 The Customer shall be entitled to disclose the results of any benchmarking of the Call Off Contract Charges and provision of the Goods and/or Services to the Authority and any Contracting Body (subject to the Contracting Body entering into reasonable confidentiality undertakings).

- 20.9 The Supplier shall use all reasonable endeavours and act in good faith to supply information required by the Customer in order to undertake the benchmarking and such information requirements shall be at the discretion of the Customer.
- 20.10 Where, as a consequence of any benchmarking carried out by the Customer, the Customer decides improvements to the Goods and/or Services should be implemented such improvements shall be implemented by way of the Variation Procedure at no additional cost to the Customer.
- 20.11 The benefit of any work carried out by the Supplier at any time during the Call Off Contract Period to update, improve or provide the Goods or Services, facilitate their delivery to any other Contracting Body and/or any alterations or variations to the Charges or the provision of the Goods or the Services, which are identified in the Continuous Improvement Plan produced by the Supplier and/or as a consequence of any benchmarking carried out by the Authority, shall be implemented by the Supplier in accordance with the Variation Procedure and at no additional cost to the Customer.

## **F. SUPPLIER PERSONNEL AND SUPPLY CHAIN MATTERS**

### **21. SUPPLIER PERSONNEL**

#### **Supplier Personnel**

- 21.1.1 The Supplier shall:
- a) provide to the Customer a list of the names of all Supplier Personnel requiring admission to Customer Premises, specifying the capacity in which they require admission and giving such other particulars as the Customer may reasonably require;
  - b) ensure that all Supplier Personnel:
    - (i) are appropriately qualified, trained and experienced to provide the Goods and/or Services with all reasonable skill, care and diligence;
    - (ii) are vetted in accordance with Good Industry Practice and, where applicable, the Security Policy and the Standards; and
    - (iii) comply with all reasonable requirements of the Customer concerning conduct at the Customer Premises, including the security requirements set out in Call Off Schedule 8 (Security Management) where this is used;
  - c) subject to Call Off Schedule 12 (Staff Transfer) where this is used, retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be employees, agents or contractors of the Customer;
  - d) be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Call Off Contract shall be a Default by the Supplier;
  - e) use all reasonable endeavours to minimise the number of changes in Supplier Personnel;



- f) replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;
  - g) bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and
  - h) procure that the Supplier Personnel shall vacate the Customer Premises immediately upon the Call Off Expiry Date.
- 21.1.2 If the Customer reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Call Off Contract, it may:
  - a) refuse admission to the relevant person(s) to the Customer Premises; and/or
  - b) direct the Supplier to end the involvement in the provision of the Goods and/or Services of the relevant person(s).
- 21.1.3 The decision of the Customer as to whether any person is to be refused access to the Customer Premises shall be final and conclusive.

## **22. SUPPLY CHAIN RIGHTS AND PROTECTION**

### **22.1 Appointment of Sub-Contractors**

- 22.1.1 The Supplier shall exercise due skill and care in the selection of any Sub-Contractors to ensure that the Supplier is able to:
  - a) manage any Sub-Contractors in accordance with Good Industry Practice;
  - b) comply with its obligations under this Call Off Contract in the delivery of the Goods and/or Services; and
  - c) assign, novate or otherwise transfer to the Customer or any Replacement Supplier any of its rights and/or obligations under each Sub-Contract that relates exclusively to this Call Off Contract.
- 22.1.2 Prior to sub-contacting any of its obligations under this Call off Contract, the Supplier shall provide the Customer with:
  - a) the proposed Sub-Contractor's name, registered office and company registration number;
  - b) the scope of any Goods and/or Services to be provided by the proposed Sub-Contractor;
  - c) where the proposed Sub-Contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Customer that the proposed Sub-Contract has been agreed on "arm's-length" terms.
- 22.1.3 If requested by the Customer within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 22.1.2, the Supplier shall also provide:
  - a) a copy of the proposed Sub-Contract; and
  - b) any further information reasonably requested by the Customer.

22.1.4 The Customer may, within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 22.1.2 (or, if later, receipt of any further information requested pursuant to Clause 22.1.3), object to the appointment of the relevant Sub-contractor if they consider that:

- a) the appointment of a proposed Sub-contractor may prejudice the provision of the Goods and/or Services or may be contrary to the interests respectively of the Customer under the Call Off Contract;
- b) the proposed Sub-Contractor is unreliable and/or has not provided reasonable services to its other customers; and/or
- c) the proposed Sub-Contractor employs unfit persons,

in which case, the Supplier shall not proceed with the proposed appointment.

22.1.5 If:

- a) the Customer has not notified the Supplier that it objects to the proposed Sub-Contractor's appointment by the later of ten (10) Working Days of receipt of:
  - (i) the Supplier's notice issued pursuant to Clause 22.1.2; and
  - (ii) any further information requested by the Customer pursuant to Clause 22.1.3) and
- b) the proposed Sub-contract is not a Key Sub-contract (which shall require the written consent of the Authority and the Customer in accordance with Clause 22.2.2 below).

the Supplier may proceed with the proposed appointment.

## 22.2 Appointment of Key Sub-Contractors

22.2.1 The Authority and the Customer have consented to the engagement of the Key Sub-Contractors listed in Framework Schedule 2 (Key Sub-Contractors).

22.2.2 Where the Supplier wishes to enter into a new Key Sub-Contract or replace a Key Sub-Contractor, it must obtain the prior written consent of the Authority and the Customer (the decision to consent or not will not be unreasonably withheld or delayed). The Authority and/or the Customer may reasonably withhold its consent to the appointment of a Key Sub-contractor if either of them considers that:

- a) the appointment of a proposed Key Sub-Contractor may prejudice the provision of the Goods and/or Services or may be contrary to its interests;
- b) the proposed Key Sub-Contractor is unreliable and/or has not provided reasonable services to its other customers; and/or
- c) the proposed Key Sub-Contractor employs unfit persons.

22.2.3 Except where the Authority and the Customer have given their prior written consent under Clause 22.2.1, the Supplier shall use all reasonable endeavours to ensure that each Key Sub-Contract shall include:

- a) provisions which will enable the Supplier to discharge its obligations under this Call Off Contract;
- b) a right under CRTPA for the Customer to enforce any provisions under the Key Sub-Contract which confer a benefit upon the Customer;
- c) a provision enabling the Customer to enforce the Key Sub-Contract as if it were the Supplier;
- d) a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-Contract to the Customer or any Replacement Supplier;
- e) obligations no less onerous on the Key Sub-Contractor than those imposed on the Supplier under this Call Off Contract in respect of:
  - (i) data protection requirements set out in Clauses 24.1 (Security Requirements), 24.3 (Customer Data) and 24.7 (Protection of Personal Data);
  - (ii) FOIA requirements set out in Clause 24.6 (Freedom of Information);
  - (iii) the obligation not to embarrass the Customer or otherwise bring the Customer into disrepute set out in Clause 7.1.4g) (Supply of Goods and Services);
  - (iv) the keeping of records in respect of the services being provided under the Key Sub-Contract, including the maintenance of Open Book Data; and
  - (v) the conduct of audits set out in Clause 16 (Records, Audit Access & Open Book Data);
- f) provisions enabling the Supplier to terminate the Key Sub-Contract on notice on terms no more onerous on the Supplier than those imposed on the Customer under Clauses 31 (Customer Termination Rights), 33 (Termination by Either Party) and 35 (Consequences of Expiry or Termination) of this Call Off Contract;
- g) a provision restricting the ability of the Key Sub-Contractor to sub-contract all or any part of the provision of the Goods and/or Services provided to the Supplier under the sub-contract without first seeking the written consent of the Customer;
- h) a provision, where a provision in Call Off Schedule 12 (Staff Transfer) imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, requiring the Key Sub-Contractor to provide such indemnity, undertaking or warranty to the Customer, Former Supplier or the Replacement Supplier as the case may be.

## 22.3 Supply Chain Protection

22.3.1 The Supplier shall ensure that all Sub-Contracts contain a provision:

- a) requiring the Supplier to pay any undisputed sums which are due from it to the Sub-Contractor within a specified period not exceeding thirty (30) days from the receipt of a valid invoice; and

- b) a right for the Customer to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period.

22.3.2 The Supplier shall:

- a) pay any undisputed sums which are due from it to a Sub-Contractor within thirty (30) days from the receipt of a valid invoice;
- b) include within the performance monitoring reports required supplied hereunder a summary of its compliance with this Clause 22.3.2, such data to be certified each quarter by a director of the Supplier as being accurate and not misleading.

22.3.3 Notwithstanding any provision of Clauses 24.4 (Confidentiality) and 25 (Publicity and Branding) if the Supplier notifies the Customer that the Supplier has failed to pay an undisputed Sub-Contractor's invoice within thirty (30) days of receipt, or the Customer otherwise discovers the same, the Customer shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

**22.4 Termination of Sub-Contracts**

22.4.1 The Customer may require the Supplier to terminate:

- a) a Sub-contract where:
  - (i) the acts or omissions of the relevant Sub-contractor have caused or materially contributed to the Customer's right of termination pursuant any of the termination events in Clause 31 (Customer Termination Rights) except Clause 31.6 (Termination Without Cause); and/or
  - (ii) the relevant Sub-Contractor or its Affiliates embarrassed the Customer or otherwise brought the Customer into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Customer, regardless of whether or not such act or omission is related to the Sub-Contractor's obligations in relation to the Goods and/or Services or otherwise; and/or
- b) a Key Sub-Contract where there is a Change of Control of the relevant Key Sub-Contractor, unless:
  - (i) the Customer has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or
  - (ii) the Customer has not served its notice of objection within six (6) months of the later of the date the Change of Control took place or the date on which the Customer was given notice of the Change of Control.

**22.5 Competitive Terms**

22.5.1 If the Customer is able to obtain from any Sub-Contractor or any other third party more favourable commercial terms with respect to the supply of any materials, equipment, software, goods or services used

by the Supplier or the Supplier Personnel in the supply of the Services, then the Customer may:

- a) require the Supplier to replace its existing commercial terms with its Sub-Contractor with the more favourable commercial terms obtained by the Customer in respect of the relevant item; or
- b) subject to Clause 22.4.1 (Termination of Sub-Contracts), enter into a direct agreement with that Sub-Contractor or third party in respect of the relevant item.

22.5.2 If the Customer exercises the option pursuant to Clause 22.5.1, then the Call Off Contract Charges shall be reduced by an amount that is agreed in accordance with the Variation Procedure.

22.5.3 The Customer's right to enter into a direct agreement for the supply of the relevant items is subject to:

- a) the Customer making the relevant item available to the Supplier where this is necessary for the Supplier to provide the Services; and
- b) any reduction in the Call Off Contract Charges taking into account any unavoidable costs payable by the Supplier in respect of the substituted item, including in respect of any licence fees or early termination charges.

#### **22.6 Retention of Legal Obligations**

22.6.1 Notwithstanding the Supplier's right to sub-contract pursuant to Clause 22 of the Framework Agreement (Supply Chain Rights and Protection), the Supplier shall remain responsible for all acts and omissions of its Sub-Contractors and the acts and omissions of those employed or engaged by the Sub-Contractors as if they were its own.

22.6.2 An obligation herein on the Supplier to do, or refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that the Supplier Personnel also do, or refrain from doing, such act or thing.

### **G. INTELLECTUAL PROPERTY AND INFORMATION**

#### **23. INTELLECTUAL PROPERTY RIGHTS**

##### **23.1 Allocation of title to IPR**

23.1.1 Save as expressly granted elsewhere under this Call Off Contract:

- a) the Customer shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, including:
  - (i) in the Supplier Software;
  - (ii) the Supplier Background IPR;
  - (iii) in the Third Party Software;
  - (iv) the Third Party IPR;
  - (v) in the Specially Written Software; and

- (vi) the Project Specific IPR.
- b) the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Customer or its licensors, including:
  - (i) in the Customer Software;
  - (ii) the Customer Background IPR; and
  - (iii) in the Customer Data.
- 23.1.2 Where either Party acquires, by operation of Law, title to Intellectual Property Rights that is inconsistent with the allocation of title set out in Clause 23.1.1, it shall assign in writing such Intellectual Property Rights as it has acquired to the other Party on the request of the other Party (whenever made).
- 23.1.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.
- 23.2 **Licences granted by the Supplier: Specially Written Software and Project Specific IPR**
  - 23.2.1 The Supplier hereby grants to the Customer, or shall procure the direct grant to the Customer of, a perpetual, royalty-free, irrevocable, non-exclusive licence to use:
    - a) the Documentation, Source Code and the Object Code of the Specially Written Software (including any Supplier Background IPR or Third Party IPR that are embedded in or which are an integral part of the Specially Written Software) which shall include the right to load, execute, interpret, store, transmit, display, copy (for the purposes of loading, execution, interpretation, storage, transmission or display), modify, adapt, enhance, reverse compile, decode and translate such Specially Written Software;
    - b) all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software (together the "**Software Supporting Materials**"); and
    - c) the Project Specific IPR including but not limited to the right to copy, adapt, publish and distribute such Project Specific IPR.
  - 23.2.2 The Supplier shall:
    - a) inform the Customer of all Specially Written Software that constitutes a modification or enhancement to Supplier Software or Third Party Software; and
    - b) deliver to the Customer the Specially Written Software in both Source Code and Object Code forms together with relevant Documentation and all related Software Supporting Materials within seven days of completion or, if a relevant Milestone has been identified in an Implementation Plan, Achievement of that Milestone and shall provide updates of the Source Code and of the Software Supporting Materials promptly following each new release of the Specially Written Software, in each case on media that is reasonably acceptable to the Customer.

23.2.3 The Supplier acknowledges and agrees that the ownership of the media referred to in Clause 23.2.2b) shall vest in the Customer upon their receipt by the Customer.

23.2.4 Those items licensed according to the terms of Clause 23.2.1 are listed in the Order Form or, where this is used, Call Off Schedule 9.

**23.3 Licences granted by the Supplier: Supplier Software and Supplier Background IPR**

The Supplier hereby grants to the Customer a perpetual licence as per proposed during Further Competition Procedure,

23.3.1 royalty-free and non-exclusive licence to use:

- a) the Supplier Software for any purpose relating to the Goods and/or Services (or substantially equivalent services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function including but not limited to the right to load, execute, store, transmit, display and copy (for the purposes of archiving, backing-up, loading, execution, storage, transmission or display); and
- b) the Supplier Background IPR for any purpose relating to the Goods and/or Services (or substantially equivalent services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function.

23.3.2 At any time during the Call Off Contract Period or following the Call Off Expiry Date, the Supplier may terminate a licence granted in respect of the Supplier Software or the Supplier Background IPR under Clause 23.3 by giving thirty (30) days' notice in writing (or such other period as agreed by the Parties) if there is a Customer Cause which constitutes a material breach of the terms of Clauses 23.3.1a) or 23.3.1b) (as the case may be) which, if the breach is capable of remedy, is not remedied within 20 Working Days after the Supplier gives the Customer written notice specifying the breach and requiring its remedy.

23.3.3 In the event the licence of the Supplier Software or the Supplier Background IPR is terminated pursuant to Clause 23.3.2, the Customer shall:

- a) immediately cease all use of the Supplier Software or the Supplier Background IPR (as the case may be);
- b) at the discretion of the Supplier, return or destroy documents and other tangible materials that contain any of the Supplier Software and/or the Supplier Background IPR, provided that if the Supplier has not made an election within six months of the termination of the licence, the Customer may destroy the documents and other tangible materials that contain any of the Supplier Software and/or the Supplier Background IPR (as the case may be); and
- c) ensure, so far as reasonably practicable, that any Supplier Software and/or Supplier Background IPR that are held in electronic, digital or other machine-readable form ceases to be

readily accessible (other than by the information technology staff of the Customer) from any computer, word processor, voicemail system or any other device containing such Supplier Software and/or Supplier Background IPR.

- 23.3.4 Those items licensed according to the terms of Clause 23.3.1 are listed in the Order Form or, where this is used, Call Off Schedule 9

**23.4 Customer's right to sub-license**

- 23.4.1 The Customer shall be freely entitled to sub-license the rights granted to it pursuant to Clause 23.2.1.

- 23.4.2 The Customer may sub-license:

- a) the rights granted under Clause 23.3 to a third party (including for the avoidance of doubt, any Replacement Supplier) provided that:
  - (i) the sub-licence is on terms no broader than those granted to the Customer; and
  - (ii) the sub-licence only authorises the third party to use the rights licensed in Clause 23.3 for purposes relating to the Goods and/or Services (or substantially equivalent services) or for any purpose relating to the exercise of the Customer's (or, if the Customer is a Central Government Body, any other Central Government Body's) business or function; and
- b) the rights granted under Clause 23.3 to any Approved Sub-Licensee to the extent necessary to use and/or obtain the benefit of the Specifically Written Software and/or the Project Specific IPR provided that the sub-licence is on terms no broader than those granted to the Customer.

**23.5 Customer's right to assign/novate licences**

- 23.5.1 The Customer:

- a) shall be freely entitled to assign, novate or otherwise transfer its rights and obligations under the licence granted to it pursuant to Clause 23.2.1; and
- b) may assign, novate or otherwise transfer its rights and obligations under the licence granted pursuant to Clause 23.3 to:
  - (i) a Central Government Body; or
  - (ii) to any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Customer.
- c) Where the Customer is a Central Government Body, any change in the legal status of the Customer which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 23.2.1 and/or Clause 23.3. If the Customer ceases to be a Central Government Body, the successor body to the Customer shall still be entitled to the benefit of the licences granted in Clause 23.2.1 and Clause 23.3.



- d) If a licence granted in Clause 23.2.1 and/or Clause 23.3 is novated under Clause 23.5.1 or there is a change of the Customer's status pursuant to Clause c) (both such bodies being referred to as the "**Transferee**"), the rights acquired by the Transferee shall not extend beyond those previously enjoyed by the Customer.

#### **23.6 Third Party IPR and Third Party Software**

- 23.6.1 The Supplier shall procure that the owners or the authorised licensors of any Third Party IPR and any Third Party Software which is not commercial off-the-shelf software grant a direct licence to the Customer on terms at least equivalent to those set out in Clause 23.3 and Clause 23.5.1b). If the Supplier cannot obtain for the Customer a licence materially in accordance with the licence terms set out in Clause 23.3 and Clause 23.5.1b) in respect of any such Third Party IPR and/or Third Party Software, the Supplier shall:
  - a) notify the Customer in writing giving details of what licence terms can be obtained from the relevant third party and whether there are alternative software providers which the Supplier could seek to use; and
  - b) only use such Third Party IPR and/or Third Party Software if the Customer Approves the terms of the licence from the relevant third party.
- 23.6.2 The Supplier shall procure that the owners or the authorised licensors of any Third Party Software which is commercial off-the-shelf software grants a direct licence to the Customer on terms no less favourable than such software is usually made available.
- 23.6.3 Those items licensed according to the terms of Clause 23.6.1 are listed in the Order Form or, where this is used, Call Off Schedule 9.
- 23.6.4 Those items licensed according to the terms of Clause 23.6.2 are listed in the Order Form or, where this is used, Call Off Schedule 9.

#### **23.7 Licence granted by the Customer**

- 23.7.1 The Customer hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Call Off Contract Period to use the Customer Software, the Customer Background IPR and the Customer Data solely to the extent necessary for providing the Goods and/or Services in accordance with this Call Off Contract, including (but not limited to) the right to grant sub-licences to Sub-Contractors provided that:
  - a) any relevant Sub-Contractor has entered into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 24.4.1(Confidentiality); and
  - b) the Supplier shall not without Approval use the licensed materials for any other purpose or for the benefit of any person other than the Customer.
- 23.7.2 Those items licensed according to the terms of this Clause 23.7 are listed in the Order Form or, where this is used, Call Off Schedule 9

#### **23.8 Termination of licenses**

- 23.8.1 Subject to Clauses 23.3.2 and/or 23.3.3, all licences granted pursuant to this Clause 23 (other than those granted pursuant to Clause 23.6.2 and 23.7.1) shall survive the Call Off Expiry Date.
- 23.8.2 The Supplier shall, if requested by the Customer, grant (or procure the grant) to the Replacement Supplier of a licence to use any Supplier Software, Supplier Background IPR, Third Party IPR and/or Third Party Software on terms equivalent to those set out in Clause 23.3.1 subject to the Replacement Supplier entering into reasonable confidentiality undertakings with the Supplier.
- 23.8.3 The licence granted pursuant to Clause 23.7.1 and any sub-licence granted by the Supplier in accordance with Clause 23.7.1 shall terminate automatically on the Call Off Expiry Date and the Supplier shall:
- a) immediately cease all use of the Customer Software, the Customer Background IPR and the Customer Data (as the case may be);
  - b) at the discretion of the Customer, return or destroy documents and other tangible materials that contain any of the Customer Software, the Customer Background IPR and the Customer Data, provided that if the Customer has not made an election within six months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Customer Software, the Customer Background IPR and the Customer Data (as the case may be); and
  - c) ensure, so far as reasonably practicable, that any Customer Software, Customer Background IPR and Customer Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any computer, word processor, voicemail system or any other device of the Supplier containing such Customer Software, Customer Background IPR and/or Customer Data.

## **23.9 IPR Indemnity**

- 23.9.1 The Supplier shall during and after the Call Off Contract Period, on written demand indemnify the Customer against all Losses incurred by, awarded against or agreed to be paid by the Customer (whether before or after the making of the demand pursuant to the indemnity hereunder) arising from an IPR Claim.
- 23.9.2 If an IPR Claim is made, or the Supplier anticipates that an IPR Claim might be made, the Supplier may, at its own expense and sole option, either:
- a) procure for the Customer the right to continue using the relevant item which is subject to the IPR Claim; or
  - b) replace or modify the relevant item with non-infringing substitutes provided that:
    - (i) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;

- (ii) the replaced or modified item does not have an adverse effect on any other Goods and/or Services ;
  - (iii) there is no additional cost to the Customer; and
  - (iv) the terms and conditions of this Call Off Contract shall apply to the replaced or modified Goods or Services.
- 23.9.3 If the Supplier elects to procure a licence in accordance with Clause 23.9.2a) or to modify or replace an item pursuant to Clause 23.9.2b), but this has not avoided or resolved the IPR Claim, then:
  - a) the Customer may terminate this Call Off Contract by written notice with immediate effect; and
  - b) without prejudice to the indemnity set out in Clause 23.9.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute items and/or services including the additional costs of procuring, implementing and maintaining the substitute items.
- 23.9.4 The provisions of Clauses 23.9.1 to 23.9.3 (inclusive) shall not apply to the extent that any IPR Claim is caused by any use by or on behalf of the Customer of the Software, or the use of the Customer Software by or on behalf of the Supplier, in either case in combination with any item not supplied or recommended by the Supplier pursuant to this Call Off Contract or in a manner not reasonably to be inferred from the description of the Goods and/or Services in this Call Off Contract.
- 23.9.5 The Customer agrees that:
  - a) it will notify the Supplier in writing of any IPR Claim;
  - b) it will allow the Supplier to conduct all negotiations and proceedings and will provide the Supplier with such reasonable assistance required by the Supplier, each at the Supplier's cost, regarding the IPR Claim; and
  - c) it will not, without first consulting with the Supplier, agree to make any payment or make an admission relating to the IPR Claim.
- 23.9.6 The Supplier shall consider and defend the IPR Claim diligently using competent counsel and in such a way as not to bring the reputation of the Customer into disrepute. The Supplier shall not settle or compromise any IPR Claim without the Customer's Approval (not to be unreasonably withheld or delayed).

## **24. SECURITY AND PROTECTION OF INFORMATION**

### **24.1 Security Requirements**

- 24.1.1 The Supplier shall comply with the Security Policy and where specified by the Customer, with the requirements of Call Off Schedule 8 (Security Management) including the Security Management Plan (if any) and shall ensure that the Security Management Plan produced by the Supplier fully complies with the Security Policy.
- 24.1.2 The Customer shall notify the Supplier of any changes or proposed changes to the Security Policy.

- 24.1.3 If the Supplier believes that a change or proposed change to the Security Policy will have a material and unavoidable cost implication to the provision of the Goods and/or Services it may propose a Variation to the Customer. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps that it has taken to mitigate those costs. Any change to the Call Off Contract Charges shall then be subject to the Variation Procedure.
- 24.1.4 Until and/or unless a change to the Call Off Contract Charges is agreed by the Customer pursuant to the Variation Procedure the Supplier shall continue to provide the Goods and/or Services in accordance with its existing obligations.

#### 24.2 **Malicious Software**

- 24.2.1 The Supplier shall, as an enduring obligation throughout the Call Off Contract Period use the latest versions of anti-virus definitions and software available from an industry accepted anti-virus software vendor (unless otherwise agreed in writing between the Parties) to check for, contain the spread of, and minimise the impact of Malicious Software (or as otherwise agreed between the Parties).
- 24.2.2 Notwithstanding Clause 24.2.1, if Malicious Software is found, the Parties shall co-operate to reduce the effect of the Malicious Software and, particularly if Malicious Software causes loss of operational efficiency or loss or corruption of Customer Data, assist each other to mitigate any losses and to restore the provision of the Goods and/or Services to its desired operating efficiency.
- 24.2.3 Any cost arising out of the actions of the Parties taken in compliance with the provisions of Clause 24.2.2 shall be borne by the Parties as follows:
  - a) by the Supplier, where the Malicious Software originates from the Supplier Software, the Third Party Software supplied by the Supplier (except where the Customer has waived the obligation set out in Clause 24.2.1) or the Customer Data (whilst the Customer Data was under the control of the Supplier) unless the Supplier can demonstrate that such Malicious Software was present and not quarantined or otherwise identified by the Customer when provided to the Supplier; and
  - b) by the Customer if the Malicious Software originates from the Customer Software (in respect of which the Customer has waived its obligation set out in Clause 24.2.1) or the Customer Data (whilst the Customer Data was under the control of the Customer).

#### 24.3 **Protection of Customer Data**

- 24.3.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Customer Data.
- 24.3.2 The Supplier shall not store, copy, disclose, or use the Customer Data except as necessary for the performance by the Supplier of its obligations under this Call Off Contract or as otherwise Approved by the Customer.

- 24.3.3 To the extent that the Customer Data is held and/or Processed by the Supplier, the Supplier shall supply that Customer Data to the Customer as requested by the Customer and in the format (if any) specified in this Call Off Contract and in any event as specified by the Customer from time to time in writing.
- 24.3.4 The Supplier shall take responsibility for preserving the integrity of Customer Data and preventing the corruption or loss of Customer Data.
- 24.3.5 The Supplier shall perform secure back-ups of all Customer Data and shall ensure that up-to-date back-ups are stored off-site in accordance with any BCDR Plan. The Supplier shall ensure that such back-ups are available to the Customer (or to such other person as the Customer may direct) at all times upon request and are delivered to the Customer at no less than six (6) Monthly intervals (or such other intervals as may be agreed in writing between the Parties).
- 24.3.6 The Supplier shall ensure that any system on which the Supplier holds any Customer Data, including back-up data, is a secure system that complies with the Security Policy and the Security Management Plan (if any).
- 24.3.7 If at any time the Supplier suspects or has reason to believe that the Customer Data is corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Customer immediately and inform the Customer of the remedial action the Supplier proposes to take.
- 24.3.8 If the Customer Data is corrupted, lost or sufficiently degraded as a result of a Default so as to be unusable, the Customer may:
- a) require the Supplier (at the Supplier's expense) to restore or procure the restoration of Customer Data and the Supplier shall do so as soon as practicable but not later than five (5) Working Days from the date of receipt of the Customer's notice; and/or
  - b) itself restore or procure the restoration of Customer Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so)

#### 24.4 Confidentiality

- 24.4.1 For the purposes of this Clause, the term "**Disclosing Party**" shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and "**Recipient**" shall mean the Party which receives or obtains directly or indirectly Confidential Information.
- 24.4.2 Except to the extent set out in this Clause 24 or where disclosure is expressly permitted elsewhere in this Call Off Contract, the Recipient shall:
- a) treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials); and

- b) not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Call Off Contract or without obtaining the owner's prior written consent;
  - c) not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Call Off Contract; and
  - d) immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.
- 24.4.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:
- a) the Recipient is required to disclose the Confidential Information by Law, provided that Clause 24.6.1 (Freedom of Information) shall apply to disclosures required under the FOIA or the EIRs;
  - b) the need for such disclosure arises out of or in connection with:
    - (i) any legal challenge or potential legal challenge against the Customer arising out of or in connection with this Call Off Contract;
    - (ii) the purpose of the examination and certification of the Customer's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Customer is making use of any Goods and/or Services provided under this Call Off Contract; or
    - (iii) the conduct of a Central Government Body review in respect of this Call Off Contract; or
  - c) the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.
- 24.4.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.
- 24.4.5 Subject to Clauses 24.4.2 and 24.4.7, the Supplier may only disclose the Confidential Information of the Customer on a confidential basis to:
- a) Supplier Personnel who are directly involved in the provision of the Goods and/or Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Call Off Contract; and
  - b) its professional advisers for the purposes of obtaining advice in relation to this Call Off Contract.

24.4.6 Where the Supplier discloses Confidential Information of the Customer pursuant to this Clause 24.4.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Call Off Contract by the persons to whom disclosure has been made.

24.4.7 The Customer may disclose the Confidential Information of the Supplier:

- a) to any Central Government Body on the basis that the information may only be further disclosed to Central Government Bodies;
- b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
- c) to the extent that the Customer (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;
- d) on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 24.4.7a) (including any benchmarking organisation) for any purpose relating to or connected with this Call Off Contract;
- e) on a confidential basis for the purpose of the exercise of its rights under this Call Off Contract; or
- f) to a proposed transferee, assignee or novatee of, or successor in title to the Customer.

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Customer under this Clause 24.

24.4.8 Nothing in this Clause 24 shall prevent a Recipient from using any techniques, ideas or Know-How gained during the performance of this Call Off Contract in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

24.4.9 In the event that the Supplier fails to comply with Clauses 24.4.2 to 24.4.5, the Customer reserves the right to terminate this Call Off Contract for material Default.

## 24.5 Transparency

24.5.1 The Parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Call Off Contract is not Confidential Information. The Customer shall determine whether any of the content of this Call Off Contract is exempt from disclosure in accordance with the provisions of the FOIA. The Customer may consult with the Supplier to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

24.5.2 Notwithstanding any other provision of this Call Off Contract, the Supplier hereby gives his consent for the Customer to publish this Call Off Contract in its entirety (but with any information which is

exempt from disclosure in accordance with the provisions of the FOIA redacted), including any changes to this Call Off Contract agreed from time to time.

- 24.5.3 The Supplier shall assist and cooperate with the Customer to enable the Customer to publish this Call Off Contract.

#### **24.6 Freedom of Information**

- 24.6.1 The Supplier acknowledges that the Customer is subject to the requirements of the FOIA and the EIRs. The Supplier shall:

- a) provide all necessary assistance and cooperation as reasonably requested by the Customer to enable the Customer to comply with its Information disclosure obligations under the FOIA and EIRs;
- b) transfer to the Customer all Requests for Information relating to this Call Off Contract that it receives as soon as practicable and in any event within two (2) Working Days of receipt;
- c) provide the Customer with a copy of all Information belonging to the Customer requested in the Request for Information which is in its possession or control in the form that the Customer requires within five (5) Working Days (or such other period as the Customer may reasonably specify) of the Customer's request for such Information; and
- d) not respond directly to a Request for Information unless authorised in writing to do so by the Customer.

- 24.6.2 The Supplier acknowledges that the Customer may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Customer shall take reasonable steps to notify the Supplier of a Request for Information (in accordance with the Secretary of State's Section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Call Off Contract) the Customer shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

#### **24.7 Protection of Personal Data**

- 24.7.1 Where any Personal Data are Processed in connection with the exercise of the Parties' rights and obligations under this Call Off Contract, the Parties acknowledge that the Customer is the Data Controller and that the Supplier is the Data Processor.

- 24.7.2 The Supplier shall:

- a) Process the Personal Data only in accordance with instructions from the Customer to perform its obligations under this Call Off Contract;
- b) ensure that at all times it has in place appropriate technical and organisational measures to guard against unauthorised or unlawful Processing of the Personal Data and/or accidental loss, destruction, or damage to the Personal Data, including the



measures as are set out in Clauses 24.1 (Security Requirements) and 24.3 (Protection of Customer Data);

- c) not disclose or transfer the Personal Data to any third party or Supplier Personnel unless necessary for the provision of the Goods and/or Services and, for any disclosure or transfer of Personal Data to any third party, obtain the prior written consent of the Customer (save where such disclosure or transfer is specifically authorised under this Call Off Contract)
- d) take reasonable steps to ensure the reliability and integrity of any Supplier Personnel who have access to the Personal Data and ensure that the Supplier Personnel:
  - (i) are aware of and comply with the Supplier's duties under this Clause 24.7.2 and Clauses 24.1 (Security Requirements), 24.3 (Protection of Customer Data) and 24.4 (Confidentiality);
  - (ii) are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Customer or as otherwise permitted by this Call Off Contract; and
  - (iii) have undergone adequate training in the use, care, protection and handling of personal data (as defined in the DPA);
- e) notify the Customer within five (5) Working Days if it receives:
  - (i) from a Data Subject (or third party on their behalf) a Data Subject Access Request (or purported Data Subject Access Request) a request to rectify, block or erase any Personal Data or any other request, complaint or communication relating to the Customer's obligations under the DPA;
  - (ii) any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data; or
  - (iii) a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law;
- f) provide the Customer with full cooperation and assistance (within the timescales reasonably required by the Customer) in relation to any complaint, communication or request made (as referred to at Clause e)), including by promptly providing:
  - (i) the Customer with full details and copies of the complaint, communication or request;
  - (ii) where applicable, such assistance as is reasonably requested by the Customer to enable the Customer to comply with the Data Subject Access Request within the relevant timescales set out in the DPA; and
  - (iii) the Customer, on request by the Customer, with any Personal Data it holds in relation to a Data Subject; and

- g) if requested by the Customer, provide a written description of the measures that has taken and technical and organisational security measures in place, for the purpose of compliance with its obligations pursuant to this Clause 24.7.2 and provide to the Customer copies of all documentation relevant to such compliance including, protocols, procedures, guidance, training and manuals.

24.7.3 The Supplier shall not Process or otherwise transfer any Personal Data in or to any country outside the European Economic Area or any country which is not determined to be adequate by the European Commission pursuant to Article 25(6) of Directive 95/46/EC (together “**Restricted Countries**”). If, after the Call Off Commencement Date, the Supplier or any Sub-Contractor wishes to Process and/or transfer any Personal Data in or to any outside the European Economic Area, the following provisions shall apply:

- a) the Supplier shall propose a Variation to the Customer which, if it is agreed by the Customer, shall be dealt with in accordance with the Variation Procedure and Clauses 24.7.3b) to d);
- b) the Supplier shall set out in its proposal to the Customer for a Variation details of the following:
  - (i) the Personal Data which will be transferred to and/or Processed in or to any Restricted Countries;
  - (ii) the Restricted Countries to which the Personal Data will be transferred and/or Processed; and
  - (iii) any Sub-contractors or other third parties who will be Processing and/or receiving Personal Data in Restricted Countries;
- c) how the Supplier will ensure an adequate level of protection and adequate safeguards in respect of the Personal Data that will be Processed in and/or transferred to Restricted Countries so as to ensure the Customer’s compliance with the DPA;
- d) in providing and evaluating the Variation, the Parties shall ensure that they have regard to and comply with then-current Customer, Central Government Bodies and Information Commissioner Office policies, procedures, guidance and codes of practice on, and any approvals processes in connection with, the Processing in and/or transfers of Personal Data to any Restricted Countries; and
- e) the Supplier shall comply with such other instructions and shall carry out such other actions as the Customer may notify in writing, including:
  - (i) incorporating standard and/or model clauses (which are approved by the European Commission as offering adequate safeguards under the DPA) into this Call Off Contract or a separate data processing agreement between the Parties; and
  - (ii) procuring that any Sub-contractor or other third party who will be Processing and/or receiving or accessing the

Personal Data in any Restricted Countries either enters into:

- A. a direct data processing agreement with the Customer on such terms as may be required by the Customer; or
- B. a data processing agreement with the Supplier on terms which are equivalent to those agreed between the Customer and the Sub-contractor relating to the relevant Personal Data transfer, and
- (iii) in each case which the Supplier acknowledges may include the incorporation of model contract provisions (which are approved by the European Commission as offering adequate safeguards under the DPA) and technical and organisation measures which the Customer deems necessary for the purpose of protecting Personal Data.

24.7.4 The Supplier shall use its reasonable endeavours to assist the Customer to comply with any obligations under the DPA and shall not perform its obligations under this Call Off Contract in such a way as to cause the Customer to breach any of the Customer's obligations under the DPA to the extent the Supplier is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations.

## **25. PUBLICITY AND BRANDING**

### **25.1 The Supplier shall not:**

- 25.1.1 make any press announcements or publicise this Call Off Contract in any way; or
- 25.1.2 use the Customer's name or brand in any promotion or marketing or announcement of orders, without Approval (the decision of the Customer to Approve or not shall not be unreasonably withheld or delayed).

25.2 Each Party acknowledges to the other that nothing in this Call Off Contract either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Goods or Services) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

## **H. LIABILITY AND INSURANCE**

### **26. LIABILITY**

#### **26.1 Neither Party excludes or limits its liability for:**

- 26.1.1 death or personal injury caused by its negligence, or that of its employees, agents or Sub-contractors (as applicable);
- 26.1.2 bribery or Fraud by it or its employees;
- 26.1.3 breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

- 26.1.4 any liability to the extent it cannot be excluded or limited by Law.
- 26.2 Subject to Clauses 26.1 and 26.2 the Supplier's total aggregate liability in respect of all:
- 26.2.1 Service Credits; and
  - 26.2.2 Compensation for Critical Service Level Failure;
  - 26.2.3 incurred in any rolling period of 12 Months shall be subject in aggregate to the Service Credit Cap;
  - 26.2.4 in respect of all other Losses incurred by the Customer under or in connection with this Call Off Contract as a result of Defaults by the Supplier shall in no event exceed:
    - a) in relation to any Defaults occurring from the Call Off Commencement Date to the end of the first Call Off Contract Year, the higher of one million pounds (£1,000,000) or a sum equal to one hundred and twenty-five per cent (125%) of the Estimated Year 1 Call Off Contract Charges;
    - b) in relation to any Defaults occurring in each subsequent Call Off Contract Year that commences during the remainder of the Call Off Contract Period, the higher of one million pounds (£1,000,000) in each such Call Off Contract Year or a sum equal to one hundred and twenty-five per cent (125%) of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the previous Call Off Contract Year]; and
    - c) in relation to any Defaults occurring in each Call Off Contract Year that commences after the end of the Call Off Contract Period, the higher of one million pounds (£1,000,000) in each such Call Off Contract Year] or a sum equal to one hundred and twenty-five per cent (125%) of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the last Call Off Contract Year commencing during the Call Off Contract Period],unless a different aggregate limit or percentage under this Clause 26.2.4 is stipulated by the Customer during a Further Competition Procedure and set out in the Order Form.
- 26.3 Subject to Clauses 26.1 and 26.2 and without prejudice to its obligation to pay the undisputed Call Off Contract Charges as and when they fall due for payment, the Customer's total aggregate liability in respect of all Losses as a result of Customer Causes shall be limited to:
- 26.3.1 in relation to any Customer Causes occurring from the Call Off Commencement Date to the end of the first Call Off Contract Year, a sum equal to the Estimated Year 1 Call Off Contract Charges;
  - 26.3.2 in relation to any Customer Causes occurring in each subsequent Call Off Contract Year that commences during the remainder of the Call Off Contract Period, a sum equal to the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the previous Call Off Contract Year; and
  - 26.3.3 in relation to any Customer Causes occurring in each Call Off Contract Year that commences after the end of the Call Off Contract Period, a sum equal to the Call Off Contract Charges payable to the

Supplier under this Call Off Contract in the last Call Off Contract Year commencing during the Call Off Contract Period.

- 26.4 Subject to Clause 26.1 neither Party shall be liable to the other Party for any:
- 26.4.1 indirect, special or consequential Loss;
  - 26.4.2 loss of profits, turnover, savings, business opportunities or damage to goodwill (in each case whether direct or indirect).
- 26.5 Subject to Clause 26.2, and notwithstanding Clause 26.3, the Supplier acknowledges that the Customer may recover from the Supplier the following Losses incurred by the Customer to the extent that they arise as a result of, and relate to, a Default by the Supplier:
- 26.5.1 any additional operational and/or administrative costs and expenses incurred by the Customer, including costs relating to time spent by or on behalf of the Customer in dealing with the consequences of the Default;
  - 26.5.2 any wasted expenditure or charges;
  - 26.5.3 the additional cost of procuring Replacement Goods and/or Services for the remainder of the Call Off Contract Period and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Goods and/or Services and/or replacement Deliverables above those which would have been payable under this Call Off Contract;
  - 26.5.4 any compensation or interest paid to a third party by the Customer; and
  - 26.5.5 any fine, penalty or costs incurred by the Customer pursuant to Law.
- 26.6 A Party shall not be responsible for any Loss under this Call Off Contract if and to the extent that it is caused by the default of the other (Default on the part of the Supplier and Customer Cause on the part of the Customer).
- 26.7 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Call Off Contract.
- 26.8 Any Deductions shall not be taken into consideration when calculating the Supplier's liability under Clause 26.2.

## **27. INSURANCE**

- 27.1 Notwithstanding any benefit to the Customer of the policy or policies of insurance referred to in Framework Schedule 14 (Insurance), the Supplier shall effect and maintain the following policies of insurance (or extensions to such existing policies of insurance), unless other specific minimum insurance policy levels have been stipulated by the Customer during a Further Competition Procedure and specified at paragraph 6.3 of the Order Form,
- 27.1.1 Employers Liability Insurance of at least [£5,000,000];
  - 27.1.2 Public Liability Insurance of at least [£1,000,000];
  - 27.1.3 Product Liability Insurance of at least [£1,000,000]; and
  - 27.1.4 Professional Indemnity Insurance of at least [£1,000,000]
- in respect of all risks which may be incurred by the Supplier arising out of its performance of its obligations under this Call Off Contract, .The Supplier shall

effect and maintain the policy or policies of insurance referred to in Clause 27.1 above for six (6) years after the Call Off Expiry Date.

- 27.2 The Supplier shall give the Customer, on request, copies of all insurance policies referred to in Clause 27.1 or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.
- 27.3 If, for whatever reason, the Supplier fails to give effect to and maintain the insurance policies required under Clause 27.1, the Customer may make alternative arrangements to protect its interests and may recover the premium and other costs of such arrangements as a debt due from the Supplier.
- 27.4 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liability under this Call Off Contract. It shall be the responsibility of the Supplier to determine the amount of insurance cover that will be adequate to enable the Supplier to satisfy any liability in relation to the performance of its obligations under this Call Off Contract.
- 27.5 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Customer (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

## **I. REMEDIES AND RELIEF**

### **28. CUSTOMER REMEDIES FOR DEFAULT**

#### **28.1 Remedies**

- 28.1.1 Without prejudice to any other right or remedy of the Customer howsoever arising and subject to the exclusive financial remedy provisions in Clause 6.4.1b) (Delay Payments), if the Supplier commits any Default of this Call Off Contract then the Customer may (whether or not any part of the Goods and/or Services have been Delivered) do any of the following:
  - a) at the Customer's option, give the Supplier the opportunity (at the Supplier's expense) to remedy the Default together with any damage resulting from such Default (and where such Default is capable of remedy) or to supply Replacement Goods and/or Services and carry out any other necessary work to ensure that the terms of this Call Off Contract are fulfilled, in accordance with the Customer's instructions;
  - b) carry out, at the Supplier's expense, any work necessary to make the provision of the Goods and/or Services comply with this Call Off Contract;
  - c) if the Default is a material Default that is capable of remedy (and for these purposes a material Default may be a single Material Default or a number of Defaults or repeated Defaults - whether of the same or different obligations and regardless of

whether such Defaults are remedied - which taken together constitute a material Default):

- (i) instruct the Supplier to comply with the Rectification Plan Process;
- (ii) suspend this Call Off Contract (whereupon the relevant provisions of Clause 34 shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) the Services;
- (iii) without terminating or suspending the whole of this Call off Contract, terminate or suspend this Call Off Contract in respect of part of the provision of the Goods and/or Services only (whereupon the relevant provisions of Clause 34 shall apply) and step-in to itself supply or procure a third party to supply (in whole or in part) such part of the Services;

28.1.2 Where the Customer exercises any of its step-in rights under Clauses (ii) or (iii), the Customer shall have the right to charge the Supplier for and the Supplier shall on demand pay any costs reasonably incurred by the Customer (including any reasonable administration costs) in respect of the supply of any part of the Goods and/or Services by the Customer or a third party and provided that the Customer uses its reasonable endeavours to mitigate any additional expenditure in obtaining Replacement Services.

## **28.2 Rectification Plan Process**

28.2.1 Where the Customer has instructed the Supplier to comply with the Rectification Plan Process in accordance with this Call Off Contract:

- a) The Supplier shall submit a draft Rectification Plan to the Customer for it to review as soon as possible and in any event within ten (10) Working Days (or such other period as may be agreed between the Parties) from the date of Customer's instructions. The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Default giving rise to the Customer's request for a draft Rectification Plan.
- b) The draft Rectification Plan shall set out:
  - (i) full details of the Default that has occurred, including a root cause analysis;
  - (ii) the actual or anticipated effect of the Default; and
  - (iii) the steps which the Supplier proposes to take to rectify the Default (if applicable) and to prevent such Default from recurring, including timescales for such steps and for the rectification of the Default (where applicable).

28.2.2 The Supplier shall promptly provide to the Customer any further documentation that the Customer requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with paragraph 5 of Annex 3 (Dispute Resolution Procedure) to the Call Off Terms.

- 28.2.3 The Customer may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:
- a) is insufficiently detailed to be capable of proper evaluation;
  - b) will take too long to complete;
  - c) will not prevent reoccurrence of the Default; and/or
  - d) will rectify the Default but in a manner which is unacceptable to the Customer.
- 28.2.4 The Customer shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Customer rejects the draft Rectification Plan, the Customer shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Customer for review within 5 Working Days (or such other period as agreed between the Parties) of the Customer's notice rejecting the first draft.
- 28.2.5 If the Customer consents to the Rectification Plan, the Supplier shall immediately start work on the actions set out in the Rectification Plan.

## 29. SUPPLIER RELIEF DUE TO CUSTOMER CAUSE

29.1 If the Supplier has failed to:

- 29.1.1 Achieve a Milestone by its Milestone Date;
  - 29.1.2 provide the Goods and/or Services in accordance with the Service Levels;
  - 29.1.3 comply with its obligations under this Call Off Contract,
- (each a "**Supplier Non-Performance**"),

and can demonstrate that the Supplier Non-Performance would not have occurred but for a Customer Cause, then (subject to the Supplier fulfilling its obligations in Clause 13 (Notification of Customer Cause)):

- a) the Supplier shall not be treated as being in breach of this Call Off Contract to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Customer Cause;
- b) the Customer shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance to terminate this Call Off Contract pursuant to Clause 31 (Customer Termination Rights) except Clause 31.6 (Termination Without Cause);
- c) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:
  - (i) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Customer Cause;
  - (ii) if the Customer, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to



- subsequent Milestone Dates resulting from the Customer Cause;
- (iii) if failure to Achieve a Milestone attracts a Delay Payment, the Supplier shall have no liability to pay any such Delay Payment associated with the Milestone to the extent that the Supplier can demonstrate that such failure was caused by the Customer Cause; and/or
  - d) where the Supplier Non-Performance constitutes a Service Level Failure:
    - (i) the Supplier shall not be liable to accrue Service Credits;
    - (ii) the Customer shall not be entitled to any Compensation for Critical Service Level Failure pursuant to Clause 11 (Critical Service Level Failure); and
    - (iii) the Supplier shall be entitled to invoice for the Call Off Contract Charges for the provision of the relevant Goods and/or Services affected by the Customer Cause,
    - (iv) in each case, to the extent that the Supplier can demonstrate that the Service Level Failure was caused by the Customer Cause.
- 29.2 In order to claim any of the rights and/or relief referred to in Clause 29.1, the Supplier shall:
- 29.2.1 comply with its obligations under Clause 13 (Notification of Customer Cause); and
  - 29.2.2 within five (5) Working Days of becoming aware that a Customer Cause has caused, or is likely to cause, a Supplier Non-Performance, give the Customer notice (a "**Relief Notice**") setting out details of:
    - a) the Supplier Non-Performance;
    - b) the Customer Cause and its effect on the Supplier's ability to meet its obligations under this Call Off Contract; and
    - c) the relief claimed by the Supplier.
- 29.3 Following the receipt of a Relief Notice, the Customer shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Customer Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Customer Cause and its entitlement to relief, consulting with the Supplier where necessary.
- 29.4 Without prejudice to Clauses 7.8.1 (Continuing obligation to provide the Goods and Services), if a Dispute arises as to:
- 29.4.1 whether a Supplier Non-Performance would not have occurred but for a Customer Cause; and/or
  - 29.4.2 the nature and/or extent of the relief claimed by the Supplier,
- either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.

- 29.5 Any Variation that is required to the Implementation Plan or to the Call Off Contract Charges pursuant to this Clause 29 shall be implemented in accordance with the Variation Procedure.

### **30. FORCE MAJEURE**

- 30.1 Subject to the remainder of this Clause 30 (and, in relation to the Supplier, subject to its compliance with its obligations in Clause 49 (Business Continuity and Disaster Recovery) where this is used), a Party may claim relief under this Clause 30 from liability for failure to meet its obligations under this Call Off Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Call Off Contract which results from a failure or delay by an agent, Sub-Contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-Contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.
- 30.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.
- 30.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 30 to the extent that consequences of the relevant Force Majeure Event:
- 30.3.1 are capable of being mitigated by any of the Services, but the Supplier has failed to do so; and/or
  - 30.3.2 should have been foreseen and prevented or avoided by a prudent provider of goods and/or services similar to the Goods and/or Services, operating to the standards required by this Call Off Contract.
- 30.4 Subject to Clause 30.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Goods and/or Services affected by the Force Majeure Event.
- 30.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.
- 30.6 Where, as a result of a Force Majeure Event:
- 30.6.1 an Affected Party fails to perform its obligations in accordance with this Call Off Contract, then during the continuance of the Force Majeure Event:
    - a) the other Party shall not be entitled to exercise any rights to terminate this Call Off Contract in whole or in part as a result of such failure unless the provision of the Goods and/or Services is materially impacted by a Force Majeure Event which endures for a continuous period of more than ninety (90) days; and

- b) the Supplier shall not be liable for any Default and the Customer shall not be liable for any Customer Cause arising as a result of such failure;
- 30.6.2 the Supplier fails to perform its obligations in accordance with this Call Off Contract:
  - a) the Customer shall not be entitled:
    - (i) during the continuance of the Force Majeure Event to exercise its step-in rights under Clause 28.1.1b) and 28.1.1c) (Customer Remedies for Inadequate Performance) as a result of such failure;
    - (ii) to receive Delay Payments pursuant to Clause 6.4 (Delay Payments) to the extent that the Achievement of any Milestone is affected by the Force Majeure Event; and
    - (iii) to receive Service Credits or withhold and retain any of the Call Off Contract Charges as Compensation for Critical Service Level Failure pursuant to Clause 11 (Critical Service Level Failure) to the extent that a Service Level Failure or Critical Service Level Failure has been caused by the Force Majeure Event; and
  - b) the Supplier shall be entitled to receive payment of the Call Off Contract Charges (or a proportional payment of them) only to the extent that the Goods and/or Services (or part of the Goods and/or Services) continue to be provided in accordance with the terms of this Call Off Contract during the occurrence of the Force Majeure Event.
- 30.7 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Call Off Contract.
- 30.8 Relief from liability for the Affected Party under this Clause 30 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Call Off Contract and shall not be dependent on the serving of notice under Clause 30.7.

## **J. TERMINATION AND EXIT MANAGEMENT**

### **31. CUSTOMER TERMINATION RIGHTS**

#### **31.1 Termination in Relation to Guarantee – N/A**

- 31.1.1 Where the Supplier has procured a Call Off Guarantee pursuant to Clause 4 (Call Off Guarantee), the Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where:
  - a) the Call Off Guarantor withdraws the Call Off Guarantee for any reason whatsoever;
  - b) the Call Off Guarantor is in breach or anticipatory breach of the Call Off Guarantee;
  - c) an Insolvency Event occurs in respect of the Call Off Guarantor;
  - d) the Call Off Guarantee becomes invalid or unenforceable for any reason whatsoever

and in each case the Call Off Guarantee (as applicable) is not replaced by an alternative guarantee agreement acceptable to the Customer.

### **31.2 Termination on Material Default**

31.2.1 The Customer may terminate this Call Off Contract for material Default by issuing a Termination Notice to the Supplier where:

- a) The Supplier commits a Critical Service Failure
- b) The representation and warranty given by the Supplier pursuant to Clause 3.2.5 (Representations and Warranties) is materially untrue or misleading;
- c) As a result of any Defaults the Customer incurs losses in a Contract Year which exceeds 80% of the value of the Supplier's aggregate annual liability limit for that Contract year as set out in Clause 26.2;
- d) the Customer expressly reserves the right to terminate this Call Off Contract for material Default, including pursuant to any of the following Clauses 6.2.3, 7.5.2, 11.1, 12.4, 16.5, 24.4.9, 40.6.2, 48.2 and paragraph 1.1.4 of Annex A or paragraph 1.2.4 of Annex B to Call Off Schedule 12 (Staff Transfer) ;
- e) the Supplier commits any material Default of this Call Off Contract which is not, in the reasonable opinion of the Customer, capable of remedy; and/or
- f) the Supplier commits a Default, including a material Default, which in the opinion of the Customer is remediable but has not remedied such Default to the satisfaction of the Customer in accordance with the Rectification Plan Process.

31.2.2 For the purpose of Clause 31.2.1, a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default.

### **31.3 Termination in Relation to Financial Standing**

31.3.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where in the reasonable opinion of the Customer there is a material detrimental change in the financial standing and/or the credit rating of the Supplier which:

- a) adversely impacts on the Supplier's ability to supply the Goods and/or Services under this Call Off Contract; or
- b) could reasonably be expected to have an adverse impact on the Suppliers ability to supply the Goods and/or Services under this Call off Contract.

### **31.4 Termination on Insolvency**

31.4.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where an Insolvency Event affecting the Supplier occurs.

### **31.5 Termination on Change of Control**

31.5.1 The Supplier shall notify the Customer immediately if the Supplier undergoes a Change of Control and provided this does not contravene any Law shall notify the Customer immediately in writing of any circumstances suggesting that a Change of Control is planned or in contemplation. The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier within six (6) Months of:

- a) being notified in writing that a Change of Control has occurred or is planned or in contemplation; or
- b) where no notification has been made, the date that the Customer becomes aware of the Change of Control,

but shall not be permitted to terminate where an Approval was granted prior to the Change of Control.

**31.6 Termination Without Cause**

31.6.1 The Customer shall have the right to terminate this Call Off Contract at any time by issuing a Termination Notice to the Supplier giving at least [thirty (30)] Working Days written notice.

**31.7 Termination in Relation to Framework Agreement**

31.7.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier if the Framework Agreement is terminated for any reason whatsoever.

**31.8 Termination In Relation to Benchmarking – N/A**

31.8.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier if the Supplier refuses or fails to comply with its obligations as set out in paragraphs 3 and 4 of Framework Schedule 12 (Continuous Improvement and Benchmarking).

**31.9 Termination in Relation to Variation**

31.9.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier for failure of the Parties to agree or the Supplier to implement a Variation in accordance with the Variation Procedure as set out in Clause 17.1.7c)(ii).

**31.10 Termination in relation to Tax Compliance**

31.10.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier in the event that:

- a) the warranty given by the Supplier pursuant to Clause 3.2.5 is materially untrue; or
- b) the Supplier commits a material breach of its obligation to notify the Customer of any Occasion of Tax Non-Compliance as required by Clause 19; or
- c) the Supplier fails to provide details of proposed mitigating factors as required by Clause 19.1.2a) which in the reasonable opinion of the Customer, are acceptable.

**32. SUPPLIER TERMINATION RIGHTS**

**32.1 Termination on Customer Cause for Failure to Pay**

32.1.1 The Supplier may, by issuing a Termination Notice to the Customer, terminate this Call Off Contract if the Customer fails to pay an undisputed sum due to the Supplier under this Call Off Contract which in aggregate exceeds £34,741.78 and such amount remains outstanding forty (40) Working Days ((the “**Undisputed Sums Time Period**”) after the receipt by the Customer of a written notice of non-payment from the Supplier specifying:

- a) the Customer’s failure to pay; and
- b) the correct overdue and undisputed sum; and
- c) the reasons why the undisputed sum is due; and
- d) the requirement on the Customer to remedy the failure to pay; and

this Call Off Contract shall then terminate on the date specified in the Termination Notice ((which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice)), save that such right of termination shall not apply where the failure to pay is due to the Customer exercising its rights under this Call Off Contract including Clause 18.3 (Retention and Set off).

32.1.2 The Supplier shall not suspend the supply of the Goods and/or Services for failure of the Customer to pay undisputed sums of money (whether in whole or in part).

### **33. TERMINATION BY EITHER PARTY**

#### **33.1 Termination for continuing Force Majeure Event**

33.1.1 Either Party may, by issuing a Termination Notice to the other Party terminate this Call Off Contract, in accordance with Clause 30.6.1a) (Force Majeure).

### **34. PARTIAL TERMINATION, SUSPENSION AND PARTIAL SUSPENSION**

34.1 Where the Customer has the right to terminate this Call Off Contract, the Customer shall be entitled to terminate or suspend all or part of this Call Off Contract provided always that, if the Customer elects to terminate or suspect this Call Off Contract in part, the parts of this Call Off Contract not terminated or suspended can, in the Customer’s reasonable opinion, operate effectively to deliver the intended purpose of the surviving parts of this Call Off Contract.

34.2 Any suspension of this Call Off Contract under Clause 34.1 shall be for such period as the Customer may specify and without prejudice to any right of termination which has already accrued, or subsequently accrues, to the Customer.

34.3 The Parties shall seek to agree the effect of any Variation necessitated by a partial termination, suspension or partial suspension in accordance with the Variation Procedure, including the effect that the partial termination, suspension or partial suspension may have on the provision of any other Goods and/or Services and the Call Off Contract Charges, provided that the Supplier shall not be entitled :

34.3.1 to an increase in the Call Off Contract Charges in respect of the provision of the Goods and/or Services that have not been terminated if the partial termination arises due to the exercise of any of the

Customer's termination rights under Clause 31 (Customer Termination Rights) except Clause 31.6 (Termination Without Cause); or

34.3.2 to reject the Variation.

### **35. CONSEQUENCES OF EXPIRY OR TERMINATION**

**35.1 Consequences of termination under Clauses 31.2 (Termination on Material Default), 31.3 (Termination in Relation to Financial Standing), 31.7 (Termination in Relation to Framework Agreement), 31.8 (Termination in Relation to Benchmarking) and 31.9 (Termination in Relation to Variation)**

35.1.1 Where the Customer:

- a) terminates (in whole or in part) this Call Off Contract under any of the Clauses referred to in Clause 35.1; and
- b) then makes other arrangements for the supply of the Services, the Customer may recover from the Supplier the cost reasonably incurred of making those other arrangements and any additional expenditure incurred by the Customer throughout the remainder of the Call Off Contract Period provided that Customer shall take all reasonable steps to mitigate such additional expenditure. No further payments shall be payable by the Customer to the Supplier until the Customer has established the final cost of making those other arrangements.

**35.2 Consequences of termination under Clauses 31.6 (Termination without Cause) , 31.7 (Termination in Relation to Framework Agreement), 31.9 (Termination in Relation to Variation) and 32.1 (Termination on Customer Cause for Failure to Pay)**

35.2.1 Where:

- a) the Customer terminates (in whole or in part) this Call Off Contract under Clause 31.6 (Termination without Cause); or
- b) the Supplier terminates this Call Off Contract pursuant to Clause 32.1 (Termination on Customer Cause for Failure to Pay),

the Customer shall indemnify the Supplier against any reasonable and proven Losses which would otherwise represent an unavoidable loss by the Supplier by reason of the termination of this Call Off Contract, provided that the Supplier takes all reasonable steps to mitigate such Losses. The Supplier shall submit a fully itemised and costed list of such Losses, with supporting evidence including such further evidence as the Customer may require, reasonably and actually incurred by the Supplier as a result of termination under Clause 31.6 (Termination without Cause).

35.2.2 The Customer shall not be liable under Clause 35.2.1 to pay any sum which:

- a) was claimable under insurance held by the Supplier, and the Supplier has failed to make a claim on its insurance, or has failed to make a claim in accordance with the procedural requirements of the insurance policy; or

- b) when added to any sums paid or due to the Supplier under this Call Off Contract, exceeds the total sum that would have been payable to the Supplier if this Call Off Contract had not been terminated.

**35.3 Consequences of termination under Clause 33.1 (Termination for Continuing Force Majeure Event)**

- 35.3.1 The costs of termination incurred by the Parties shall lie where they fall if either Party terminates or partially terminates this Agreement for a continuing Force Majeure Event pursuant to Clause 33.1 (Termination for Continuing Force Majeure Event).

**35.4 Consequences of Termination for Any Reason**

- 35.4.1 Save as otherwise expressly provided in this Call Off Contract:

- a) termination or expiry of this Call Off Contract shall be without prejudice to any rights, remedies or obligations accrued under this Call Off Contract prior to termination or expiration and nothing in this Call Off Contract shall prejudice the right of either Party to recover any amount outstanding at the time of such termination or expiry; and
- b) termination of this Call Off Contract shall not affect the continuing rights, remedies or obligations of the Customer or the Supplier under Clauses 16 (Records, Audit Access & Open Book Data), 23 (Intellectual Property Rights), 24.4 (Confidentiality), 24.6 (Freedom of Information) 24.7 (Protection of Personal Data), 26 (Liability), 35 (Consequences of Expiry or Termination), 41 (Severance), 43 (Entire Agreement), 44 (Third Party Rights) 46 (Dispute Resolution) and 47 (Governing Law and Jurisdiction), and the provisions of Call Off Schedule 1 (Definitions), Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), Call Off Schedule 11 (Exit Management), Call Off Schedule 12 (Staff Transfer), Annex 3 (Dispute Resolution Procedure) where these are used, and, without limitation to the foregoing, any other provision of this Call off Contract which expressly or by implication is to be performed or observed notwithstanding termination or expiry shall survive the Call Off Expiry Date.

**35.5 Exit management**

- 35.5.1 In the event that this Call Off Contract expires or is terminated the Supplier shall, where so requested by the Customer, provide assistance to the Customer to migrate the provision of the Goods and Services to a Replacement Supplier. Such assistance shall include as set out in any Exit Plan.

- 35.5.2 In complying with its obligation under Clause 35.5.1 the Supplier shall:

- (a) transfer to the Customer and/or the Replacement Supplier (as notified by the Customer) such of the contracts listed in the Exit Plan (if any) as are notified to the Supplier and/or by the Customer in return for payment of the costs (if any) set out in the Exit Plan in respect of such contracts; and



- (b) promptly provide all information concerning the provision of the Goods and Services which may reasonably be requested by the Customer for the purposes of adequately understanding the manner in which the Services have been provided or for the purpose of allowing the Customer or the Replacement Supplier to conduct due diligence.
- 35.5.3 On the Call Off Expiry Date, the Supplier shall:
  - (a) comply with its obligations in Clause 23.8.3 in relation to the use of any Customer Software, Customer Background IPR and/or Customer Data licensed to it by the Customer (Termination of licences).
  - (b) immediately deliver to the Customer any Customer Property issued to the. Such Customer Property shall be handed back to the Customer in good working order (allowance shall be made only for reasonable wear and tear);
  - (c) return to the Customer any sums prepaid in respect of the Goods or Services not provided by the Call Off Expiry Date; and
  - (d) use reasonable endeavours to procure that the benefit of manufacturer's warranty in respect of any Goods is assigned, or otherwise transferred to the Customer
- 35.5.4 If the Supplier fails to comply with Clauses 35.5.3 (a) and (b), the Customer may recover possession thereof and the Supplier grants a licence to the Customer or its appointed agents to enter (for the purposes of such recovery) any premises of the Supplier or its servants, consultants, agents or Sub-Contractors where any such items may be held.
- 35.5.5 Where the end of the Call Off Contract Period arises due to termination of this Call Off Contract by reason of Default under Clause 31.2 (Termination on Default), the Supplier shall provide all assistance under Clauses 35.5.3 (a) to (d) free of charge. Otherwise, the Customer shall pay the Supplier's reasonable costs of providing the assistance and the Supplier shall take all reasonable steps to mitigate such costs.
- 35.5.6 On the Call Off Expiry Date:
  - (a) any licence granted to occupy Customer Premises shall automatically terminate without the need to serve notice; and
  - (b) the Supplier shall remove any Supplier Equipment together with any other materials used by the Supplier to supply the Services and shall leave the Customer Premises in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Customer Premises or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier and/or any Supplier Personnel.

- 35.5.7 The Parties shall comply with the exit management provisions set out in Call Off Schedule 11 (Exit Management) where this is used.

**K. MISCELLANEOUS AND GOVERNING LAW**

**36. COMPLIANCE**

**36.1 Health and Safety**

- 36.1.1 The Supplier shall perform its obligations under this Call Off Contract (including those in relation to the Services) in accordance with:
- a) all applicable Law regarding health and safety; and
  - b) the Customer's health and safety policy (as provided to the Supplier from time to time) whilst at the Customer Premises.
- 36.1.2 Each Party shall promptly notify the other of as soon as possible of any health and safety incidents or material health and safety hazards at the Customer Premises of which it becomes aware and which relate to or arise in connection with the performance of this Call Off Contract
- 36.1.3 While on the Customer Premises, the Supplier shall comply with any health and safety measures implemented by the Customer in respect of Supplier Personnel and other persons working there and any instructions from the Customer on any necessary associated safety measures.

**36.2 Equality and Diversity**

- 36.2.1 The Supplier shall:
- (i) perform its obligations under this Call Off Contract (including those in relation to provision of the Services) in accordance with all applicable equality Law (whether in relation to race, sex, gender reassignment, religion or belief, disability, sexual orientation, pregnancy, maternity, age or otherwise); and
  - (ii) any other requirements and instructions which the Customer reasonably imposes in connection with any equality obligations imposed on the Customer at any time under applicable equality Law;

**36.3 Official Secrets Act and Finance Act**

- 36.3.1 The Supplier shall comply with the provisions of:
- a) the Official Secrets Acts 1911 to 1989; and
  - b) section 182 of the Finance Act 1989.

**36.4 Environmental Requirements**

- 36.4.1 The Supplier shall, when working on the Customer Premises, perform its obligations under this Call Off Contract in accordance with the Environmental Policy of the Customer.
- 36.4.2 The Customer shall provide a copy of its written Environmental Policy (if any) to the Supplier upon the Supplier's written request.

### 37. ASSIGNMENT AND NOVATION

- 37.1 The Supplier shall not assign, novate, Sub-Contract or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Call Off Contract or any part of it without Approval.
- 37.2 The Customer may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under this Call Off Contract or any part thereof:
- 37.2.1 any other Contracting Body; or
  - 37.2.2 any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Customer; or
  - 37.2.3 any private sector body which substantially performs the functions of the Customer,
- and the Supplier shall, at the Customer's request, enter into a novation agreement in such form as the Customer shall reasonably specify in order to enable the Customer to exercise its rights pursuant to this Clause 37.2.
- 37.3 A change in the legal status of the Customer such that it ceases to be a Contracting Body shall not, subject to Clause 37.4 affect the validity of this Call Off Contract and this Call Off Contract shall be binding on any successor body to the Customer.
- 37.4 If the Customer assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Call Off Contract to a body which is not a Contracting Body or if a body which is not a Contracting Body succeeds the Customer (both "**Transferee**" in the rest of this Clause) the right of termination of the Customer in Clause 31.4 (Termination on Insolvency) shall be available to the Supplier in the event of insolvency of the Transferee ((as if the references to Supplier in Clause 31.4 (Termination on Insolvency) and to Supplier or Framework Guarantor or Call Off Guarantor in the definition of Insolvency Event were references to the Transferee).

### 38. WAIVER AND CUMULATIVE REMEDIES

- 38.1 The rights and remedies under this Call Off Contract may be waived only by notice in accordance with Clause 45 (Notices) and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Call Off Contract or by Law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of.
- 38.2 Unless otherwise provided in this Call Off Contract, rights and remedies under this Call Off Contract are cumulative and do not exclude any rights or remedies provided by Law, in equity or otherwise.

### 39. RELATIONSHIP OF THE PARTIES

- 39.1 Except as expressly provided otherwise in this Call Off Contract, nothing in this Call Off Contract, nor any actions taken by the Parties pursuant to this Call Off Contract, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

#### 40. PREVENTION OF FRAUD AND BRIBERY

- 40.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Personnel, have at any time prior to the Call Off Commencement Date:
  - 40.1.1 committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or
  - 40.1.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.
- 40.2 The Supplier shall not during the Call Off Contract Period:
  - 40.2.1 commit a Prohibited Act; and/or
  - 40.2.2 do or suffer anything to be done which would cause the Customer or any of the Customer's employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.
- 40.3 The Supplier shall during the Call Off Contract Period:
  - 40.3.1 establish, maintain and enforce, and require that its Sub-Contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act;
  - 40.3.2 keep appropriate records of its compliance with its obligations under Clause 40.3.1 and make such records available to the Customer on request;
  - 40.3.3 if so required by the Customer, within twenty (20) Working Days of the Call Off Commencement Date, and annually thereafter, certify to the Customer in writing of the Supplier and all persons associated with it or its Sub-Contractors or other persons who are supplying the Goods and/or Services in connection with this Call Off Contract. The Supplier shall provide such supporting evidence of compliance as the Customer may reasonably request; and
  - 40.3.4 have, maintain and where appropriate enforce an anti-bribery policy (which shall be disclosed to the Customer on request) to prevent it and any Supplier Personnel or any person acting on the Supplier's behalf from committing a Prohibited Act.
- 40.4 The Supplier shall immediately notify the Customer in writing if it becomes aware of any breach of Clause 40.1, or has reason to believe that it has or any of the Supplier Personnel have:
  - 40.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;
  - 40.4.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

- 40.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Call Off Contract or otherwise suspects that any person or Party directly or indirectly connected with this Call Off Contract has committed or attempted to commit a Prohibited Act.
- 40.5 If the Supplier makes a notification to the Customer pursuant to Clause 40.4, the Supplier shall respond promptly to the Customer's enquiries, co-operate with any investigation, and allow the Customer to audit any books, records and/or any other relevant documentation in accordance with Clause 16 (Records, Audit Access and Open Book Data).
- 40.6 If the Supplier breaches Clause 40.3, the Customer may by notice:
  - 40.6.1 require the Supplier to remove from performance of this Call Off Contract any Supplier Personnel whose acts or omissions have caused the Supplier's breach; or
  - 40.6.2 immediately terminate this Call Off Contract for material Default.
- 40.7 Any notice served by the Customer under Clause 40.4 shall specify the nature of the Prohibited Act, the identity of the Party who the Customer believes has committed the Prohibited Act and the action that the Customer has elected to take (including, where relevant, the date on which this Call Off Contract shall terminate).

#### **41. SEVERANCE**

- 41.1 If any provision of this Call Off Contract (or part of any provision) is held to be void or otherwise unenforceable by any court of competent jurisdiction, such provision (or part) shall to the extent necessary to ensure that the remaining provisions of the Call Off Contract are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Call Off Contract shall not be affected.
- 41.2 In the event that any deemed deletion under Clause 41.1 is so fundamental as to prevent the accomplishment of the purpose of this Call Off Contract or materially alters the balance of risks and rewards in this Call Off Contract, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Call Off Contract so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Call Off Contract and, to the extent that is reasonably possible, achieves the Parties' original commercial intention.
- 41.3 If the Parties are unable to resolve the Dispute within twenty (20) Working Days of the date of the notice given pursuant to Clause 41.2, this Call Off Contract shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Call Off Contract is terminated pursuant to this Clause 41.

#### **42. FURTHER ASSURANCES**

- 42.1 Each Party undertakes at the request of the other, and at the cost of the requesting Party to do all acts and execute all documents which may be necessary to give effect to the meaning of this Call Off Contract.

#### **43. ENTIRE AGREEMENT**

- 43.1 This Call Off Contract constitutes the entire agreement between the Parties in respect of the matter and supersedes and extinguishes all prior negotiations, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.
- 43.2 Neither Party has been given, nor entered into this Call Off Contract in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Call Off Contract.
- 43.3 Nothing in this Clause 43 shall exclude any liability in respect of misrepresentations made fraudulently.

#### 44. THIRD PARTY RIGHTS

- 44.1 The provisions of paragraphs 2.1 and 2.6 of Part A, paragraphs 2.1, 2.6, 3.1 and 3.3 of Part B, paragraphs 2.1 and 2.3 of Part C and paragraphs 1.4, 2.3 and 2.8 of Part D of Call Off Schedule Schedule 12 (Staff Transfer) and the provisions of paragraph 9.10 of Schedule 11 (Exit Management) (together "Third Party Provisions") confer benefits on persons named in such provisions other than the Parties (each such person a "Third Party Beneficiary") and where used are intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.
- 44.2 Subject to Clause 44.1, a person who is not a Party to this Call Off Contract has no right under the CTRPA to enforce any term of this Call Off Contract but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 44.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Customer, which may, if given, be given on and subject to such terms as the Customer may determine.
- 44.4 Any amendments or modifications to this Call Off Contract may be made, and any rights created under Clause 44.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

#### 45. NOTICES

- 45.1 Except as otherwise expressly provided within this Call Off Contract, any notices sent under this Call Off Contract must be in writing. For the purpose of this Clause, an e-mail is accepted as being "in writing".
- 45.2 Subject to Clause 45.3, the following table sets out the method by which notices may be served under this Call Off Contract and the respective deemed time and proof of service:

Manner of Delivery	Deemed time of delivery	Proof of Service
Email (Subject to Clauses 45.3 and 45.4)	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on	Properly addressed and delivered as evidenced by

	a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day	signature of a delivery receipt
Royal Mail Signed For™ 1 <sup>st</sup> Class or other prepaid, next Working Day service providing proof of delivery	At the time recorded by the delivery service, provided that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm)	Properly addressed prepaid and delivered as evidenced by signature of a delivery receipt

45.3 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or Royal Mail Signed For™ 1<sup>st</sup> Class or other prepaid in the manner set out in the table in Clause 45.2:

45.3.1 any Termination Notice (Clause 31),

45.3.2 any notice in respect of:

- a) partial termination, suspension or partial suspension (Clause 34),
- b) waiver (Clause 38)
- c) Default or Customer Cause; and

45.3.3 any Dispute Notice.

45.4 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 45.3 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed For™ 1<sup>st</sup> Class delivery (as set out in the table in Clause 45.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

45.5 This Clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under the Dispute Resolution Procedure).

45.6 For the purposes of this Clause 45, the address and email address of each Party shall be the address and email address set out in the Order Form.

#### 46. DISPUTE RESOLUTION

46.1 The Parties shall resolve Disputes arising out of or in connection with this Call Off Contract in accordance with the Dispute Resolution Procedure.

- 46.2 The Supplier shall continue to provide the Goods and/or Services in accordance with the terms of this Call Off Contract until a Dispute has been resolved.

#### **47. GOVERNING LAW AND JURISDICTION**

- 47.1 This Call Off Contract and any issues, Disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.
- 47.2 Subject to Clause 46 (Dispute Resolution) and Annex C to these Call Off Terms (Dispute Resolution Procedure) (including the Customer's right to refer the Dispute to arbitration), the Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any Dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Call Off Contract or its subject matter or formation.



## **ANNEX 1: ALTERNATIVE AND/OR ADDITIONAL CLAUSES**

### **1. INTRODUCTION**

- 1.1 This Annex to the Call Off Terms specifies the range of Alternative Clauses and Additional Clauses that may be requested at paragraph 7 of the Order Form and, if requested, shall apply to this Call Off Contract.

### **2. CLAUSES SELECTED**

- 2.1 The Customer may, in the Order Form, request the following Alternative Clauses:
- 2.1.1 Scots Law (see paragraph 4.1 below);
  - 2.1.2 Northern Ireland Law (see paragraph 4.2 below)
  - 2.1.3 Termination (see paragraph 4.2 below);
  - 2.1.4 Non-Crown Bodies (see paragraph 4.3 below); or
  - 2.1.5 Non-FOIA Public Bodies (see paragraph 4.4 below).
- 2.2 The Customer, in the Order Form, may request that the following Additional Clauses should apply:
- 2.2.1 Relevant Convictions
  - 2.2.2 Installation Works
  - 2.2.3 Business Continuity and Disaster Recovery
  - 2.2.4 Key Personnel
  - 2.2.5 Staff Transfer
  - 2.2.6 Customer Premises
  - 2.2.7 Customer Property
  - 2.2.8 Supplier Equipment
  - 2.2.9 Security Measures (see paragraph 5.6 below);
  - 2.2.10 MOD Additional Clauses – N/A (see paragraph 6 below); and
  - 2.2.11 Financial Distress (see paragraph 7 below)

### **3. IMPLEMENTATION**

- 3.1 The appropriate changes have been made in this Call Off Contract to implement the Alternative Clauses specified in paragraph 2 and the Additional Clauses specified in paragraph 2 shall be deemed to be incorporated into this Call Off Contract.

### **4. ALTERNATIVE CLAUSES**

#### 4.1 **SCOTS LAW**

Law and Jurisdiction (Clause 47))

The original Clause 47 shall be replaced with:

This Call Off Contract shall be governed by and interpreted in accordance with the Laws of Scotland and the Parties agree to submit to the exclusive jurisdiction of the Scottish courts any dispute that arises in connection with this Call Off Contract including, without limitation, any dispute relating to any contractual or non-contractual obligation and the existence, validity or termination of this Call Off Contract.

#### 4.2 **NORTHERN IRELAND LAW**

Law and Jurisdiction (Clause 47)

The original Clause 47 shall be replaced with:

This Call Off Contract shall be governed by and interpreted in accordance with the Laws of Northern Ireland and the Parties agree to submit to the exclusive jurisdiction of the Northern Irish courts any dispute that arises in connection with this Call Off Contract including, without limitation, any dispute relating to any contractual or non-contractual obligation and the existence, validity or termination of this Call Off Contract.

#### **TERMINATION (Clause [32])**

In the definition of "Insolvency Event", Section 123 of the Insolvency Act 1986" shall be replaced with "Article 103 of the Insolvency (NI) Order 1989".

#### 4.3 **NON-CROWN BODIES**

Replace Clause 36.3 with the following :

"36.3 Finance Act

36.3.1 The supplier shall comply with section 182 of the Finance Act 1989

#### 4.4 **NON-FOIA PUBLIC BODIES**

FREEDOM OF INFORMATION

" 24.6 The Customer has notified the Supplier that the Customer is exempt from the provisions of FOIA."

### 5. **ADDITIONAL CLAUSES**

#### 5.1 **RELEVANT CONVICTIONS**

5.1.1 The following definitions to be added to Call Off Schedule 1:

**"Relevant Conviction"** means a Conviction that is relevant to the nature of the Goods and/or Services to be provided or as specified by the Customer in the Order Form or elsewhere in the Call Off Contract;

#### **21.4 RELEVANT CONVICTIONS**

- 21.1.4 The Supplier shall ensure that no Supplier Personnel who discloses that s/he has a Relevant Conviction, or who is found to have any Relevant Convictions (whether as a result of a police check or through the procedure of the Disclosure and Barring Service (DBS) checks or otherwise), is employed or engaged in any part of the provision of the Goods and/or Services without Customer Approval.
- 21.1.5 For each member of Supplier Personnel who, in providing the Goods and/or Services, has, will have or is likely to have access to children, vulnerable persons or other members of the public to whom the Customer owes a special duty of care, the Supplier shall (and shall procure that the relevant Sub-Contractor shall):
- (a) carry out a check with the records held by the Department for Education (DfE);
  - (b) conduct thorough questioning regarding any Relevant Convictions; and
  - (c) ensure a police check is completed and such other checks as may be carried out through the Disclosure and Barring Service (DBS),
- and the Supplier shall not (and shall ensure that any Sub-Contractor shall not) engage or continue to employ in the provision of the [Goods and/or] Services any Supplier Personnel who has a Relevant Conviction or an inappropriate record.]

#### **5.2 INSTALLATION WORKS**

#### **48. INSTALLATION WORKS – N/A**

- 48.1 Where the Customer has specified Installation Works in the Call-Off Contract and the Supplier reasonably believes it has completed the Installation Works it shall notify the Customer in writing. Following receipt of such notice, the Customer shall inspect the Installation Works and shall, by giving written notice to the Contractor:
- 48.1.1 accept the Installation Works, or
  - 48.1.2 reject the Installation Works and provide reasons to the Supplier if, in the Customer's reasonable opinion, the Installation Works do not meet the requirements set out in the Order Form.
- 48.2 If the Customer rejects the Installation Works in accordance with Clause 48.1.2, the Supplier shall immediately rectify or remedy any defects and if, in the Customer's reasonable opinion, the Installation Works do not, within five (5) Working Days of such rectification or remedy, meet the requirements set out in the Order Form, the Customer may terminate this Call Off Contract for Material Breach.

- 48.3 The Installation Works shall be deemed to be completed when the Supplier receives a notice issued by the Customer in accordance with Clause 48.1.1 Notwithstanding the acceptance of any Installation Works in accordance with Clause 48.1.1, the Supplier shall remain solely responsible for ensuring that the Goods and the Installation Works conform to the Order Form. No rights of estoppel or waiver shall arise as a result of the acceptance by the Customer of the Installation Works.
- 48.4 Throughout the Call Off Contract Period, the Supplier shall have at all times all licences, approvals and consents necessary to enable the Supplier and the Staff to carry out the Installation Works.

### 5.3 BUSINESS CONTINUITY AND DISASTER RECOVERY

5.3.1 The following definitions to be added to Call Off Schedule 1:

**["Business Continuity and Disaster Recovery Plan" or "BCDR Plan"]** means the Supplier's plan relating to business continuity and disaster recovery as referred to in Clause 49 and Call Off Schedule 10 (Business Continuity and Disaster Recovery);]

**["Disaster"]** means the occurrence of one or more events which, either separately or cumulatively, mean that the Goods and/or Services, or a material part thereof will be unavailable for a period of [insert period] or which is reasonably anticipated will mean that the [Goods and/or] Services or a material part thereof will be unavailable for that period; ]

## 49. BUSINESS CONTINUITY AND DISASTER RECOVERY

### 5.4 CONTINUOUS IMPROVEMENT

## 50. CONTINUOUS IMPROVEMENT – N/A

- 50.1 The Supplier shall have an ongoing obligation throughout the Call Off Contract Period to identify new or potential improvements to the provision of the Goods and/or Services in accordance with this Clause 50 with a view to reducing the Customer's costs (including the Call Off Contract Charges) and/or improving the quality and efficiency of the Goods and/or Services and their supply to the Customer. As part of this obligation the Supplier shall identify and report to the Customer once every twelve (12) months:
- 50.1.1 the emergence of new and evolving relevant technologies which could improve the ICT Environment and/or the provision of the Services, and those technological advances potentially available to the Supplier and the Customer which the Parties may wish to adopt;
- 50.1.2 new or potential improvements to the provision of the Goods and/or Services including the quality, responsiveness, procedures, likely performance mechanisms and customer support services in relation to the Services;

50.1.3 changes in business processes and ways of working that would enable the Goods and/or Services to be provided at lower costs and/or at greater benefits to the Customer; and/or

50.1.4 changes to the ICT Environment, business processes and ways of working that would enable reductions in the total energy consumed annually in the provision of Services.

50.2 The Supplier shall ensure that the information that it provides to the Customer shall be sufficient for the Customer to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Customer requests.

50.3 If the Customer wishes to incorporate any improvement identified by the Supplier, the Customer shall request a Variation in accordance with the Variation Procedure and the Supplier shall implement such Variation at no additional cost to the Customer.

#### 5.5 KEY PERSONNEL

5.5.1 The following definitions to be added to Call Off Schedule 1:

["Key Personnel" means the individuals (if any) identified as such in the Order Form/Schedule 4;]

### 51. KEY PERSONNEL

51.1 The Parties have agreed to the appointment of the Key Personnel.

51.2 The Supplier shall procure that any Sub-Contractor shall not remove or replace any Key Personnel during the Call Off Contract Period without Approval.

51.3 Unless otherwise agreed by the Customer in writing, the Supplier shall provide the Customer with at least one (1) Month's written notice of its intention to replace any member of Key Personnel.

51.4 The Customer shall not unreasonably delay or withhold its decision to Approve the removal or appointment of a replacement for any relevant Key Personnel by the Supplier or Sub-Contractor.

51.5 The Supplier acknowledges and agrees that the persons designated as Key Personnel from time to time are essential to the proper provision of the Goods and/or Services to the Customer. The Supplier shall ensure that the role of any Key Personnel is not vacant for any longer than ten (10) Working Days and that any replacement shall be as qualified and experienced or more qualified and experienced as the previous incumbent and fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced.

51.6 The Customer may also require the Supplier to remove any Key Personnel that the Customer considers in any respect unsatisfactory. The Customer shall not be liable for the cost of replacing any Key Personnel.]

#### 5.6 STAFF TRANSFER – N/A

5.6.1 The following definitions to be added to Call Off Schedule 1:

["TUPE" means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced or any other regulations or UK legislation implementing the Acquired Rights Directive;]

## **52. STAFF TRANSFER – N/A**

52.1 The Parties agree that :

52.1.1 on the commencement of the provision of the Goods and/or Services or each part of the Goods and/or Services, there will be a Relevant Transfer for the purposes of the Employment Regulations, and the provisions of Parts **[A]** [,] **[B]** and D of Call Off Schedule 12 (Staff Transfer) will apply; and;

52.1.2 on the Call Off Expiry Date there may be a relevant transfer for the purposes of the Employment Regulations and Part D of Call Off Schedule 12 (Staff Transfer) will apply.

52.2 The Parties agree that:

52.2.1 on the Call Off Commencement Date and throughout the Call Off Contract Period there will be no Relevant Transfer for the purposes of the Employment Regulations, and the provisions of Part C of Call Off Schedule 12 (Staff Transfer) will apply; and

52.2.2 on the Call Off Expiry Date there may be a relevant transfer for the purposes of the Employment Regulations and Part D of Call Off Schedule 12 (Staff Transfer) will apply.

52.3 Based upon a reasonable assessment of the facts, the Parties cannot agree whether or not on the commencement of the provision of the Goods and/or Services or each part of the Goods and/or Services, there is a situation to which the Employment Regulations may apply. The Customer shall, within a time the Customer may reasonably specify, determine whether Clause 52.1 or 52.2 applies based on a reasonable assessment of the evidence available to it. In assisting the Customer to make such determination, the Supplier and any Former Supplier shall be permitted to make representations to the Customer within such time period as the Customer may reasonably specify.

## **5.7 CUSTOMER PREMISES**

## **53. CUSTOMER PREMISES – N/A**

### **Licence to occupy Customer Premises**

53.1.1 Any Customer Premises shall be made available to the Supplier on a non-exclusive licence basis free of charge and shall be used by the Supplier solely for the purpose of performing its obligations under this Call Off Contract. The Supplier shall have the use of such Customer Premises as licensee and shall vacate the same immediately upon completion, termination, expiry or abandonment of this Call Off Contract and in accordance with Call Off Schedule 11 (Exit Management).

- 53.1.2 The Supplier shall limit access to the Customer Premises to such Supplier Personnel as is necessary to enable it to perform its obligations under this Call Off Contract and the Supplier shall co-operate (and ensure that the Supplier Personnel co-operate) with such other persons working concurrently on such Customer Premises as the Customer may reasonably request.
- 53.1.3 Save in relation to such actions identified by the Supplier in accordance with Clause 2.1.1 (Due Diligence) and set out in the Order Form (or elsewhere in this Call Off Contract), should the Supplier require modifications to the Customer Premises, such modifications shall be subject to Approval and shall be carried out by the Customer at the Supplier's expense. The Customer shall undertake any modification work which it approves pursuant to this Clause 53.1.3 without undue delay. Ownership of such modifications shall rest with the Customer.
- 53.1.4 The Supplier shall observe and comply with such rules and regulations as may be in force at any time for the use of such Customer Premises and conduct of personnel at the Customer Premises as determined by the Customer, and the Supplier shall pay for the full cost of making good any damage caused by the Supplier Personnel other than fair wear and tear. For the avoidance of doubt, damage includes without limitation damage to the fabric of the buildings, plant, fixed equipment or fittings therein.
- 53.1.5 The Parties agree that there is no intention on the part of the Customer to create a tenancy of any nature whatsoever in favour of the Supplier or the Supplier Personnel and that no such tenancy has or shall come into being and, notwithstanding any rights granted pursuant to this Call Off Contract, the Customer retains the right at any time to use any Customer Premises in any manner it sees fit.

#### **Security of Customer Premises**

- 53.1.6 The Customer shall be responsible for maintaining the security of the Customer Premises in accordance with the Security Policy. The Supplier shall comply with the Security Policy and any other reasonable security requirements of the Customer while on the Customer Premises.
- 53.1.7 The Customer shall afford the Supplier upon Approval ( the decision to Approve or not will not be unreasonably withheld or delayed) an opportunity to inspect its physical security arrangements.

#### **5.8 CUSTOMER PROPERTY**

#### **54. CUSTOMER PROPERTY – N/A**

- 54.1 Where the Customer issues Customer Property free of charge to the Supplier such Customer Property shall be and remain the property of the Customer and the Supplier irrevocably licences the Customer and its agents to enter upon any premises of the Supplier during normal business hours on reasonable notice to recover any such Customer Property.
- 54.2 The Supplier shall not in any circumstances have a lien or any other interest on the Customer Property and at all times the Supplier shall possess the Customer Property as fiduciary agent and bailee of the Customer.

- 54.3 The Supplier shall take all reasonable steps to ensure that the title of the Customer to the Customer Property and the exclusion of any such lien or other interest are brought to the notice of all Sub-Contractors and other appropriate persons and shall, at the Customer's request, store the Customer Property separately and securely and ensure that it is clearly identifiable as belonging to the Customer.
- 54.4 The Customer Property shall be deemed to be in good condition when received by or on behalf of the Supplier unless the Supplier notifies the Customer otherwise within five (5) Working Days of receipt.
- 54.5 The Supplier shall maintain the Customer Property in good order and condition (excluding fair wear and tear) and shall use the Customer Property solely in connection with this Call Off Contract and for no other purpose without Approval.
- 54.6 The Supplier shall ensure the security of all the Customer Property whilst in its possession, either on the Sites or elsewhere during the supply of the Services, in accordance with the Customer's Security Policy and the Customer's reasonable security requirements from time to time.
- 54.7 The Supplier shall be liable for all loss of, or damage to the Customer Property, (excluding fair wear and tear), unless such loss or damage was solely due to a Customer Cause. The Supplier shall inform the Customer immediately of becoming aware of any defects appearing in or losses or damage occurring to the Customer Property.

#### **5.9 SUPPLIER EQUIPMENT**

### **55. SUPPLIER EQUIPMENT**

- 55.1 Unless otherwise stated in the Order Form (or elsewhere in this Call Off Contract), the Supplier shall provide all the Supplier Equipment necessary for the supply of the Services.
- 55.2 The Supplier shall not deliver any Supplier Equipment nor begin any work on the Sites without obtaining Approval.
- 55.3 The Supplier shall be solely responsible for the cost of carriage of the Supplier Equipment to the Sites and/or any Customer Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on the Call Off Expiry Date the Supplier shall be responsible for the removal of all relevant Supplier Equipment from the Sites and/or any Customer Premises, including the cost of packing, carriage and making good the Sites and/or the Customer Premises following removal.
- 55.4 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Customer shall be liable for loss of or damage to any of the Supplier's property located on Customer Premises which is due to the negligent act or omission of the Customer.
- 55.5 Subject to any express provision of the BCDR Plan to the contrary, the loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its obligation to supply the Goods and/or Services in accordance with this Call Off Contract, including the Service Level Performance Measures.
- 55.6 The Supplier shall maintain all Supplier Equipment within the Sites and/or the Customer Premises in a safe, serviceable and clean condition.



55.7 The Supplier shall, at the Customer's written request, at its own expense and as soon as reasonably practicable:

55.7.1 remove from the Sites any Supplier Equipment or any component part of Supplier Equipment which in the reasonable opinion of the Customer is either hazardous, noxious or not in accordance with this Call Off Contract; and

55.7.2 replace such Supplier Equipment or component part of Supplier Equipment with a suitable substitute item of Supplier Equipment.

55.8 Where a failure of Supplier Equipment or any component part of Supplier Equipment causes [two (2)] or more Service Failures in any [twelve (12) Month period], the Supplier shall notify the Customer in writing and shall, at the Customer's request (acting reasonably), replace such Supplier Equipment or component part thereof at its own cost with a new item of Supplier Equipment or component part thereof (of the same specification or having the same capability as the Supplier Equipment being replaced).

#### 5.10 SECURITY MEASURES

5.10.1 The following definitions to be added to Call Off Schedule 1:

"Document" includes specifications, plans, drawings, photographs and books;

"Secret Matter" means any matter connected with or arising out of the performance of this Call Off Contract which has been, or may hereafter be, by a notice in writing given by the Customer to the Supplier be designated 'top secret', 'secret', or 'confidential';

"Servant" where the Supplier is a body corporate shall include a director of that body and any person occupying in relation to that body the position of director by whatever name called.

5.10.2 The following new Clause 56 shall apply:

#### 56. SECURITY MEASURES

56.1 The Supplier shall not, either before or after the completion or termination of this Call Off Contract, do or permit to be done anything which it knows or ought reasonably to know may result in information about a secret matter being:

56.1.1 without the prior consent in writing of the Customer, disclosed to or acquired by a person who is an alien or who is a British subject by virtue only of a certificate of naturalisation in which his name was included;

56.1.2 disclosed to or acquired by a person as respects whom the Customer has given to the Supplier a notice in writing which has not been cancelled stating that the Customer requires that secret matters shall not be disclosed to that person;

56.1.3 without the prior consent in writing of the Customer, disclosed to or acquired by any person who is not a servant of the Supplier; or

56.1.4 disclosed to or acquired by a person who is an employee of the Supplier except in a case where it is necessary for the proper

performance of this Call Off Contract that such person shall have the information.

- 56.2 Without prejudice to the provisions of Clause 56.156.1, the Supplier shall, both before and after the completion or termination of this Call Off Contract, take all reasonable steps to ensure:
- 56.2.1 no such person as is mentioned in Clauses 56.1, 56.1.1 or 56.1.2, 56.1.1 thereof shall have access to any item or document under the control of the Supplier containing information about a secret matter except with the prior consent in writing of the Customer;
  - 56.2.2 that no visitor to any premises in which there is any item to be supplied under this Call Off Contract or where Goods and Services are being supplied shall see or discuss with the Supplier or any person employed by him any secret matter unless the visitor is authorised in writing by the Customer so to do;
  - 56.2.3 that no photograph of any item to be supplied under this Call Off Contract or any portions of the Goods and Services shall be taken except insofar as may be necessary for the proper performance of this Call Off Contract or with the prior consent in writing of the Customer, and that no such photograph shall, without such consent, be published or otherwise circulated;
  - 56.2.4 that all information about any secret matter and every document model or other item which contains or may reveal any such information is at all times strictly safeguarded, and that, except insofar as may be necessary for the proper performance of this Call Off Contract or with the prior consent in writing of the Customer, no copies of or extracts from any such document, model or item shall be made or used and no designation of description which may reveal information about the nature or contents of any such document, model or item shall be placed thereon; and
  - 56.2.5 that if the Customer gives notice in writing to the Supplier at any time requiring the delivery to the Customer of any such document, model or item as is mentioned in Clause 56.2.4, that document, model or item (including all copies of or extracts therefrom) shall forthwith be delivered to the Customer who shall be deemed to be the owner thereof and accordingly entitled to retain the same.
- 56.3 The decision of the Customer on the question whether the Supplier has taken or is taking all reasonable steps as required by the foregoing provisions of this Clause 56 shall be final and conclusive.
- 56.4 If and when directed by the Customer, the Supplier shall furnish full particulars of all people who are at any time concerned with any secret matter.
- 56.5 If and when directed by the Customer, the Supplier shall secure that any person employed by it who is specified in the direction, or is one of a class of people who may be so specified, shall sign a statement that he understands that the Official Secrets Act, 1911 to 1989 and, where applicable, the Atomic Energy Act 1946, apply to the person signing the statement both during the carrying out and after expiry or termination of a Call Off Contract.
- 56.6 If, at any time either before or after the expiry or termination of this Call Off Contract, it comes to the notice of the Supplier that any person acting without lawful authority is seeking or has sought to obtain information concerning this Call Off Contract or anything done or to be done in pursuance thereof, the

matter shall be forthwith reported by the Supplier to the Customer and the report shall, in each case, be accompanied by a statement of the facts, including, if possible, the name, address and occupation of that person, and the Supplier shall be responsible for making all such arrangements as it may consider appropriate to ensure that if any such occurrence comes to the knowledge of any person employed by it, that person shall forthwith report the matter to the Supplier with a statement of the facts as aforesaid.

- 56.7 The Supplier shall place every person employed by it, other than a Sub contractor, who in its opinion has or will have such knowledge of any secret matter as to appreciate its significance, under a duty to the Supplier to observe the same obligations in relation to that matter as are imposed on the Supplier by Clauses 56.1 and 56.2 and shall, if directed by the Customer, place every person who is specified in the direction or is one of a class of people so specified, under the like duty in relation to any secret matter which may be specified in the direction, and shall at all times use its best endeavours to ensure that every person upon whom obligations are imposed by virtue of this Clause 56 observes the said obligations, and the Supplier shall give such instructions and information to every such person as may be necessary for that purpose, and shall, immediately upon becoming aware of any act or omission which is or would be a breach of the said obligations, report the facts to the Supplier with all necessary particulars.
- 56.8 The Supplier shall, if directed by the Customer, include in the Sub-Contract provisions in such terms as the Customer may consider appropriate for placing the Sub-Contractor under obligations in relation to secrecy and security corresponding to those placed on the Supplier by this Clause 56, but with such variations (if any) as the Customer may consider necessary. Further the Supplier shall:
- 56.8.1 give such notices, directions, requirements and decisions to its Sub-Contractors as may be necessary to bring the provisions relating to secrecy and security which are included in Sub-Contracts under this Clause 56 into operation in such cases and to such extent as the Customer may direct;
  - 56.8.2 if there comes to its notice any breach by the Sub-Contractor of the obligations of secrecy and security included in their Sub-Contracts in pursuance of this Clause 56, notify such breach forthwith to the Customer; and
  - 56.8.3 if and when so required by the Customer, exercise its power to determine the Sub-Contract under the provision in that Sub-Contract which corresponds to Clause 56.11.
- 56.9 The Supplier shall give the Customer such information and particulars as the Customer may from time to time require for the purposes of satisfying the Customer that the obligations imposed by or under the foregoing provisions of this Clause 56 have been and are being observed and as to what the Supplier has done or is doing or proposes to do to secure the observance of those obligations and to prevent any breach thereof, and the Supplier shall secure that a representative of the Customer duly authorised in writing shall be entitled at reasonable times to enter and inspect any premises in which anything is being done or is to be done under this Call Off Contract or in which there is or will be any item to be supplied under this Call Off Contract, and also to inspect any document or item in any such premises or which is being made or used for the purposes of this Call Off Contract and that any such representative shall be

given all such information as he may require on the occasion of, or arising out of, any such inspection.

- 56.10 Nothing in this Clause 56 shall prevent any person from giving any information or doing anything on any occasion when it is, by virtue of any enactment, the duty of that person to give that information or do that thing.
- 56.11 If the Customer shall consider that any of the following events has occurred:
- 56.11.1 that the Supplier has committed a breach of, or failed to comply with any of, the foregoing provisions of this Clause 56; or
  - 56.11.2 that the Supplier has committed a breach of any obligations in relation to secrecy or security imposed upon it by any other contract with the Customer, or with any department or person acting on behalf of the Crown; or
  - 56.11.3 that by reason of an act or omission on the part of the Supplier, or of a person employed by the Supplier, which does not constitute such a breach or failure as is mentioned in 56.11.2, information about a secret matter has been or is likely to be acquired by a person who, in the opinion of the Customer, ought not to have such information;
- and shall also decide that the interests of the State require the termination of this Call Off Contract, the Customer may by notice in writing terminate this Call Off Contract forthwith.
- 56.12 A decision of the Customer to terminate this Call Off Contract in accordance with the provisions of Clause 56.11 shall be final and conclusive and it shall not be necessary for any notice of such termination to specify or refer in any way to the event or considerations upon which the Customer's decision is based.
- 56.13 Supplier's notice
- 56.13.1 The Supplier may within five (5) Working Days of the termination of this Call Off Contract in accordance with the provisions of Clause 56.11, give the Customer notice in writing requesting the Customer to state whether the event upon which the Customer's decision to terminate was based is an event mentioned in Clauses 56.11, 56.11.1 or 56.11.2 and to give particulars of that event; and
  - 56.13.2 the Customer shall within ten (10) Working Days of the receipt of such a request give notice in writing to the Supplier containing such a statement and particulars as are required by the request.
- 56.14 Matters pursuant to termination
- 56.14.1 The termination of this Call Off Contract pursuant to Clause 56.11 shall be without prejudice to any rights of either party which shall have accrued before the date of such termination;
  - 56.14.2 The Supplier shall be entitled to be paid for any work or thing done under this Call Off Contract and accepted but not paid for by the Customer at the date of such termination either at the price which would have been payable under this Call Off Contract if the Call Off Contract had not been terminated, or at a reasonable price;
  - 56.14.3 The Customer may take over any work or thing done or made under this Call Off Contract (whether completed or not) and not accepted at the date of such termination which the Customer may by notice in writing to the Supplier given within thirty (30) Working Days from the time when the provisions of this Clause 56 shall have effect, elect

to take over, and the Supplier shall be entitled to be paid for any work or thing so taken over a price which, having regard to the stage which that work or thing has reached and its condition at the time it is taken over, is reasonable. The Supplier shall in accordance with directions given by the Customer, deliver any work or thing taken over under this Clause 56.14.3, and take all such other steps as may be reasonably necessary to enable the Customer to have the full benefit of any work or thing taken over under this Clause 56.14.3 ; and

56.14.4 Save as aforesaid, the Supplier shall not be entitled to any payment from the Customer after the termination of this Call Off Contract

56.15 If, after notice of termination of this Call Off Contract pursuant to the provisions of 56.11:

56.15.1 the Customer shall not within ten (10) Working Days of the receipt of a request from the Supplier, furnish such a statement and particulars as are detailed in Clause 56.13.1; or

56.15.2 the Customer shall state in the statement and particulars detailed in Clause 56.13.2 . that the event upon which the Customer's decision to terminate this Call Off Contract was based is an event mentioned in Clause 56.11.3,

the respective rights and obligations of the Supplier and the Customer shall be terminated in accordance with the following provisions:

56.15.3 the Customer shall take over from the Supplier at a fair and reasonable price all unused and undamaged materials, bought-out parts and components and articles in course of manufacture in the possession of the Supplier upon the termination of this Call Off Contract under the provisions of Clause 56.11 and properly provided by or supplied to the Supplier for the performance of this Call Off Contract, except such materials, bought-out parts and components and articles in course of manufacture as the Supplier shall, with the concurrence of the Customer, elect to retain;

56.15.4 the Supplier shall prepare and deliver to the Customer within an agreed period or in default of agreement within such period as the Customer may specify, a list of all such unused and undamaged materials, bought-out parts and components and articles in course of manufacture liable to be taken over by or previously belonging to the Customer and shall deliver such materials and items in accordance with the directions of the Customer who shall pay to the Supplier fair and reasonable handling and delivery charges incurred in complying with such directions;

56.15.5 the Customer shall indemnify the Supplier against any commitments, liabilities or expenditure which are reasonably and properly chargeable by the Supplier in connection with this Call Off Contract to the extent to which the said commitments, liabilities or expenditure would otherwise represent an unavoidable loss by the Supplier by reason of the termination of this Call Off Contract;

56.15.6 if hardship to the Supplier should arise from the operation of this Clause 56.15 it shall be open to the Supplier to refer the circumstances to the Customer who, on being satisfied that such hardship exists shall make such allowance, if any, as in its opinion is

reasonable and the decision of the Customer on any matter arising out of this Clause 56.15.6 shall be final and conclusive; and

- 56.15.7 subject to the operation of Clauses 56.15.3, 56.15.4, 56.15.5 and 56.15.6 termination of this Call Off Contract shall be without prejudice to any rights of either party that may have accrued before the date of such termination.

**6. MOD ADDITIONAL CLAUSES – N/A**

- 6.1 The following definitions shall be inserted into in the Glossary to the Call Off Terms:

- 6.1.1 “**MoD Terms and Conditions**” means the contractual terms and conditions listed in Schedule [14] which form part of the Call Off Terms

- 6.2 The following clauses shall be inserted into Clause [2] (Due Diligence):

[2.2] The Supplier confirms that it has had the opportunity to review the MoD Terms and Conditions and has raised all due diligence questions in relation to those documents with the Customer prior to the Commencement Date.

[2.3] Where required by the Customer, the Supplier shall take such actions as are necessary to ensure that the MoD Terms and Conditions constitute legal, valid, binding and enforceable obligations on the Supplier.

- 6.3 The following new Clause [57] shall apply:

**57. ACCESS TO MOD SITES – N/A**

- 57.1 In this Clause 57:

- 57.1.1 The Customer shall issue passes for those representatives of the Supplier who are approved for admission to the Site and a representative shall not be admitted unless in possession of such a pass. Passes shall remain the property of the Customer and shall be surrendered on demand or on completion of the supply of the Goods and/or Services.
- 57.1.2 The Supplier's representatives when employed within the boundaries of a Site, shall comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force for the time being for the conduct of personnel at that Site. When on board ship, compliance shall be with the Ship's Regulations as interpreted by the Officer in charge. Details of such rules, regulations and requirements shall be provided, on request, by the Officer in charge.
- 57.1.3 The Supplier shall be responsible for the living accommodation and maintenance of its representatives while they are employed at a Site. Sleeping accommodation and messing facilities, if required, may be provided by the Customer wherever possible, at the discretion of the Officer in charge, at a cost fixed in accordance with current Ministry of Defence regulations. At Sites overseas, accommodation and messing facilities, if required, shall be provided wherever possible. The status to be accorded to the Supplier's personnel for messing

purposes shall be at the discretion of the Officer in charge who shall, wherever possible give his decision before the commencement of this Call Off Contract where so asked by the Supplier. When sleeping accommodation and messing facilities are not available, a certificate to this effect may be required by the Customer and shall be obtained by the Supplier from the Officer in charge. Such certificate shall be presented to the Customer with other evidence relating to the costs of this Call Off Contract.

- 57.1.4 Where the Supplier's representatives are required by this Call Off Contract to join or visit a Site overseas, transport between the United Kingdom and the place of duty (but excluding transport within the United Kingdom) shall be provided for them free of charge by the Ministry of Defence whenever possible, normally by Royal Air Force or by MOD chartered aircraft. The Supplier shall make such arrangements through the Technical Branch named for this purpose in this Call Off Contract. When such transport is not available within a reasonable time, or in circumstances where the Supplier wishes its representatives to accompany material for installation which it is to arrange to be delivered, the Supplier shall make its own transport arrangements. The Customer shall reimburse the Supplier's reasonable costs for such transport of its representatives on presentation of evidence supporting the use of alternative transport and of the costs involved. Transport of the Supplier's representatives locally overseas which is necessary for the purpose of this Call Off Contract shall be provided wherever possible by the Ministry of Defence, or by the Officer in charge and, where so provided, shall be free of charge.
- 57.1.5 Out-patient medical treatment given to the Supplier's representatives by a Service Medical Officer or other Government Medical Officer at a Site overseas shall be free of charge. Treatment in a Service hospital or medical centre, dental treatment, the provision of dentures or spectacles, conveyance to and from a hospital, medical centre or surgery not within the Site and transportation of the Supplier's representatives back to the United Kingdom, or elsewhere, for medical reasons, shall be charged to the Supplier at rates fixed in accordance with current Ministry of Defence regulations.
- 57.1.6 Accidents to the Supplier's representatives which ordinarily require to be reported in accordance with Health and Safety at Work etc Act 1974, shall be reported to the Officer in charge so that the Inspector of Factories may be informed.
- 57.1.7 No assistance from public funds, and no messing facilities, accommodation or transport overseas shall be provided for dependants or members of the families of the Supplier's representatives. Medical or necessary dental treatment may, however, be provided for dependants or members of families on repayment at current Ministry of Defence rates.
- 57.1.8 The Supplier shall, wherever possible, arrange for funds to be provided to its representatives overseas through normal banking channels (e.g. by travellers' cheques). If banking or other suitable facilities are not available, the Customer shall, upon request by the Supplier and subject to any limitation required by the Supplier, make arrangements for payments, converted at the prevailing rate of

exchange (where applicable), to be made at the Site to which the Supplier's representatives are attached. All such advances made by the Customer shall be recovered from the Supplier.

6.4 The following new Call Off Schedule [14] shall apply:

**CALL OFF SCHEDULE [14]: MOD DEFCONs AND DEFFORMs – N/A**

**THE FOLLOWING MOD DEFCONs AND DEFFORMs FORM THE MOD TERMS AND CONDITIONS AND PART OF THIS CALL OFF CONTRACT:**

DEFCONs

DEFCON No	Version	Description
<b>TO APPLY TO LOTS 1, 2, 3 AND 4:</b>		
<b>DEFCON 5J</b>	<b>Edition 07/08</b>	<b>Unique Identifiers</b>
<b>DEFCON 129J</b>	<b>Edition 07/08</b>	<b>The Use Of The Electronic Business Delivery Form</b>
<b>DEFCON 522J</b>	<b>Edition 05/03</b>	<b>Payment Under P2P</b>
<b>DEFCON 522JA</b>	<b>Edition 04/09</b>	<b>Payment Under P2P</b>
<b>DEFCON 76</b>	<b>Edition 12/06</b>	<b>Contractor's Personnel At Government Establishments</b>
<b>DEFCON 113</b>	<b>Edition 10/04</b>	<b>Diversion Orders</b>
<b>DEFCON 693</b>	<b>Edition 04/06</b>	<b>Government Procurement Card</b>
<b>TO APPLY TO LOT 3 ONLY:</b>		
<b>DEFCON 531</b>	<b>Edition 05/05</b>	<b>Disclosure Of Information</b>
<b>DEFCON 532A</b>	<b>Edition 06/10</b>	<b>Protection Of Personal Data (Where Personal Data is not being</b>



		processed on behalf of the Authority)
<b>DEFCON 532B</b>	<b>Edition 06/10</b>	<b>Protection Of Personal Data (Where Personal Data is being processed on behalf of the Authority)</b>
<b>DEFCON 659</b>	<b>Edition 06/09</b>	<b>Security Measures</b>

DEFFORMs (Ministry of Defence Forms)

DEFFORM No	Version	Description
<b>TO APPLY TO LOTS 1, 2, 3 AND 4:</b>		
<b>DEFFORM 30</b>	<b>Edition 01/07</b>	<b>Electronic Transactions Agreement</b>
<b>DEFFORM 111</b>	<b>Edition 10/13</b>	<b>Addresses and Other Information</b>
<b>DEFFORM 129J</b>	<b>Edition XX</b>	<b>Shipping Form Design</b>
<b>TO APPLY TO LOT 3 ONLY:</b>		
<b>DEFFORM 532</b>	<b>Edition 6/10</b>	<b>Personal Data Particulars</b>
<b>DEFFORM 702</b>	<b>Edition 08/07</b>	<b>Employee's Acknowledgement to Employer of Obligations Relating to Confidentiality</b>

## **58. FINANCIAL DISTRESS**

### **6.4.1 The following new Clause [58] shall apply:**

#### **58 FINANCIAL DISTRESS**

58.1 The Parties shall comply with the provisions of Call Off Schedule [15] (Financial Distress) in relation to the assessment of the financial standing of the Supplier and the consequences of a change to that financial standing.

### **6.4.2 The following new Call Off Schedule [15] shall apply:**

#### **CALL OFF SCHEDULE [15]: FINANCIAL DISTRESS**

## **1. DEFINITIONS**

### **1.1 In this Call Off Schedule [15], the following definitions shall apply:**

<b>“Credit Rating Threshold”</b>	means the minimum credit rating level for the Supplier [and the Framework Guarantor/ [ and Call Off Guarantor]]as set out in Annex 2 [and for each Key Sub-Contractor as set out in Framework Schedule 7 (Key Sub-Contractors)];
<b>“Financial Distress Event”</b>	means the occurrence of one or more of the events listed in paragraph 2
<b>“Financial Distress Service Continuity Plan”</b>	means a plan setting out how the Supplier will ensure the continued performance and delivery of the Services in accordance with this Call Off Contract in the event that a Financial Distress Event occurs;
<b>“Rating Agencies”</b>	means the rating agencies listed in Annex 1.

## **2. CREDIT RATING AND DUTY TO NOTIFY**

- 2.1 The Supplier warrants and represents to the Customer for the benefit of the Customer that as at the Call Off Commencement Date the long term credit ratings issued for the Supplier by each of the Rating Agencies are as set out in Annex 2.
- 2.2 The Supplier shall promptly notify (or shall procure that its auditors promptly notify) the Customer in writing if there is any downgrade in the credit rating issued by any Rating Agency for either the Supplier (and in any event within five (5 )Working Days of the occurrence of the downgrade).
- 2.3 If there is any downgrade credit rating issued by any Rating Agency for either the Supplier the Supplier shall ensure that the Supplier's auditors auditors (as the case may be) thereafter provide the Customer within 10 Working Days of the end of each Contract Year and within 10 Working Days of written request by the Customer (such requests not to exceed 4 in any Contract Year) with written calculations of the quick ratio for the Supplier as at the end of each

Contract Year or such other date as may be requested by the Customer. For these purposes the “quick ratio” on any date means:

$$\frac{A + B + C}{D}$$

where:

- |   |  |
|---|--|
| A | is the value at the relevant date of all cash in hand and at the bank of the Supplier (as the case may be);                                    |
| B | is the value of all marketable securities held by the Supplier determined using closing prices on the Working Day preceding the relevant date; |
| C | is the value at the relevant date of all account receivables of the Supplier; and  |
| D | is the value at the relevant date of the current liabilities of the Supplier.  |

2.4 The Supplier shall:

- 2.4.1 regularly monitor the credit ratings of the Supplier with the Rating Agencies; and
- 2.4.2 promptly notify (or shall procure that its auditors promptly notify) the Customer in writing following the occurrence of a Financial Distress Event or Key Sub-Contractor Financial Distress Event or any fact, circumstance or matter which could cause a Financial Distress Event or a Key Sub-Contractor Financial Distress Event (and in any event, ensure that such notification is made within 10 Working Days of the date on which the Supplier first becomes aware of the Financial Distress Event, the Key Sub-Contractor Financial Distress Event or the fact, circumstance or matter which could cause a Financial Distress Event or a Key Sub-Contractor Financial Distress Event).

2.5 For the purposes of determining whether a Financial Distress Event has occurred pursuant to the provisions of paragraph 3.1.1, the credit rating of the Supplier, the Framework Guarantor/ or relevant Key Sub-Contractor (as the case may be) shall be deemed to have dropped below the applicable Credit Rating Threshold if any of the Rating Agencies have rated the Supplier, the Framework Guarantor/ or relevant Key Sub-Contractor (as the case may be) at or below the applicable Credit Rating Threshold.

### 3. CONSEQUENCES OF A FINANCIAL DISTRESS EVENT

3.1 In the event of:

- 3.1.1 the credit rating of the Supplier and or any Key Sub-Contractor dropping below the applicable Credit Rating Threshold;
- 3.1.2 the Supplier or any Key Sub-Contractor issuing a profits warning to a stock exchange or making any other public announcement about a material deterioration in its financial position or prospects;

- 3.1.3 there being a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety of the Supplier, or any Key Sub-Contractor;
  - 3.1.4 the Supplier, or any Key Sub-Contractor committing a material breach of covenant to its lenders;
  - 3.1.5 a Key Sub-Contractor notifying the Customer that the Supplier has not satisfied any sums properly due under a specified invoice and not subject to a genuine dispute; or
  - 3.1.6 any of the following:
    - a) commencement of any litigation against the Supplier, the Framework Guarantor/ or any Key Sub-Contractor with respect to financial indebtedness or obligations under a service contract;
    - b) non-payment by the Supplier, or any Key Sub-Contractor of any financial indebtedness;
    - c) any financial indebtedness of the Supplier becoming due as a result of an event of default; or
    - d) the cancellation or suspension of any financial indebtedness in respect of the Supplier or any Key Sub-Contractor,
- in each case which the Customer reasonably believes (or would be likely reasonably to believe) could directly impact on the continued performance and delivery of the Services in accordance with this Call Off Contract;
- then, immediately upon notification of the Financial Distress Event (or if the Customer becomes aware of the Financial Distress Event without notification and brings the event to the attention of the Supplier), the Supplier shall have the obligations and the Customer shall have the rights and remedies as set out in paragraphs 3.3 to 3.6.
- 3.2 In the event of a late or non-payment of a Key Sub-Contractor pursuant to paragraph 3.1.5, the Customer shall not exercise any of its rights or remedies under paragraph 3.3 without first giving the Supplier ten (10) Working Days to:
    - 3.2.1 rectify such late or non-payment; or
    - 3.2.2 demonstrate to the Customer's reasonable satisfaction that there is a valid reason for late or non-payment.
  - 3.3 The Supplier shall and/or any relevant Key Sub-Contractor shall):
    - 3.3.1 at the request of the Customer meet the Customer as soon as reasonably practicable (and in any event within three (3) Working Days of the initial notification (or awareness) of the Financial Distress Event or such other period as the Customer may permit and notify to the Supplier in writing) to review the effect of the Financial Distress Event on the continued performance and delivery of the Services in accordance with this Call Off Contract; and
    - 3.3.2 where the Customer reasonably believes (taking into account the discussions and any representations made under paragraph 3.3.1) that the Financial Distress Event could impact on the continued performance and delivery of the Services in accordance with this Call Off Contract:
      - a) submit to the Customer for its Approval, a draft Financial Distress Service Continuity Plan as soon as reasonably practicable (and in any event, within ten (10) Working Days of the initial notification (or

awareness) of the Financial Distress Event or such other period as the Customer may permit and notify to the Supplier in writing); and

- b) provide such financial information relating to the Supplier as the Customer may reasonably require.

- 3.4 The Customer shall not withhold its Approval of a draft Financial Distress Service Continuity Plan unreasonably. If the Customer does not approve the draft Financial Distress Service Continuity Plan, it shall inform the Supplier of its reasons and the Supplier shall take those reasons into account in the preparation of a further draft Financial Distress Service Continuity Plan, which shall be resubmitted to the Customer within five (5) Working Days of the rejection of the first or subsequent (as the case may be) drafts. This process shall be repeated until the Financial Distress Service Continuity Plan is Approved by the Customer or referred to the Dispute Resolution Procedure pursuant to paragraph 3.5.
- 3.5 If the Customer considers that the draft Financial Distress Service Continuity Plan is insufficiently detailed to be properly evaluated, will take too long to complete or will not remedy the relevant Financial Distress Event, then it may either agree a further time period for the development and agreement of the Financial Distress Service Continuity Plan or escalate any issues with the draft Financial Distress Service Continuity Plan using the Dispute Resolution Procedure.
- 3.6 Following Approval of the Financial Distress Service Continuity Plan by the Customer, the Supplier shall:
  - 3.6.1 on a regular basis (which shall not be less than monthly), review the Financial Distress Service Continuity Plan and assess whether it remains adequate and up to date to ensure the continued performance and delivery of the Services in accordance with this Call Off Contract;
  - 3.6.2 where the Financial Distress Service Continuity Plan is not adequate or up to date in accordance with paragraph 3.6.1, submit an updated Financial Distress Service Continuity Plan to the Customer for its Approval, and the provisions of paragraphs 3.5 and 3.6 shall apply to the review and Approval process for the updated Financial Distress Service Continuity Plan; and
  - 3.6.3 comply with the Financial Distress Service Continuity Plan (including any updated Financial Distress Service Continuity Plan).
- 3.7 Where the Supplier reasonably believes that the relevant Financial Distress Event under paragraph 3.1 (or the circumstance or matter which has caused or otherwise led to it) no longer exists, it shall notify the Customer and subject to the agreement of the Parties, the Supplier may be relieved of its obligations under paragraph 3.6.

#### **4. TERMINATION RIGHTS**

- 4.1 The Customer shall be entitled to terminate this Call Off Contract for material Default if:
  - 4.1.1 the Supplier fails to notify the Customer of a Financial Distress Event in accordance with paragraph 2.4;
  - 4.1.2 the Parties fail to agree a Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with paragraphs 3.3 to 3.5; and/or

- 4.1.3 the Supplier fails to comply with the terms of the Financial Distress Service Continuity Plan (or any updated Financial Distress Service Continuity Plan) in accordance with paragraph 3.6.3.

## **5. PRIMACY OF CREDIT RATINGS**

- 5.1 Without prejudice to the Supplier's obligations and the Customer's rights and remedies under paragraph 3, if, following the occurrence of a Financial Distress Event pursuant to Paragraphs 3.1.1 to 3.1.6, the Rating Agencies review and report subsequently that the credit ratings do not drop below the relevant Credit Rating Threshold, then:
  - 5.1.1 the Supplier shall be relieved automatically of its obligations under paragraphs 3.3 to 3.6; and
  - 5.1.2 the Customer shall not be entitled to require the Supplier to provide financial information in accordance with paragraph b).

**[ANNEX 1: RATING AGENCIES]**

[Rating Agency 1]

[Rating Agency 2]

**[ANNEX 2: CREDIT RATINGS & CREDIT RATING THRESHOLDS]**

Entity	Credit rating (long term)	Credit Rating Threshold
Supplier		

## ANNEX 2: VARIATION FORM

No of Order Form being varied:

.....

Variation Form No:

.....

BETWEEN:

**[insert name of Customer]** ("the Customer")

and

**[insert name of Supplier]** ("the Supplier")

The Call Off Contract is varied as follows and shall take effect on the date signed by both Parties:

Words and expressions in this Variation shall have the meanings given to them in the Call Off Contract.

The Call Off Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

Signed by an authorised signatory for and on behalf of the Customer

Signature

Date

Name (in  
Capitals)

Address

Signed by an authorised signatory to sign for and on behalf of the Supplier

Signature

Date

Name (in  
Capitals)

Address





## **ANNEX 3: DISPUTE RESOLUTION PROCEDURE**

### **1. DEFINITIONS**

In this Annex 3, the following definitions shall apply:

<b>“CEDR”</b>	the Centre for Effective Dispute Resolution of International Dispute Resolution Centre, 70 Fleet Street, London, EC4Y 1EU;
<b>“Exception”</b>	a deviation of project tolerances in accordance with PRINCE2 methodology in respect of this Call Off Contract or in the supply of the Goods and/or Services;
<b>“Expert”</b>	the person appointed by the Parties in accordance with paragraph 5.2 of this Annex 3; and
<b>“Mediator”</b>	the independent third party appointed in accordance with paragraph 4.2 of this Annex 3.

### **2. INTRODUCTION**

- 2.1 If a Dispute arises then:
  - 2.1.1 the representative of the Customer and the Supplier Representative shall attempt in good faith to resolve the Dispute; and
  - 2.1.2 if such attempts are not successful within a reasonable time either Party may give to the other a Dispute Notice.
- 2.2 The Dispute Notice shall set out:
  - 2.2.1 the material particulars of the Dispute;
  - 2.2.2 the reasons why the Party serving the Dispute Notice believes that the Dispute has arisen; and
  - 2.2.3 if the Party serving the Dispute Notice believes that the Dispute should be dealt with under the Expedited Dispute Timetable as set out in paragraph 2.6, the reason why.
- 2.3 Unless agreed otherwise in writing, the Parties shall continue to comply with their respective obligations under this Call Off Contract regardless of the nature of the Dispute and notwithstanding the referral of the Dispute to the Dispute Resolution Procedure.
- 2.4 Subject to paragraph 3.2, the Parties shall seek to resolve Disputes:
  - 2.4.1 first by commercial negotiation (as prescribed in paragraph 3);
  - 2.4.2 then by mediation (as prescribed in paragraph 4); and
  - 2.4.3 lastly by recourse to arbitration (as prescribed in paragraph 6) or litigation (in accordance with Clause 47 (Governing Law and Jurisdiction)).
- 2.5 Specific issues shall be referred to Expert Determination (as prescribed in paragraph 5) where specified under the provisions of this Call Off Contract and may also be referred to Expert Determination where otherwise appropriate as specified in paragraph 5.

- 2.6 In exceptional circumstances where the use of the times in this Annex 3 would be unreasonable, including (by way of example) where one Party would be materially disadvantaged by a delay in resolving the Dispute, the Parties may agree to use the Expedited Dispute Timetable. If the Parties are unable to reach agreement on whether to use of the Expedited Dispute Timetable within 5 Working Days of the issue of the Dispute Notice, the use of the Expedited Dispute Timetable shall be at the sole discretion of the Customer.
- 2.7 If the use of the Expedited Dispute Timetable is determined in accordance with paragraph 2.5 or is otherwise specified under the provisions of this Call Off Contract, then the following periods of time shall apply in lieu of the time periods specified in the applicable Paragraphs:
- 2.7.1 in paragraph 3.2.3 - 10 Working Days;
- 2.7.2 in paragraph 4.2 - 10 Working Days;
- 2.7.3 in paragraph 5.2 - 5 Working Days; and
- 2.7.4 in paragraph 6.2 - 10 Working Days.
- 2.8 If at any point it becomes clear that an applicable deadline cannot be met or has passed, the Parties may (but shall be under no obligation to) agree in writing to extend the deadline. Any agreed extension shall have the effect of delaying the start of the subsequent stages by the period agreed in the extension.

### 3. COMMERCIAL NEGOTIATIONS

- 3.1 Following the service of a Dispute Notice, the Customer and the Supplier shall use reasonable endeavours to resolve the Dispute as soon as possible, by discussion between the Customer's [insert role] and the Supplier's [insert role].
- 3.2 If:
- 3.2.1 either Party is of the reasonable opinion that the resolution of a Dispute by commercial negotiation, or the continuance of commercial negotiations, will not result in an appropriate solution;
- 3.2.2 the Parties have already held discussions of a nature and intent (or otherwise were conducted in the spirit) that would equate to the conduct of commercial negotiations in accordance with this paragraph 3; or
- 3.2.3 the Parties have not settled the Dispute in accordance with paragraph 3.1 within 30 Working Days of service of the Dispute Notice,
- either Party may serve a written notice to proceed to mediation (a "**Mediation Notice**") in accordance with paragraph 4.

### 4. MEDIATION

- 4.1 If a Mediation Notice is served, the Parties shall attempt to resolve the dispute in accordance with CEDR's Model Mediation Agreement which shall be deemed to be incorporated by reference into this Call Off Contract.
- 4.2 If the Parties are unable to agree on the joint appointment of a Mediator within 30 Working Days from service of the Mediation Notice then either Party may apply to CEDR to nominate the Mediator.
- 4.3 If the Parties are unable to reach a settlement in the negotiations at the mediation, and only if the Parties so request and the Mediator agrees, the Mediator shall produce for the Parties a non-binding recommendation on terms of settlement. This shall not attempt to anticipate what a court might order but shall set out what the Mediator suggests are appropriate settlement terms in all of the circumstances.

- 4.4 Any settlement reached in the mediation shall not be legally binding until it has been reduced to writing and signed by, or on behalf of, the Parties (in accordance with the Variation Procedure where appropriate). The Mediator shall assist the Parties in recording the outcome of the mediation.

5. **EXPERT DETERMINATION**

- 5.1 If a Dispute relates to any aspect of the technology underlying the provision of the Goods and/or Services or otherwise relates to an ICT technical, financial technical or other aspect of a technical nature (as the Parties may agree) and the Dispute has not been resolved by discussion or mediation, then either Party may request (which request will not be unreasonably withheld or delayed) by written notice to the other that the Dispute is referred to an Expert for determination.
- 5.2 The Expert shall be appointed by agreement in writing between the Parties, but in the event of a failure to agree within 10 Working Days, or if the person appointed is unable or unwilling to act, the Expert shall be appointed on the instructions of the President of the British Computer Society (or any other association that has replaced the British Computer Society).
- 5.3 The Expert shall act on the following basis:
- 5.3.1 he/she shall act as an expert and not as an arbitrator and shall act fairly and impartially;
- 5.3.2 the Expert's determination shall (in the absence of a material failure to follow the agreed procedures) be final and binding on the Parties;
- 5.3.3 the Expert shall decide the procedure to be followed in the determination and shall be requested to make his/her determination within 30 Working Days of his appointment or as soon as reasonably practicable thereafter and the Parties shall assist and provide the documentation that the Expert requires for the purpose of the determination;
- 5.3.4 any amount payable by one Party to another as a result of the Expert's determination shall be due and payable within 20 Working Days of the Expert's determination being notified to the Parties;
- 5.3.5 the process shall be conducted in private and shall be confidential; and
- 5.3.6 the Expert shall determine how and by whom the costs of the determination, including his/her fees and expenses, are to be paid.

6. **ARBITRATION**

- 6.1 The Customer may at any time before court proceedings are commenced refer the Dispute to arbitration in accordance with the provisions of paragraph 6.4.
- 6.2 Before the Supplier commences court proceedings or arbitration, it shall serve written notice on the Customer of its intentions and the Customer shall have 15 Working Days following receipt of such notice to serve a reply (a "**Counter Notice**") on the Supplier requiring the Dispute to be referred to and resolved by arbitration in accordance with paragraph 6.4 or be subject to the jurisdiction of the courts in accordance with Clause 47 (Governing Law and Jurisdiction). The Supplier shall not commence any court proceedings or arbitration until the expiry of such 15 Working Day period.
- 6.3 If:
- 6.3.1 the Counter Notice requires the Dispute to be referred to arbitration, the provisions of paragraph 6.4 shall apply;

- 6.3.2 the Counter Notice requires the Dispute to be subject to the exclusive jurisdiction of the courts in accordance with Clause 47 (Governing Law and Jurisdiction), the Dispute shall be so referred to the courts and the Supplier shall not commence arbitration proceedings;
- 6.3.3 the Customer does not serve a Counter Notice within the 15 Working Days period referred to in paragraph 6.2, the Supplier may either commence arbitration proceedings in accordance with paragraph 6.4 or commence court proceedings in the courts in accordance with Clause 47 (Governing Law and Jurisdiction) which shall (in those circumstances) have exclusive jurisdiction.
- 6.3.4 In the event that any arbitration proceedings are commenced pursuant to paragraphs 6.1 to 6.3, the Parties hereby confirm that:
  - 6.3.4.1 all disputes, issues or claims arising out of or in connection with this Call Off Contract (including as to its existence, validity or performance) shall be referred to and finally resolved by arbitration under the Rules of the London Court of International Arbitration ("LCIA") (subject to paragraphs 6.4(e), (f) and (g));
  - 6.3.4.2 the arbitration shall be administered by the LCIA;
  - 6.3.4.3 the LCIA procedural rules in force at the date that the Dispute was referred to arbitration shall be applied and are deemed to be incorporated by reference into this Call Off Contract and the decision of the arbitrator shall be binding on the Parties in the absence of any material failure to comply with such rules;
  - 6.3.4.4 if the Parties fail to agree the appointment of the arbitrator within 10 days from the date on which arbitration proceedings are commenced or if the person appointed is unable or unwilling to act, the arbitrator shall be appointed by the LCIA;
  - 6.3.4.5 the chair of the arbitral tribunal shall be British;
  - 6.3.4.6 the arbitration proceedings shall take place in [London] and in the English language; and
  - 6.3.4.7 the seat of the arbitration shall be London.

## **7. URGENT RELIEF**

- 7.1 Either Party may at any time take proceedings or seek remedies before any court or tribunal of competent jurisdiction:
  - 7.1.1 for interim or interlocutory remedies in relation to this Call Off Contract or infringement by the other Party of that Party's Intellectual Property Rights; and/or
  - 7.1.2 where compliance with paragraph 2.1 and/or referring the Dispute to mediation may leave insufficient time for that Party to commence proceedings before the expiry of the limitation period.

## CALL OFF SCHEDULE 1: DEFINITIONS

In accordance with Clause 1 (Definitions and Interpretations) of this Call Off Contract including its recitals the following expressions shall have the following meanings:

"Achieve"	means in respect of a Test, to successfully pass such Test without any Test Issues in accordance with the Test Plan and in respect of a Milestone, the issue of a Satisfaction Certificate in respect of that Milestone and " <b>Achieved</b> " and " <b>Achievement</b> " shall be construed accordingly;
"Acquired Rights Directive"	means the European Council Directive 77/187/EEC on the approximation of laws of European member states relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses, as amended or re-enacted from time to time;
"Additional Clauses"	means the additional Clauses in Annex 1 to the Call Off Terms (Alternative and Additional Clauses) and any other additional Clauses stipulated by the Customer during a Further Competition Procedure and set out in the Order Form or elsewhere in this Call Off Contract;
"Affected Party"	means the party seeking to claim relief in respect of a Force Majeure;
"Affiliates"	means in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control of that body corporate from time to time;
"Alternative Clauses"	means the alternative Clauses in Annex 1 to the Call Off Terms (Alternative and Additional Clauses) and any other alternative Clauses stipulated by the Customer during a Further Competition Procedure and set out in the Order Form or elsewhere in this Call Off Contract;
"Approval"	means the prior written consent of the Customer and " <b>Approve</b> " and " <b>Approved</b> " shall be construed accordingly;
"Approved Sub-Licensee"	means any of the following: <ul style="list-style-type: none"><li>a) a Central Government Body;</li><li>b) any third party providing services to a Central Government Body; and/or</li><li>c) any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Customer;</li></ul>
"Auditor"	means: <ul style="list-style-type: none"><li>a) the Customer's internal and external auditors;</li></ul>

	<ul style="list-style-type: none"> <li>b) the Customer's statutory or regulatory auditors;</li> <li>c) the Comptroller and Auditor General, their staff and/or any appointed representatives of the National Audit Office</li> <li>d) HM Treasury or the Cabinet Office</li> <li>e) any party formally appointed by the Customer to carry out audit or similar review functions; and</li> <li>f) successors or assignees of any of the above;</li> </ul>
<b>"Authority"</b>	means THE MINISTER FOR THE CABINET OFFICE ("Cabinet Office") as represented by Crown Commercial Service, a trading fund of the Cabinet Office, on behalf of the Crown, whose offices are located at 9th Floor, The Capital, Old Hall Street, Liverpool L3 9PP;
<b>"Call Off Agreement"</b>	means a legally binding agreement (entered into pursuant to the provisions of the Framework Agreement) for the provision of the Goods and/or Services made between a Contracting Body and the Supplier pursuant to Framework Schedule 5 (Call Off Procedure);
<b>"Call Off Commencement Date"</b>	means the effective date of commencement of the Call Off Contract set out in the Order Form;
<b>"Call Off Contract"</b>	means this Call-Off Agreement between the Customer and the Supplier (entered into pursuant to the provisions of the Framework Agreement) consisting of the Order Form and the Call-Off Terms;
<b>"Call Off Contract Charges"</b>	means the prices (inclusive of any Milestone Payments and exclusive of any applicable VAT), payable to the Supplier by the Customer under this Call Off Contract, as set out in the Order Form or , where used, Annex 1 of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), for the full and proper performance by the Supplier of its obligations under the Call Off Contract less any Deductions;
<b>"Call Off Contract Period"</b>	means the term of this Call Off Contract from the Call Off Commencement Date until the Call Off Expiry Date, which shall in no event exceed a maximum duration of <b>5</b> years;
<b>"Call Off Contract Year"</b>	means a consecutive period of twelve (12) Months commencing on the Call Off Commencement Date or each anniversary thereof;
<b>"Call Off Expiry Date"</b>	means: <ul style="list-style-type: none"> <li>a) the end date of the Call Off Initial Period or any Call Off Extension Period; or</li> </ul>

	<p>b) if the Call Off Contract is terminated before the date specified in (a) above, the earlier date of termination of this Call Off Contract;</p>
<b>"Call Off Extension Period"</b>	the extension term of this Call Off Contract from the end date of the Call Off Initial Period to the end date of the extension period stated in the Order Form;
<b>"Call Off Guarantee"</b>	means a deed of guarantee in favour of the Customer in the form set out in Call Off Schedule 13 (Guarantee) granted pursuant to Clause 4 (Call Off Guarantee);
<b>"Call Off Guarantor"</b>	means the person acceptable to the Customer to give a Call Off Guarantee;
<b>Call Off Initial Period</b>	the initial term of this Call Off Contract from the Call Off Commencement Date to the end date of the initial term stated in the Order Form;
<b>"Call Off Schedule"</b>	means a schedule to this Call Off Contract;
<b>"Call-Off Terms"</b>	means these terms and conditions in Part 2 of Framework Schedule 4 entered by the Parties (excluding the Order Form) in respect of the provision of the Services, together with the Call Off Schedules hereto;
<b>"Central Government Body"</b>	<p>means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:</p> <ul style="list-style-type: none"> <li>a) Government Department;</li> <li>b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);</li> <li>c) Non-Ministerial Department; or</li> <li>d) Executive Agency;</li> </ul>
<b>"Change in Law"</b>	means any change in Law which impacts on the supply of the Goods and/or Services and performance of the Call-Off Terms which comes into force after the Call Off Commencement Date;
<b>"Change of Control"</b>	means a change of control within the meaning of Section 450 of the Corporation Tax Act 2010;
<b>"Charges"</b>	means the charges raised under or in connection with a Call-Off Agreement from time to time, which Charges shall be calculated in a manner which is consistent with the Charging Structure;
<b>"Charging Structure"</b>	means the structure to be used in the establishment of the charging model which is applicable to each Call-Off Agreement, which structure is set out in Framework Schedule 3 (Charging Structure);



<b>"Commercially Sensitive Information"</b>	means the Confidential information listed in the Order Form (if any) comprising of a commercially sensitive information relating to the Supplier, its IPR or its business or which the Supplier has indicated to the Customer that, if disclosed by the Customer, would cause the Supplier significant commercial disadvantage or material financial loss;
<b>"Comparable Supply"</b>	means the supply of Goods and/or Services to another customer of the Supplier that are the same or similar to the Goods and/or Services;
<b>"Compensation for Critical Service Level Failure"</b>	has the meaning given to it in Clause 11.1.2 (Critical Service Level Failure);
<b>"Confidential Information"</b>	means the Customer's Confidential Information and/or the Supplier's Confidential Information, as the context specifies;
<b>"Continuous Improvement Plan"</b>	means a plan for improving the provision of the Goods and/or Services and/or reducing the Charges produced by the Supplier pursuant to Framework Schedule 12 ( Continuous Improvement and Benchmarking);
<b>"Contracting Body"</b>	means the Authority, the Customer and any other bodies listed in paragraph VI.3 of the OJEU Notice;
<b>"Control"</b>	means control as defined in section 1124 and 450 Corporation Tax Act 2010 and "Controls" and "Controlled" shall be interpreted accordingly;
<b>"Conviction"</b>	means other than for minor road traffic offences, any previous or pending prosecutions, convictions, cautions and binding over orders (including any spent convictions as contemplated by section 1(1) of the Rehabilitation of Offenders Act 1974 by virtue of the exemptions specified in Part II of Schedule 1 of the Rehabilitation of Offenders Act 1974 (Exemptions) Order 1975 (SI 1975/1023) or any replacement or amendment to that Order, or being placed on a list kept pursuant to section 1 of the Protection of Children Act 1999 or being placed on a list kept pursuant to the Safeguarding Vulnerable Groups Act 2006;
<b>"Costs"</b>	a) means the buy-in price from an external supply chain for Lots 1, 2, or 3 or the cost of manufacture for Lot 4;
<b>"Critical Service Level Failure"</b>	means any instance of critical service level failure as defined in this Call Off Contract
<b>"Crown"</b>	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government

	departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
<b>"Crown Body"</b>	means any department, office or executive agency of the Crown;
<b>"CRTPA"</b>	means the Contracts (Rights of Third Parties) Act 1999;
<b>"Customer"</b>	means the customer(s) identified in the Order Form;
<b>"Customer Assets"</b>	means the Customer's infrastructure, data, software, materials, assets, equipment or other property owned by and/or licensed or leased to the Customer and which is or may be used in connection with the supply of the Goods and Services;
<b>"Customer Background IPR"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a) IPRs owned by the Customer before the Call Off Commencement Date, including IPRs contained in any of the Customer's Know-How, documentation, processes and procedures;</li> <li>b) IPRs created by the Customer independently of this Call Off Contract; and/or</li> <li>c) Crown Copyright which is not available to the Supplier otherwise than under this Call Off Contract;</li> </ul> <p>licensed to the Supplier under the terms of this Call Off Contract and necessary for the performance of the Supplier's obligations hereunder, but excluding IPRs owned by the Customer subsisting in the Customer Software;</p>
<b>"Customer Cause"</b>	means any breach of the obligations of the Customer or any other default, act, omission, negligence or statement of the Customer, of its employees, servants, agents in connection with or in relation to the subject-matter of this Call Off Contract and in respect of which the Customer is liable to the Supplier;
<b>"Customer Data"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a) the data, text, drawings, diagrams, images or sounds (together with any database made up of any of these) which are embodied in any electronic, magnetic, optical or tangible media, including any Customer's Confidential Information, and which: <ul style="list-style-type: none"> <li>i) are supplied to the Supplier by or on behalf of the Customer; or</li> <li>ii) the Supplier is required to generate, process, store or transmit pursuant to this Call Off Contract; or</li> </ul> </li> </ul>

	b) any Personal Data for which the Customer is the Data Controller;
<b>"Customer Representative"</b>	means the representative appointed by the Customer from time to time in relation to the Call Off Contract;
<b>"Customer Responsibilities"</b>	means the responsibilities of the Customer set out in the Part B of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) and any other responsibilities of the Customer in the Order Form or agreed in writing between the Parties from time to time in connection with this Call Off Contract;
<b>"Customer Software"</b>	means software which is owned by or licensed to the Customer other than software licensed to the Customer under this Call Off Contract and which is or will be used by the Supplier for the purposes of providing the Services;
<b>"Customer Premises"</b>	means premises owned, controlled or occupied by the Customer which are made available for use by the Supplier or its Sub-contractors for provision of the Goods and/or Services (or any of them);
<b>"Customer Property"</b>	means the property, other than real property and IPR, issued or made available to the Supplier by the Customer in connection with this Call Off Contract;
<b>"Customer's Confidential Information"</b>	means: <ul style="list-style-type: none"> <li>a) all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, property rights, trade secrets, Know-How and IPR of the Customer (including all Customer Background IPR and Project Specific IPR);</li> <li>b) any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered confidential which comes (or has come) to the Customer's attention or into the Customer's possession in connection with this Call Off Contract; and</li> <li>c) information derived from any of the above;</li> </ul>
<b>"Damaged"</b>	means Goods which contain a Defect;
<b>"Data Controller"</b>	shall have the same meaning as set out in the Data Protection Act 1998, as amended from time to time;
<b>"Data Processor"</b>	shall have the same meaning as set out in the Data Protection Act 1998, as amended from time to time;
<b>"Data Protection Legislation" or "DPA"</b>	means the Data Protection Act 1998 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner or relevant

	Government department in relation to such legislation;
<b>"Data Subject"</b>	shall have the same meaning as set out in the Data Protection Act 1998, as amended from time to time;
<b>"Data Subject Access Request"</b>	means a request made by a Data Subject in accordance with rights granted pursuant to the DPA to access his or her Personal Data;
<b>"Day Rate"</b>	means the daily labour charge for a specific grade of person, as set out in Framework Schedule 3 (Framework Prices and Charging Structure);
<b>"Dead on Arrival/Installation" or ("DOA" or "DOI")</b>	means once removed from its packaging at a customer's premises, the delivered device fails to work in accordance with the manufacturer's specification;
<b>"Deductions"</b>	all Service Credits, Delay Payments or any other deduction which the Customer is paid or is payable under this Call Off Contract;
<b>"Default"</b>	means any breach of the obligations of the Supplier (including but not limited to including abandonment of this Call Off Contract in breach of its terms) or any other default (including material Default) after the words, act, omission, negligence or statement of the Supplier, of its Sub-Contractors or any Supplier Personnel howsoever arising in connection with or in relation to the subject-matter of this Call Off Contract and in respect of which the Supplier is liable to the Customer;
<b>"Defect"</b>	means any of the following: <ul style="list-style-type: none"> <li>a) any error, damage or defect in the manufacturing or delivery of a Deliverable; or</li> <li>b) any error or failure of code within the Software which causes a Deliverable to malfunction or to produce unintelligible or incorrect results; or</li> <li>c) any failure of any Deliverable to provide the performance, features and functionality specified in the requirements of the Customer or the Documentation (including any adverse effect on response times) regardless of whether or not it prevents the relevant Deliverable from passing any Test required under the Call Off Contract; or</li> <li>d) any failure of any Deliverable to operate in conjunction with or interface with any other Deliverable in order to provide the performance, features and functionality specified in the requirements of the Customer or the Documentation (including any adverse effect on response times) regardless of whether or not it</li> </ul>

	prevents the relevant Deliverable from passing any Test required under this Call Off Contract;
<b>"Delay"</b>	means: <ul style="list-style-type: none"> <li>a) a delay in the Achievement of a Milestone by its Milestone Date; or</li> <li>b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;</li> </ul>
<b>"Delay Payments"</b>	means the amounts payable by the Supplier to the Customer in respect of a delay in respect of a Milestone as specified in the Implementation Plan;
<b>"Deliverable"</b>	means an item or feature in the supply of the Goods and/or Services delivered or to be delivered by the Supplier at or before a Milestone Date listed in the Implementation Plan (if any) or at any other stage during the performance of this Call Off Contract;
<b>"Delivery"</b>	means, in respect of Goods, the time at which the Goods have been delivered and, in respect of Services, the time at which the Services have been provided or performed by the Supplier as confirmed by the issue by the Customer of a Satisfaction Certificate in respect of the relevant Milestone thereof (if any) or otherwise in accordance with this Call Off Contract and accepted by the Customer and <b>"Deliver"</b> and <b>"Delivered"</b> shall be construed accordingly;
<b>"Disclosing Party"</b>	has the meaning given to it in Clause 24.4.1 (Confidentiality);
<b>"Dispute"</b>	any dispute, difference or question of interpretation arising out of or in connection with this Call Off Contract, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Variation Procedure or any matter where this Call Off Contract directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;
<b>"Dispute Notice"</b>	a written notice served by one Party on the other stating that the Party serving the notice believes that there is a Dispute;
<b>"Dispute Resolution Procedure"</b>	means the dispute resolution procedure set out in Clause (Dispute Resolution Procedure);
<b>"Documentation"</b>	means all such documentation as: <ul style="list-style-type: none"> <li>a) is required to be supplied by the Supplier to the Customer under this Call Off Contract;</li> <li>b) would reasonably be required by a competent third party capable of Good Industry Practice contracted by the Customer to develop, configure, build, deploy, run, maintain, upgrade</li> </ul>

	and test the individual systems that provide the Services;
	c) is required by the Supplier in order to provide the Services; and/or
	d) has been or shall be generated for the purpose of providing the Services;
<b>"DOTAS"</b>	means the Disclosure of Tax Avoidance Schemes rules which require a promoter of tax schemes to tell HMRC of any specified notifiable arrangements or proposals and to provide prescribed information on those arrangements or proposals within set time limits as contained in Part 7 of the Finance Act 2004 and in secondary legislation made under vires contained in Part 7 of the Finance Act 2004 and as extended to national insurance contributions by the National Insurance Contributions (Application of Part 7 of the Finance Act 2004) Regulations 2012, SI 2012/1868) made under section 132A of the Social Security Administration Act 1992;
<b>"Due Diligence Information"</b>	means any information supplied to the Supplier by or on behalf of the Customer prior to the Call Off Commencement Date;
<b>"End of Life" ("EOL")</b>	means the Goods are no longer being manufactured and there is insufficient stock of such Goods available in the supply chain to meet the full Customer requirement/Order.
<b>"Endemic Failure"</b>	means a failure rate equal to or above 300% the mean time to failure under Goods testing by the manufacturer.
<b>"Environmental Information Regulations or EIRs"</b>	means to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment, including any written environmental policy of the Customer;
<b>"Environmental Policy"</b>	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations;
<b>"Estimated Year 1 Call Off Contract Charges"</b>	means the sum of £ <b>£34,741.78 excl. VAT</b> pounds estimated by the Customer to be payable by it to the Supplier as the total aggregate Call Off Contract Charges from the Call Off Commencement Date until the end of the first Call Off Contract Year;
<b>"ERG"</b>	means the Cabinet Office Efficiency and Reform Group;

**“Euro Compliant”**

means that: (i) the introduction of the euro within any part(s) of the UK shall not affect the performance or functionality of any relevant items nor cause such items to malfunction, end abruptly, provide invalid results or adversely affect the Customer's business; (ii) all currency-reliant and currency-related functions (including all calculations concerning financial data) of any relevant items enable the introduction and operation of the euro; and (iii) in particular each and every relevant item shall, to the extent it performs or relies upon currency-related functions (including all calculations concerning financial data):

- a) be able to perform all such functions in any number of currencies and/or in Euros;  
during any transition phase applicable to the relevant part(s) of the UK, be able to deal with multiple currencies and, in relation to the euro and the national currency of the relevant part(s) of the UK, dual denominations;
- b) recognise accept, display and print all the euro currency symbols and alphanumeric codes which may be adopted by any government and other European Union body in relation to the euro;
- c) incorporate protocols for dealing with rounding and currency conversion;
- d) recognise data irrespective of the currency in which it is expressed (which includes the euro) and express any output data in the national currency of the relevant part(s) of the UK and/or the euro; and
- e) permit the input of data in euro and display an outcome in euro where such data, supporting the Customer's normal business practices, operates in euro and/or the national currency of the relevant part(s) of the UK;

**“Expedited Dispute Timetable”**

means the timetable set out in paragraph 2.6 of Annex 3 to the Call Off Terms (Dispute Resolution Procedure);

**"FOIA"**

means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation;

**"Force Majeure"**

means any event, occurrence, circumstance, matter or cause affecting the performance by either the

Customer or the Supplier of its obligations arising from:

- a) acts, events, omissions, happenings or non-happenings beyond the reasonable control of the Affected Party which prevent or materially delay the Affected Party from performing its obligations under the Call Off Contract;
- b) riots, civil commotion, war or armed conflict, acts of terrorism, nuclear, biological or chemical warfare;
- c) acts of the Crown, local government or Regulatory Bodies;
- d) fire, flood or any disaster; and
- e) an industrial dispute affecting a third party for which a substitute third party is not reasonably available but excluding:
  - i) any industrial dispute relating to the Supplier, the Supplier Personnel (including any subsets of them) or any other failure in the Supplier or the Sub-Contractor's supply chain; and
  - ii) any event, occurrence, circumstance, matter or cause which is attributable to the wilful act, neglect or failure to take reasonable precautions against it by the Party concerned; and
  - iii) any failure of delay caused by a lack of funds.

<b>"Force Majeure Notice"</b>	a written notice served by the Affected Party on the other Party stating that the Affected Party believes that there is a Force Majeure Event;
<b>"Former Supplier"</b>	has the meaning given to it in Call Off Schedule 12 (Staff Transfer);
<b>"Framework Agreement"</b>	means the framework agreement between the Authority and the Supplier referred to in the Order Form;
<b>"Framework Commencement Date"</b>	means the date of commencement of the Framework Agreement as stated in Framework Schedule 1 (Definitions);
<b>"Framework Period"</b>	means the period from the Framework Commencement Date until the expiry or earlier termination of the Framework Agreement;
<b>"Framework Price(s)"</b>	means the price(s) applicable to the provision of the Goods and/or Services set out in Framework Schedule 3 (Charging Structure);
<b>"Framework Schedule"</b>	means a schedule to the Framework Agreement;



<b>"Fraud"</b>	means any offence under any Laws creating offences in respect of fraudulent acts (including the Misrepresentation Act 1967) or at common law in respect of fraudulent acts including acts of forgery;
<b>"Further Competition Procedure"</b>	means the award procedure described in paragraph 2 of Framework Schedule 5 (Call Off Procedure);
<b>"General Anti-Abuse Rule"</b>	means the legislation in Part 5 of the Finance Act 2013 and any future legislation introduced into parliament to counteract tax advantages arising from abusive arrangements to avoid national insurance contributions;
<b>"General Change in Law"</b>	means a Change in Law where the change is of a general legislative nature (including taxation or duties of any sort affecting the Supplier) or which affects or relates to a Comparable Supply;
<b>"Good Industry Practice"</b>	means standards, practices, methods and procedures conforming to the Law and the exercise of the degree of skill and care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person or body engaged within the relevant industry or business sector;
<b>"Goods"</b>	means the goods to be provided by the Supplier to the Customer as specified in in the Order Form or, where this is used, Annex 2 of Call Off Schedule 2 (Goods and Services);
<b>"Government"</b>	means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including government ministers and government departments and other bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;
<b>"GS1"</b>	means the GS1 system of standards - the design and implementation of global standards and solutions to improve the efficiency and visibility of supply and demand chains globally and across sectors. Further information available at: <a href="http://www.gs1.org/barcodes">http://www.gs1.org/barcodes</a>
<b>"Halifax Abuse Principle"</b>	means the principle explained in the CJEU Case C-255/02 Halifax and others;
<b>"HMRC"</b>	means Her Majesty's Revenue and Customs;
<b>"Holding Company"</b>	shall have the meaning given to it in section 1159 of the Companies Act 2006;
<b>"ICT Policy"</b>	means the Customer's ICT policy in force as at the Call Off Commencement Date (a copy of which has been supplied to the Supplier before the Call Off

	Commencement Date), as updated from time to time in accordance with the Variation Procedure;
<b>"Impact Assessment"</b>	shall have the meaning given to it in Clause 17.1.3;
<b>"Implementation Plan"</b>	means any implementation plan required by the Order Form, and to be set out in Part A of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) where this is used;
<b>"Information"</b>	has the meaning given under section 84 of the Freedom of Information Act 2000;
<b>"Installation Works"</b>	shall mean all works which the Supplier is to carry out at the beginning of the Call Off Contract Period to install the Goods in accordance with the Order Form
<b>"Insolvency Event"</b>	means, in respect of the Supplier or Framework Guarantor or Call Off Guarantor (as applicable): <ul style="list-style-type: none"> <li>a) a proposal is made for a voluntary arrangement within Part I of the Insolvency Act 1986 or of any other composition scheme or arrangement with, or assignment for the benefit of, its creditors; or</li> <li>b) a shareholders' meeting is convened for the purpose of considering a resolution that it be wound up or a resolution for its winding-up is passed (other than as part of, and exclusively for the purpose of, a bona fide reconstruction or amalgamation); or</li> <li>c) a petition is presented for its winding up (which is not dismissed within fourteen (14) Working Days of its service) or an application is made for the appointment of a provisional liquidator or a creditors' meeting is convened pursuant to section 98 of the Insolvency Act 1986; or</li> <li>d) a receiver, administrative receiver or similar officer is appointed over the whole or any part of its business or assets; or</li> <li>e) an application order is made either for the appointment of an administrator or for an administration order, an administrator is appointed, or notice of intention to appoint an administrator is given; or</li> <li>f) it is or becomes insolvent within the meaning of section 123 of the Insolvency Act 1986; or</li> <li>g) being a "small company" within the meaning of section 382(3) of the Companies Act 2006, a moratorium comes into force pursuant to Schedule A1 of the Insolvency Act 1986; or</li> <li>h) where the Supplier or Framework Guarantor or Call Off Guarantor is an individual or partnership, any event analogous to those</li> </ul>

	<p>listed in limbs (a) to (g) (inclusive) occurs in relation to that individual or partnership; or</p> <p>i) any event analogous to those listed in limbs (a) to (h) (inclusive) occurs under the law of any other jurisdiction.</p>
<b>"Intellectual Property Rights" or "IPR"</b>	<p>means</p> <p>a) copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions, semi-conductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade or business names, designs, Know-How, trade secrets and other rights in Confidential Information;</p> <p>b) applications for registration, and the right to apply for registration, for any of the rights listed at (a) that are capable of being registered in any country or jurisdiction; and</p> <p>c) all other rights having equivalent or similar effect in any country or jurisdiction.</p>
<b>"IPR Claim"</b>	<p>means any claim of infringement or alleged infringement (including the defence of such infringement or alleged infringement) of any IPR, used to provide the Goods and/or Services or as otherwise provided and/or licensed by the Supplier (or to which the Supplier has provided access) to the Customer in the fulfilment of its obligations under this Call Off Contract;</p>
<b>"Key Performance Indicators" or "KPIs"</b>	<p>means the performance measurements and targets in respect of the Supplier's performance of the Framework Agreement set out in Part B of Framework Schedule 1 (Goods and/or Services and Key Performance Indicators);</p>
<b>"Key Personnel"</b>	<p>means the individuals (if any) identified as such in the Order Form or Part C of Call Off Schedule 4 (Implementation Plan, Customer Responsibilities and Key Personnel) where this is used;</p>
<b>"Key Role(s)"</b>	<p>has the meaning given to it in Clause 51. (Key Personnel);</p>
<b>"Key Sub-Contract"</b>	<p>means each Sub-Contract with a Key Sub-Contractor;</p>
<b>"Key Sub-Contractor"</b>	<p>means any Sub-Contractor:</p> <p>a) listed in Framework Schedule 7 (Key Sub-Contractors);</p> <p>b) which, in the opinion of the Authority and the Customer, performs (or would perform if appointed) a critical role in the provision of all or any part of the Services; and/or</p>

	c) with a Sub-Contract with a contract value which at the time of appointment exceeds (or would exceed if appointed) 10% of the aggregate Call Off Contract Charges forecast to be payable under this Call Off Contract;
<b>"Know-How"</b>	means all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the Goods and/or Services but excluding know-how already in the other Party's possession before the Call Off Commencement Date;
<b>"Law"</b>	means any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, bye-law, enforceable right within the meaning of Section 2 of the European Communities Act 1972, regulation, order, regulatory policy, mandatory guidance or code of practice, judgment of a relevant court of law, or directives or requirements with which the Supplier is bound to comply;
<b>"Licensed Software"</b>	means all and any Software licensed by or through the Supplier, its Sub-contractors or any third party to the Customer for the purposes of or pursuant to this Call Off Contract, including any Supplier Software, Third Party Software and/or any Specially Written Software;
<b>"Losses"</b>	means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and <b>"Loss"</b> shall be interpreted accordingly;
<b>"Malicious Software"</b>	means any software program or code intended to destroy, interfere with, corrupt, or cause undesired effects on program files, data or other information, executable code or application software macros, whether or not its operation is immediate or delayed, and whether the malicious software is introduced wilfully, negligently or without knowledge of its existence;
<b>"Man Day"</b>	7.5 Man Hours, whether or not such hours are worked consecutively and whether or not they are worked on the same day;
<b>"Man Hours"</b>	the hours spent by the Supplier Personnel properly working on the provision of the Goods and/or Services including time spent travelling (other than to and from the Supplier's offices, or to and from the Sites) but excluding lunch breaks;
<b>"Mark-Up"</b>	

	means the percentage uplift that will be applied to the Costs, excluding any other supply chain rebates and shipping/delivery;
<b>"Material Default"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a) a Critical Service Level Failure;</li> <li>b) a Supplier's failure to comply with the Rectification Plan Process;</li> <li>c) the representation and warranty given by the Supplier pursuant to Clause 3.2.5 (Representations and Warranties) being materially untrue or misleading;</li> <li>d) not used;</li> <li>e) a breach by the Supplier referred to expressly by the term Material Default in this Call Off Contract including in any of the following Clauses: 6.2.3 (Implementation Plan), 7.4.2 (Provision of Services), 11.1 (Critical Service Failure), 12.4 (Disruption), 16.5 (Records, Audit Access and Open Book Data), 24.4.9 (Confidentiality), 40.6.2 (Prevention of Fraud and Bribery) and, where used, 48.2 (Installation Works);</li> <li>f) any material breach by the Supplier of this Call Off Contract under the Law including of the following Clauses and Call Off Schedules (where used): 19 (Promoting Tax Compliance), 24.6 (Freedom of Information), 24.7 (Protection of Personal Data), 36 (Compliance), Call Off Schedule 8 (Security Management);</li> <li>g) a breach which prevents the Customer from discharging a statutory duty.</li> </ul>
<b>"Milestone"</b>	means an event or task described in the Implementation Plan which, if applicable, must be completed by the relevant Milestone Date;
<b>"Milestone Date"</b>	means the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
<b>"Milestone Payment"</b>	means a payment identified in the Implementation Plan to be made following the issue of a Satisfaction Certificate in respect of Achievement of the relevant Milestone;
<b>"Month"</b>	means a calendar month and <b>"Monthly"</b> shall be interpreted accordingly;
<b>"Occasion of Tax Non Compliance"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a) any tax return of the Supplier submitted to a Relevant Tax Authority on or after 1 October 2012 is found to be incorrect as a result of:</li> </ul>

- i) a Relevant Tax Authority successfully challenging the Supplier under the General Anti-Abuse Rule or the Halifax abuse principle or under any tax rules or legislation in any jurisdiction that have an effect equivalent or similar to the General Anti-Abuse Rule or the Halifax abuse principle;
- ii) the failure of an avoidance scheme which the Supplier was involved in, and which was, or should have been, notified to a Relevant Tax Authority under the Disclosure of Tax Avoidance Scheme or any equivalent or similar regime in any jurisdiction; and/or
- b) the Supplier's tax affairs give rise on or after 1 April 2013 to a conviction in any jurisdiction for tax related offences which is not spent at the Call Off Commencement Date or to a penalty for civil fraud or evasion;

**“Open Book Data”**

means complete and accurate financial and non-financial information which is sufficient to enable the Customer to verify the Call Off Contract already paid or payable and Call Off Contract Charges forecast to be paid during the remainder of the Call Off Contract, including details and all assumptions relating to:

- a) the Supplier's costs broken down against each Good and/or Service and/or Deliverable, including actual capital expenditure (including capital replacement costs) and the unit cost and total actual costs of all hardware and software;
- b) operating expenditure relating to the provision of the Goods and/or Services including an analysis showing:
  - i) the unit costs and quantity of consumables and bought-in services;
  - ii) manpower resources broken down into the number and grade/role of all Supplier Personnel (free of any contingency) together with a list of agreed rates against each manpower grade;
  - iii) a list of costs underpinning those rates for each manpower grade, being the agreed rate less the supplier's profit margin; and
  - iv) Reimbursable Expenses;
- c) overheads;
- d) all interest, expenses and any other third party financing costs incurred in relation to the provision of the Services;

	<p>e) the supplier profit achieved over the Call Off Contract Period and on an annual basis;</p> <p>f) confirmation that all methods of cost apportionment and overhead allocation are consistent with and not more onerous than such methods applied generally by the Supplier;</p> <p>g) an explanation of the type and value of risk and contingencies associated with the provision of the Goods and/or Services, including the amount of money attributed to each risk and/or contingency; and</p> <p>h) the actual costs profile for each Service Period.</p>
<b>"Open Source Software"</b>	computer software that has its source code made available subject to an open-source licence under which the owner of the copyright and other IPR in such software provides the rights to use, study, change and distribute the software to any and all persons and for any and all purposes free of charge;
<b>"Order"</b>	means the order for the provision of the Goods and/or Services placed by the Customer with the Supplier in accordance with the Framework Agreement and under the terms of this Call Off Contract;
<b>"Order Form"</b>	means the form, as completed and forming part of this Call Off Contract, which contains details of an Order, together with other information in relation to such Order, including without limitation the description of the Goods and/or Services to be supplied;
<b>"Other Supplier"</b>	any supplier to the Customer (other than the Supplier) which is notified to the Supplier from time to time and/or of which the Supplier should have been aware;
<b>"Over-Delivered Goods"</b>	has the meaning given to it in Clause 7.9;
<b>"Parent Company"</b>	means any company which is the ultimate Holding Company of the Supplier and which is either responsible directly or indirectly for the business activities of the Supplier or which is engaged by the same or similar business to the Supplier. The term "Holding or Parent Company" shall have the meaning ascribed by the Companies Act 2006 or any statutory re-enactment or amendment thereto;
<b>"Party"</b>	means the Customer or the Supplier and <b>"Parties"</b> shall mean both of them;
<b>"Performance Monitoring System"</b>	has the meaning given to it in paragraph 1.1.2 in Part B of Schedule 6 (Service Level, Service Credit and Performance Monitoring);
<b>"Performance Monitoring Reports"</b>	Has the meaning given to it in paragraph 9 of Part B of Schedule 6 (Service Level, Service Credit and Performance Monitoring);

<b>"Personal Data"</b>	has the same meaning as set out in the Data Protection Act 1998;
<b>"Processing"</b>	has the meaning given to "processing" under the Data Protection Legislation but, for the purposes of this Call Off Contract, it shall include both manual and automatic processing and <b>"Process"</b> and <b>"Processed"</b> shall be interpreted accordingly;
<b>"Prohibited Act"</b>	<p>means any of the following:</p> <ul style="list-style-type: none"> <li>a) to directly or indirectly offer, promise or give any person working for or engaged by the Customer and/or the Authority or other Contracting Body or any other public body a financial or other advantage to: <ul style="list-style-type: none"> <li>i) induce that person to perform improperly a relevant function or activity; or</li> <li>ii) reward that person for improper performance of a relevant function or activity;</li> </ul> </li> <li>b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement;</li> <li>c) committing any offence: <ul style="list-style-type: none"> <li>i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act)</li> <li>ii) under legislation or common law concerning fraudulent acts; or</li> <li>iii) defrauding, attempting to defraud or conspiring to defraud the Customer; or</li> <li>iv) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK;</li> </ul> </li> </ul>
<b>"Project Specific IPR"</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a) Intellectual Property Rights in items created by the Supplier (or by a third party on behalf of the Supplier) specifically for the purposes of this Call Off Contract and updates and amendments of these items including (but not limited to) database schema; and/or</li> <li>b) IPR in or arising as a result of the performance of the Supplier's obligations under this Call Off Contract and all updates and amendments to the same;</li> </ul> <p>but shall not include the Supplier Background IPR or the Specially Written Software;</p>



<b>"Recipient"</b>	has the meaning given to it in Clause 24.4.1 (Confidentiality);
<b>"Rectification Plan"</b>	means a plan to address the impact of, and prevent the reoccurrence of, a Default;
<b>"Rectification Plan Process"</b>	means the process set out in Clause 28.2 (Rectification Plan Process);
<b>"Registers"</b>	has the meaning given to in Call Off Schedule 11 (Exit Management);
<b>"Regulations"</b>	means the Public Contracts Regulations 2006 and/or the Public Contracts (Scotland) Regulations 2012 (as the context requires) as amended from time to time;
<b>"Reimbursable Expenses"</b>	has the meaning given to it in Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing);
<b>"Related Supplier"</b>	means any person who provides goods and/or services to the Customer which are related to the Goods and/or Services from time to time;
<b>"Relevant Requirements"</b>	all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010;
<b>"Relevant Tax Authority"</b>	means HMRC, or, if applicable, the tax authority in the jurisdiction in which the Supplier is required to submit a tax return;
<b>"Relief Notice"</b>	has the meaning given to it in Clause 29.2.2 (Supplier Relief Due to Customer Cause);
<b>"Replacement Goods and Services"</b>	means any goods and/or services which are substantially similar to any of the Services and which the Customer receives in substitution for any of the Services following the Call Off Expiry Date, whether those goods or services are provided by the Customer internally and/or by any third party;
<b>"Replacement Supplier"</b>	means any third party provider of Replacement Goods and Services appointed by or at the direction of the Customer from time to time or where the Customer is providing Replacement Goods and Services for its own account, shall also include the Customer;
<b>"Request for Information"</b>	means a request for information or an apparent request relating to this Call Off Contract or the provision of the Goods and/or Services or an apparent request for such information under the FOIA or the EIRs;
<b>"Restricted Countries"</b>	has the meaning given to it in Clause 24.7.3 (Protection of Personal Data);
<b>"Satisfaction Certificate"</b>	means the certificate materially in the form of the document contained in Annex 1 to Call Off Schedule 5 (Testing) granted by the Customer when the Supplier has Achieved a Milestone or a Test;

<b>"Security Management Plan"</b>	means the Supplier's security management plan prepared pursuant to paragraph 3 of Call Off Schedule 8 (Security Management), where this is used a draft of which has been provided by the Supplier to the Customer in accordance with paragraph 3 of Call Off Schedule 8 (Security Management) and as updated from time to time;
<b>"Security Policy"</b>	the Customer's security policy in force as at the Call Off Commencement Date (a copy of which has been supplied to the Supplier), as updated from time to time and notified to the Supplier;
<b>"Service Credit Cap"</b>	means: <ul style="list-style-type: none"> <li>a) in the period from the Call Off Commencement Date to the end of the first Call Off Contract Year <b>N/A%</b> of the Estimated Year 1 Call Off Contract Charges; and</li> <li>b) during the remainder of the Call Off Contract Period, <b>N/A%</b> of the Call Off Contract Charges payable to the Supplier under this Call Off Contract in the period of 12 Months immediately preceding the Month in respect of which Service Credits are accrued;</li> </ul>
<b>"Service Credits"</b>	means any service credits specified in the Order Form, or where this is used Annex 1 to Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring), being payable by the Supplier to the Customer in respect of any failure by the Supplier to meet one or more Service Levels;
<b>"Service Failure"</b>	means an unplanned failure and interruption to the provision of the Services, reduction in the quality of the provision of the Goods and/or Services or event which could affect the provision of the Goods and/or Services in the future;
<b>"Service Level Failure"</b>	a failure to meet the Service Level Performance Measure in respect of a Service Level Performance Criterion;
<b>"Service Level Performance Criteria"</b>	means the Service Level Performance Criteria specified in the Order Form or, where this is used, in Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Service Level Performance Measure"</b>	shall be as set out against the relevant Service Level Performance Criterion in the Order Form or, where this is used, Annex 1 of Part A of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Service Levels"</b>	means any service levels applicable to the provision of the Goods and/or Services under this Call Off Contract specified in the Order Form or, where this is used, in Annex 1 to Part A of Call Off Schedule 6

	(Service Levels, Service Credits and Performance Monitoring);
<b>"Service Period"</b>	shall have the meaning given to in paragraph 5.1 of Call Off Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>"Services"</b>	means the services to be provided by the Supplier to the Customer as referred to Annex A of Call Off Schedule 2 (Goods and Services);
<b>"Sites"</b>	means: <ul style="list-style-type: none"> <li>a) any premises (including the Customer Premises, the Supplier's premises or third party premises): <ul style="list-style-type: none"> <li>i) from, to or at which: <ul style="list-style-type: none"> <li>(1) the Goods and/or Services are (or are to be) provided; or</li> <li>(2) the Supplier manages, organises or otherwise directs the provision or the use of the Services;</li> </ul> </li> </ul> </li> </ul>
<b>"Software"</b>	means Specially Written Software, Supplier Software and Third Party Software;
<b>"Software Supporting Materials"</b>	has the meaning given to it in Clause 23.2.1b);
<b>"Source Code"</b>	means computer programs and/or data in eye-readable form and in such form that it can be compiled or interpreted into equivalent binary code together with all related design comments, flow charts, technical information and documentation necessary for the use, reproduction, maintenance, modification and enhancement of such software;
<b>"Specially Written Software"</b>	means any software (including database software, linking instructions, test scripts, compilation instructions and test instructions) created by the Supplier (or by a Sub-Contractor or other third party on behalf of the Supplier) specifically for the purposes of this Call Off Contract, including any modifications or enhancements to Supplier Software or Third Party Software created specifically for the purposes of this Call Off Contract;
<b>"Specific Change in Law"</b>	means a Change in Law that relates specifically to the business of the Customer and which would not affect a Comparable Supply;
<b>"Staffing Information"</b>	has the meaning give to it in Call Off Schedule 12 (Staff Transfer);
<b>"Standards"</b>	has the meaning of: <ul style="list-style-type: none"> <li>a) any standards published by BSI British Standards, the National Standards Body of the United Kingdom, the International Organisation</li> </ul>

for Standardisation or other reputable or equivalent bodies (and their successor bodies) that a skilled and experienced operator in the same type of industry or business sector as the Supplier would reasonably and ordinarily be expected to comply with;

- b) any standards detailed in the specification in Framework Schedule 1 (Goods and/or Services and Key Performance Indicators);
- c) any standards detailed by the Customer in Call Off Schedule 7 (Standards) following a Further Competition Procedure or agreed between the Parties from time to time;
- d) any relevant Government codes of practice and guidance applicable from time to time.

**"Sub-Contract"**

means any contract or agreement or proposed contract or agreement between the Supplier and any third party whereby that third party agrees to provide to the Supplier the Goods and/or Services or any part thereof or facilities, services necessary for the provision of the Goods and/or Services or any part thereof or necessary for the management, direction or control of the provision of the Goods and/or Services or any part thereof;

**"Sub-Contractor"**

means the third party from the list of key-subcontractors listed in Framework Schedule 2 (Key Sub-Contractors) or any third party engaged by the Supplier from time to time under a Sub-Contract permitted pursuant to the Framework Agreement and this Call Off Contract or its servants or agents and any third party with whom that third party enters into a Sub-Contract or its servants or agents;

**"Supplier"**

means the person, firm or company with whom the Customer enters into the Call Off Contract as identified in the Order Form;

**"Supplier Assets"**

means all assets and rights used by the Supplier to provide the Goods and/or Services in accordance with this Call Off Contract but excluding the Customer Assets;

**"Supplier Background IPR"**

means

- a) Intellectual Property Rights owned by the Supplier before the Call Off Commencement Date, for example those subsisting in the Supplier's standard development tools, program components or standard code used in computer programming or in physical or electronic media containing the Supplier's Know-How or generic business methodologies; and/or

	<p>b) Intellectual Property Rights created by the Supplier independently of this Call Off Contract, for which the Customer requires a licence to realise the benefit of the Goods and the Services provided hereunder, but excluding Intellectual Property Rights owned by the Supplier subsisting in the Supplier Software;</p>
<b>"Supplier Personnel"</b>	means all directors, officers, employees, agents, consultants and contractors of the Supplier and/or of any Sub-contractor engaged in the performance of the Supplier's obligations under this Call Off Contract;
<b>"Supplier Equipment"</b>	means the Supplier's hardware, computer and telecoms devices, equipment, plant, materials and such other items supplied and used by the Supplier (but not hired, leased or loaned from the Customer) in the performance of its obligations under the Call Off Contract;
<b>"Supplier Non-Performance"</b>	has the meaning given to it in Clause 29.1 (Supplier Relief Due to Customer Cause);
<b>"Supplier Representative"</b>	means the representative appointed by the Supplier named in the Order Form;
<b>"Supplier Software"</b>	means any software which is proprietary to the Supplier (or an Affiliate of the Supplier) and identified as such in the Order Form together with all other such software which is not identified in the Order Form but which is or will be used by the Supplier or any Sub-Contractor for the purposes of providing the Goods and/or Services or is embedded in and in respect of such other software as required to be licensed in order for the Customer to receive the benefit of and/or make use of the Goods and/or Services;
<b>"Supplier's Confidential Information"</b>	<p>means</p> <ul style="list-style-type: none"> <li>a) any information, however it is conveyed, that relates to the business, affairs, developments, IPR of the Supplier (including the Supplier Background IPR) trade secrets, Know-How, and/or personnel of the Supplier;</li> <li>b) any other information clearly designated as being confidential (whether or not it is marked as "confidential") or which ought reasonably to be considered to be confidential and which comes (or has come) to the Supplier's attention or into the Supplier's possession in connection with this Call Off Contract;</li> <li>c) information derived from any of the above.</li> </ul>
<b>"Tender"</b>	means the tender submitted by the Supplier to the Authority on 11/07/2016 and annexed to Framework Schedule 19;

<b>"Test Device"</b>	means a device provided by the Supplier to the Customer for the purposes of testing compatability of the Goods with the Customer's IT infrastructure. The Test Device shall be an exact sample of the Goods specified in the Order Form;
<b>"Test Issue"</b>	means any variance or non-conformity of the Goods and/or Services or Deliverables from their requirements as set out in the Call Off Contract;
<b>"Test Plan"</b>	means the plan for the Testing of Deliverables and other agreed criteria related to the achievement of Milestones identified in any Implementation Plan;
<b>"Tests" and "Testing"</b>	means any tests required to be carried out pursuant to this Call Off Contract as set out in the Test Plan or elsewhere in the Call Off Contract;
<b>"Termination Notice"</b>	means a written notice of termination given by one Party to the other, notifying the Party receiving the notice of the intention of the Party giving the notice to terminate this Call Off Contract on a specified date and setting out the grounds for termination;
<b>"Third Party IPR"</b>	means Intellectual Property Rights owned by a third party and subsisting in Goods or Services to be supplied hereunder but excluding Intellectual Property Rights owned by the third party subsisting in any Third Party Software;
<b>"Third Party Software"</b>	means any software identified as such in the Order Form together with all other software which is not listed in the Order Form which is proprietary to any third party (other than an Affiliate of the Supplier) or any Open Source Software which is or will be used by the Supplier for the purposes of providing the Goods and/or Services);
<b>"Transferring Supplier Employee"</b>	has the meaning given to it in Call Off Schedule 12 (Staff Transfer);
<b>"Undelivered Goods and Services"</b>	shall have the meaning given in Clause 7.5
<b>"Undisputed Sums Time Period"</b>	has the meaning given in Clause 32.1.1 (Termination of Customer Cause for Failure to Pay);
<b>"Valid Invoice"</b>	means an invoice issued by the Supplier to the Customer that complies with the invoicing procedure in paragraph 7 (Invoicing Procedure) of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing);
<b>"Variation"</b>	has the meaning given in Clause 17.1 (Variation Procedure);
<b>"Variation Form"</b>	means the form set out in Annex 2 to the Call Off Terms

<b>"Variation Procedure"</b>	means the procedure set out in Clause 17.1 (Variation Procedure);
<b>"VAT"</b>	means value added tax in accordance with the provisions of the Value Added Tax Act 1994;
<b>"Warranty Period"</b>	means, in relation to any Goods, the warranty period specified in the Order Form; and
<b>"Working Day"</b>	means any Day other than a Saturday or Sunday or public holiday in England and Wales.

## **CALL OFF SCHEDULE 2: GOODS AND SERVICES**

### **1. INTRODUCTION**

1.1 This Call Off Schedule specifies the:

1.1.1 Goods and Services to be provided under this Call off Contract, in Annex 1;



## ANNEX 1: THE SERVICES

### 5. SCOPE OF REQUIREMENT

5.1 This requirement is for the provision of:

- 5.1.1 Two (2) x Clearswift Secure Web Gateway Appliances;
- 5.1.2 Hardware Support and Maintenance Warranty to cover the hardware supplied in 5.1.1;
- 5.1.3 Seven thousand (7,000) Clearswift Secure Web Gateway licences; and
- 5.1.4 Support and Maintenance to cover the licences supplied in 5.1.3.

### 6. THE REQUIREMENT

6.1 Suppliers are required to provide pricing for the following:

6.1.1 **Hardware** as follows:

Product	Specification	Quantity
Clearswift Secure Web Gateway Appliances [REDACTED]	<ul style="list-style-type: none"> <li>CPU - 2 x Intel E5-2609 v3 (Hexa-core 1.9GHz)</li> <li>Memory - 8GB RAM</li> <li>Internal Disk - 3 x 300GB SAS</li> <li>Integrated RAID Controller</li> <li>Dual Power Supplies</li> </ul>	2

6.1.2 **Hardware Support and Maintenance Warranty** to cover the hardware provided in Section 6.1.1 as follows:

Product Code	Service Level	Quantity	Duration
[REDACTED]	<ul style="list-style-type: none"> <li>Premium on site four (4) hour fix</li> <li>With the ability for DVLA to retain any faulty hard drives.</li> </ul>	2	36 months, commencing on date of delivery of hardware in 6.1.1.

6.1.2.1 The support provided should adhere to the Service Levels outlined in Section 16.

6.1.3 **Software** as follows:

Product	Product Code	Specification	Users
Clearswift Secure Web Gateway Licences	[REDACTED]	<ul style="list-style-type: none"> <li>Perpetual licences</li> <li>Sophos</li> <li>4 to 6 Instances</li> </ul>	7,000

6.1.4 **Software Support and Maintenance** to cover the licences provided in Section 6.1.3, as follows:

Service Level	Duration
<p>"Standard" support to include:</p> <ul style="list-style-type: none"> <li>24x7 Support via phone, web portal and email (excluding bank holidays);</li> <li>Two (2) registered technical contacts per licence instance;</li> <li>access to new version upgrade releases;</li> <li>automated maintenance release updates;</li> <li>defined Service Level Targets for incident response and resolution; and</li> <li>proactive communications (forums and RSS service feeds).</li> </ul>	From implementation to 18/12/2017

6.1.4.1 This support and maintenance should adhere to the Service Levels outlined in ClearSwift "Standard" Support Service Offering.

# 16. SERVICE LEVELS AND PERFORMANCE

16.1 The Authority will measure the quality of the Supplier's delivery by ensuring the targets set out in the Clearswift "Standard" Support Service Agreement is adhered to. These will include, but are not limited to:

KPI/SLA	Service Area	KPI/SLA description	Target
#1	Hardware Support and Maintenance Warranty	Four (4) hour on-site support with the option for DVLA to keep any faulty hard drives.	98%
#2	Software Support and Maintenance	Critical: <ul style="list-style-type: none"> <li>• Response - 1 Service hour</li> <li>• Resolution - 24 Service hours</li> <li>• Hot Fix - 5 Business days</li> </ul>	90%
#3		High:	90%

		<ul style="list-style-type: none"> <li>• Response - 2 Service hours</li> <li>• Resolution - 48 Service hours</li> <li>• Hot Fix - 10 Business days</li> </ul>	
#4		Major: <ul style="list-style-type: none"> <li>• Response - 24 Service hours</li> <li>• Resolution - 5 Business days</li> <li>• Hot Fix - N/A</li> </ul>	90%
#5		Minor: <ul style="list-style-type: none"> <li>• Response - 48 Service hours</li> <li>• Resolution - 10 Business days</li> <li>• Hot Fix - N/A</li> </ul>	90%

16.2 These targets are in line with the following Incident Severity Levels:

Severity	Description
1 Critical	<p>System functionality is completely unavailable or inaccessible.</p> <p>The situation requires immediate attention. Example scenarios:</p> <ul style="list-style-type: none"> <li>• All services unavailable on a single platform - total loss of service</li> <li>• Services unavailable to a multitude of platforms</li> <li>• Suspected security breach</li> </ul>
2 High	<p>System functionality is severely limited, resulting in the prevention of key operations. With no available workaround, the situation requires urgent attention. Example scenarios:</p> <ul style="list-style-type: none"> <li>• Single service unavailable</li> <li>• Loss of platform/network resilience</li> <li>• Backup failure</li> <li>• Significant degradation of service/performance</li> </ul>
3 Major	<p>The system is impaired, a single function is impacted but key business processes are not interrupted. Example scenarios:</p> <ul style="list-style-type: none"> <li>• Minor degradation of system performance</li> <li>• Single user fault</li> </ul>
4 Minor	<p>The problem causes minimal operational or business impact, a general technical question or enhancement request. Example scenarios:</p> <ul style="list-style-type: none"> <li>• Minor issue with no impact to service</li> <li>• Documentation error</li> <li>• Technical/product query</li> <li>• Enhancement request</li> </ul>

**ANNEX 2: THE GOODS**  
**SEE ANNEX 1 – THE SERVICES**

## CALL OFF SCHEDULE 3: CALL OFF CONTRACT CHARGES, PAYMENT AND INVOICING

### 1. DEFINITIONS

- 1.1 The following terms used in this Call Off Schedule shall have the following meaning:

**“Costs”** means the buy-in price from an external supply chain for Lots 1, 2, or 3 or the cost of manufacture for Lot 4;

**“Reimbursable Expenses”** [means the pre-agreed reasonable out of pocket travel and subsistence (for example, hotel and food) expenses, properly and necessarily incurred in the performance of the Services and as stated in the Supplier's tender, calculated at the rates and in accordance with the Customer's expenses policy current from time to time, but not including:

travel expenses incurred as a result of Supplier Personnel travelling to and from their usual place of work, or to and from the premises at which the Services are principally to be performed, unless the Customer otherwise agrees in advance in writing; and

subsistence expenses incurred by Supplier Personnel whilst performing the Services at their usual place of work, or to and from the premises at which the Services are principally to be performed];

**“Supporting Documentation”** means sufficient information in writing to enable the Customer to reasonably to assess whether the Charges, Reimbursable Expenses and other sums due from the Customer under a Call Off Agreement detailed in the information are properly payable.

### 2. GENERAL PROVISIONS

- 2.1 This Call Off Schedule details:
- 2.1.1 the Call-Off Contract Charges for the Goods and/or the Services under this Call Off Contract; and
  - 2.1.2 the payment terms/profile for the Call Off Contract Charges;
  - 2.1.3 the invoicing procedure; and
  - 2.1.4 the procedure applicable to any adjustments of the Call Off Contract Charges.

### **3. CALL OFF CONTRACT CHARGES**

- 3.1 The Call Off Contract Charges which are applicable to this Call Off Contract are set out in Annex 1 of this Call Off Schedule.
- 3.2 The Supplier acknowledges and agrees that:
  - 3.2.1 In accordance with paragraph 2 of Framework Schedule 3 (Pricing Structure), the Call Off Contract Charges can in no event exceed the Framework Prices set out in Annex 2 to Framework Schedule 3 (Charging Structure); and
  - 3.2.2 subject to paragraph 8 of this Call Off Schedule (Adjustment of Call Off Contract Charges), the Call Off Contract Charges cannot be increased during the Call Off Contract Period.

### **4. COSTS AND EXPENSES**

- 4.1 Except as expressly set out in paragraph 5 of this Call Off Schedule (Reimbursable Expenses), the Call Off Contract Charges include all costs and expenses relating to the Goods and/or Services and/or the Supplier's performance of its obligations under this Call Off Contract and no further amounts shall be payable by the Customer to the Supplier in respect of such performance, including in respect of matters such as:
  - 4.1.1 any incidental expenses that the Supplier incurs, including travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs required by the Supplier Personnel, network or data interchange costs or other telecommunications charges; or
  - 4.1.2 any amount for any services provided or costs incurred by the Supplier prior to the Call Off Commencement Date.

### **5. REIMBURSEABLE EXPENSES**

- 5.1 The Supplier shall be entitled to be reimbursed by the Customer for pre-agreed Reimbursable Expenses and as stated in the Supplier's tender (in addition to being paid the relevant Call Off Contract Charges under this Call Off Contract), provided that such Reimbursable Expenses are supported by Supporting Documentation. The Customer shall provide a copy of their current expenses policy to the Supplier upon request.

### **6. PAYMENT TERMS/PAYMENT PROFILE**

- 6.1 The payment terms/profile which are applicable to this Call Off Contract are set out in Annex 2 of this Call Off Schedule.

### **7. INVOICING PROCEDURE**

- 7.1 The Customer shall pay all sums properly due and payable to the Supplier in cleared funds within thirty (30) days of receipt of a Valid Invoice, submitted to the address specified by the Customer in paragraph 7.5 of this CallOff Schedule and in accordance with the provisions of this Call Off Contract.
- 7.2 The Supplier shall ensure that each invoice (whether submitted electronically or in a paper form, as the Customer may specify):
  - 7.2.1 contains:

- 7.2.1.1 all appropriate references, including the unique Order reference number CCZN16A02 (DVLA Ref No PS/16/96); and
  - 7.2.1.2 a detailed breakdown of the Delivered Goods and/or Services, including the Milestone(s) (if any) and any other charges, for example Delivery and Deliverable(s) within this Call-Off Contract to which the Delivered Goods and/or Services relate, against the applicable due and payable Call Off Contract Charges; and
- 7.2.2 shows separately:
  - 7.2.2.1 any Service Credits due to the Customer; and
  - 7.2.2.2 the VAT added to the due and payable Call Off Contract Charges in accordance with Clause 18.2.1 and the tax point date relating to the rate of VAT shown; and
- 7.2.3 is exclusive of any Management Charge (and the Supplier shall not attempt to increase the Call Off Contract Charges or otherwise recover from the Customer as a surcharge the Management Charge levied on it by the Authority); and
- 7.2.4 it is supported by any other documentation reasonably required by the Customer to substantiate that the invoice is a Valid Invoice.
- 7.3 The Supplier shall accept the Government Procurement Card as a means of payment for the Goods and/or Services where such card is agreed with the Customer to be a suitable means of payment. The Supplier shall be solely liable to pay any merchant fee levied for using the Government Procurement Card and shall not be entitled to recover this charge from the Customer.
- 7.4 All payments due by one Party to the other shall be made within 30 days of receipt of a valid invoice unless otherwise specified in this Call Off Contract, in cleared funds, to such bank or building society account as the recipient Party may from time to time direct.
- 7.5 The Supplier shall submit invoices directly to:
  - Email:** [REDACTED]
  - Postal Address:** [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

## **8. ADJUSTMENT OF CALL OFF CONTRACT CHARGES**

- 8.1 The Call Off Contract Charges shall only be varied:
  - 8.1.1 due to a Specific Change in Law in relation to which the Parties agree that a change is required to all or part of the Call Off Contract Charges in accordance with Clause 17.2 of this Call Off Contract (Legislative Change);
  - 8.1.2 in accordance with Clause 18.1.4 (Call Off Contract Charges and Payment) where all or part of the Call Off Contract Charges are reduced as a result of a reduction in the Framework Prices;
  - 8.1.3 where all or part of the Call Off Contract Charges are reduced as a result of a review of Call Off Contract Charges in accordance with Clause 20 (Continuous Improvement and Benchmarking);

- 8.1.4 where all or part of the Call Off Contract Charges are reviewed and reduced in accordance with paragraph 9 of this Call Off Schedule (Supplier Periodic Assessment of Call Off Contract Charges);

**9. SUPPLIER PERIODIC ASSESSMENT OF CALL OFF CONTRACT CHARGES**

- 9.1 Every six (6) Months during the Call Off Contract Period, the Supplier shall assess the level of the Call Off Contract Charges to consider whether it is able to reduce them.
- 9.2 Such assessments by the Supplier under paragraph 9 shall be carried out on [1 May] and [1 December] in each Contract Year (or in the event that such dates do not, in any Contract Year, fall on a Working Day, on the next Working Day following such dates). To the extent that the Supplier is able to decrease all or part of the Call Off Contract Charges it shall promptly notify the Customer in writing and such reduction shall be implemented in accordance with paragraph 12.1.4 below.

**10. NOT USED**

**11. NOT USED**

**12. IMPLEMENTATION OF ADJUSTED CALL OFF CONTRACT CHARGES**

- 12.1 Variations in accordance with the provisions of this Call Off Schedule to all or part the Call Off Contract Charges (as the case may be) shall be made by the Customer to take effect:
- 12.1.1 in accordance with Clause 17.2 (Legislative Change) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.1 of this Call Off Schedule;
- 12.1.2 in accordance with Clause 18.1.4 (Call Off Contract Charges and Payment) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.2 of this Call Off Schedule;
- 12.1.3 [in accordance with Clause 20 (Benchmarking) where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.3 of this Call Off Schedule] [or]
- 12.1.4 on [1 June] for assessments made on [1 May] and on [1 January] for assessments made on [1 December] where an adjustment to the Call Off Contract Charges is made in accordance with paragraph 8.1.4 of this Call Off Schedule[.]; [; or]

The Parties shall amend the Call Off Contract Charges shown in Annex 1 to this Call Off Schedule to reflect such variations.



## ANNEX 1: CALL OFF CONTRACT CHARGES

Deliverables			
Requirement	Quantity	Price Per Unit (excluding VAT)	Total Price (excluding VAT)
Clearswift Secure Web Gateway Appliances Model W2000	2		
Clearswift Secure Web Gateway Licences Product Code APPW-SOP	7,000		
Support and Maintenance			
Requirement	Period of Cover		Total Price (excluding VAT)
Clearswift Standard Hardware Support and Maintenance Warranty	36 months Commencing on Delivery		
Clearswift Standard Software Support and Maintenance	From implementation of licences to 18/12/2017		
		Hardware	
		Software	
		Support and Maintenance	
Total Firm Contract Price (excluding VAT)			£34,741.78

## ANNEX 2: PAYMENT TERMS/PROFILE

### Annex C DVLA Invoicing Procedure

#### Invoicing Procedures

DVLA's invoicing procedures are detailed below:

1. All invoices and/or credit notes must be an original document.
2. **Any correspondence/enquiries which are sent to the designated email address for invoices/credit notes and are not an original invoice and/or credit note will be deleted, with no action being taken.**
3. All invoices and/or credit notes will either need to be sent electronically as an attachment to an email or as a hard copy document through the post to the designated email or postal address listed below:

REDACTED

4. If an original invoice and/or credit note is sent electronically, then the same document **must not** be sent as a hard copy through the post and vice versa.
5. All electronics invoice and/or credit notes **must** be sent in a PDF format. Any documents which are received and are not in a PDF format will be deleted with no action being taken.
6. All invoices or credit notes must quote a valid Purchase Order number i.e. one that is in the format 8000XXXXXX. This will be found on the Purchase Order you receive.
7. A 10Mb maximum file size per email is applicable.
8. If the e-invoice is encrypted, this could result in the invoice being blocked by [arvato](#) email security filters.
9. The e-invoices **must not** include profanities, as these will also be blocked by [arvato](#) email security filters and may delay/stop the invoice being received.
10. You should not provide goods or services without receipt of a valid Purchase Order.
11. Do not undertake new work or supply goods or services in excess of the original Purchase Order Value.
12. If an incorrect Purchase Order number or no Purchase Order number is quoted the invoice will be returned to you. You will be able to handwrite the correct Purchase Order numbers on the invoices that are returned, however it is preferable that you change it on your system and reissue to ensure any future invoices are referenced correctly.
13. Credit notes should quote the Purchase Order number and your original invoice reference along with details of what the credit note applies to, particularly if it is not for the full value of the invoice.
14. Identify the business unit the invoice or credit note relates to e.g. DVLA.
15. **Shared Services [arvato](#) cannot be responsible for any e-invoice until it has been received. Responsibility for ensuring the e-invoice is received by [arvato](#) in a timely manner lies with the supplier.**

**All supplier invoices and payment enquiries must be directed to Shared Services [arvato](#). If you contact the relevant business unit directly, they will direct you to Shared Services [arvato](#).**

#### How to Notify us of a Change

If you change important information, such as your organisation's contact or bank details, we will need written official correspondence. Please notify Shared Services [arvato](#) as soon as possible:

REDACTED

#### Annex C DVLA Invoicing Procedure

REDACTED

##### Enquiring about progress of payments

1. For all payment and invoice queries you will need to contact the Shared Services arvato Service and Support Desk directly on 0844 892 0343. When calling you should quote the Purchase Order number, your vendor account number (if known) and the business unit you are invoicing e.g. DVLA.
2. You should ask for your communication to be logged on a "service ticket" along with your contact details. This will allow all issues relating to your query to be logged under a unique reference number.
3. You should quote the service ticket number in any follow up conversations.
4. If Shared Services arvato has the invoice but cannot release it for payment, you are required to take appropriate action to ensure it can be paid.
5. If the invoice has not been received by Shared Services arvato, the responsibility is on you to get the invoice to Shared Services arvato. If you are sending invoices to anyone other than Shared Services arvato, please change your customer invoicing address to Shared Services arvato.
6. If a response from Shared Services arvato is required, one will be provided to you within 10 working days.
7. If you have any remittance queries, these should be discussed with Shared Services arvato:

REDACTED

8. You must also ensure that a statement is sent to Shared Services arvato monthly to aid prompt payment of invoices (email and postal address as above).

**CALL OFF SCHEDULE 4: IMPLEMENTATION PLAN, CUSTOMER RESPONSIBILITIES  
AND KEY PERSONNEL**

**1. INTRODUCTION**

1.1 This Call Off Schedule specifies:

1.1.1 In Part A, the Implementation Plan in accordance with which the Supplier shall provide the Goods and/or Services;

1.1.2 In Part B, the Customer Responsibilities in respect of facilitating the Supplier's achievement of the Implementation Plan; and

1.1.3 In Part C, The Key Personnel and their Key Roles assigned by the Supplier to this Call Off Contract in accordance with Clause 51 (Key Personnel) where this is used.

**PART A: IMPLEMENTATION PLAN**

**2. GENERAL**

2.1 The Implementation Plan is set out below:

2.2 The Milestones to be Achieved are Identified below:

Milestone	Deliverables	Duration	Milestone Date	Customer Responsibilities	Milestone Payments	Delay Payments
1	Hardware	N/A	Within 4 weeks of contract award	N/A	Payment of Hardware to be completed on receipt of goods	N/A
2	Software Licence Keys	N/A	Within 4 weeks of contract award	N/A	Payment of Software Licences to be completed on receipt of goods	N/A
3.	Hardware Support and Maintenance	3 Years	Upon delivery of hardware	N/A	Annual in advance	N/A

4.	Software Support and Maintenance	From date of Software Licence implementation on 18/12/2017 to	Upon implementation of software	N/A	Annual in advance	N/A
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#### **PART B: CUSTOMER RESPONSIBILITIES**

##### **3. GENERAL**

- 3.1 The Customer Responsibilities associated with the Milestones identified in the Implementation Plan are set out in the column entitled Customer Responsibilities in the Implementation Plan.

#### **PART C: KEY PERSONNEL**

##### **4. GENERAL**

- 4.1 The Supplier has assigned the following Key Personnel to this Call-Off Contract in the Key Roles detailed below:  
[REDACTED[]]

## **CALL OFF SCHEDULE 5: TESTING – N/A**

### **1. DEFINITIONS**

1.1 In this Schedule, the following definitions shall apply:

“Test Strategy” a strategy for the conduct of Testing as described further in Paragraph 3;

### **2. INTRODUCTION**

2.1 This schedule sets out the approach to Testing and the different Testing activities to be undertaken, including the preparation and agreement of the Test Strategy and Test Plans. The primary purpose of Testing shall be to demonstrate to the Customer's satisfaction that the Goods and Services have been implemented in accordance with the requirements of this Contract, and that they are ready for operational use.

### **3. TEST STRATEGY**

3.1 The Supplier shall develop the final Test Strategy as soon as practicable but in any case no later than the date specified in the Implementation Plan (or such other period as the Parties may agree).

3.2 The final Test Strategy shall include:

3.2.1 an overview of how Testing will be conducted in relation to the Implementation Plan;

3.2.2 the process to be used to capture and record Test results and the categorisation of Test Issues;

3.2.3 the procedure to be followed should a Deliverable fail a Test or where a Deliverable produces unexpected results, including a procedure for the resolution of Test Issues;

3.2.4 the procedure to be followed to sign off each Test; and

3.2.5 the process for the production and maintenance of reports relating to Tests.

### **4. TEST PLANS**

4.1 The Supplier shall develop Test Plans for the Approval of the Customer as soon as practicable but in any case no later than twenty (20) Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise) prior to the start date for the relevant Testing as specified in the Implementation Plan.

4.2 Each Test Plan shall include as a minimum:

4.2.1 the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being Tested;

4.2.2 a detailed procedure for the Tests to be carried out, including:

4.2.3 the timetable for the Tests including start and end dates;

4.2.4 the Testing mechanism and the detailed success criteria ;

4.2.5 dates and methods by which the Customer can inspect Test results;

4.2.6 the mechanism for ensuring the quality, completeness and relevance of the Tests;

4.2.7 the process with which the Customer will review Test Issues and progress on a timely basis; and

4.2.8 the re-Test procedure, the timetable and the resources which would be required for re-Testing.

4.3 The Customer shall not unreasonably withhold or delay its Approval of the Test Plans and the Supplier shall implement any reasonable requirements of the Customer in the Test Plans.

## **5. TESTING**

5.1 When the Supplier has completed the provision of the Goods and Services in respect of a Milestone it shall submit any Deliverables relating to that Milestone for Testing.

5.2 Each party shall bear its own costs in respect of the Testing. However, if a Milestone is not Achieved the Customer shall be entitled to recover from the Supplier, any reasonable additional costs it may incur as a direct result of further review or re-Testing of a Milestone.

5.3 If the Supplier successfully completes the requisite Tests, the Customer shall issue a Satisfaction Certificate as soon as reasonably practical following such successful completion. Notwithstanding the issuing of any Satisfaction Certificate, the Supplier shall remain solely responsible for ensuring that the Services are implemented in accordance with this Contract.

## **6. TEST ISSUES**

6.1 Where a Test Issue is identified by the Supplier, the Parties shall agree how such Test Issue shall be dealt with and any failure to agree by the Parties shall be resolved in accordance with the Dispute Resolution Procedure.

## **7. TEST QUALITY AUDIT**

7.1 Without prejudice to its rights pursuant to Clause 30, the Customer or an agent or Temporary Worker appointed by the Customer may perform on-going quality audits in respect of any part of the Testing.

7.2 If the Customer has any concerns following an audit in accordance with paragraph 7.1 above the Customer will discuss such concerns with the Supplier, giving the Supplier the opportunity to provide feedback in relation to specific activities, and subsequently prepare a written report for the Supplier detailing the same to which the Supplier shall, within a reasonable timeframe, respond in writing.

7.3 In the event of an inadequate response to the written report from the Supplier, the Customer (acting reasonably) may withhold a Satisfaction Certificate until the issues in the report have been addressed to the reasonable satisfaction of the Customer.

## **8. OUTCOME OF TESTING**

8.1 The Customer will issue a Satisfaction Certificate when it is satisfied that a Milestone has been Achieved.

8.2 If any Milestones (or any relevant part thereof) do not pass the Test in respect thereof then:

- 8.2.1 the Supplier shall rectify the cause of the failure and re-submit the Deliverables (or the relevant part) to Testing, provided that the Parties agree that there is sufficient time for that action prior to the relevant Milestone Date; or
- 8.2.2 the Parties shall treat the failure as a Supplier's Default.



#### ANNEX 1: SATISFACTION CERTIFICATE

To: [insert name of Supplier]

From: [insert name of Customer]

[insert Date dd/mm/yyyy]

Dear Sirs,

#### SATISFACTION CERTIFICATE

Milestone:

We refer to the agreement ("**Call Off Contract**") relating to the provision of the [Services ] between the [insert Customer name] ("**Customer**") and [insert Supplier name] ("**Supplier**") dated [insert Call Off Commencement Date dd/mm/yyyy ].

The definitions for terms capitalised in this certificate are set out in the Call Off Contract.

[We confirm that all of the Milestones have been successfully Achieved by the Supplier in accordance with the Test relevant to those Milestones.]

Yours faithfully

[insert Name]

[insert Position]

acting on behalf of [insert name of Customer]

## **CALL OFF SCHEDULE 6: SERVICE LEVELS, SERVICE CREDITS AND PERFORMANCE MONITORING**

### **1. SCOPE**

- 1.1 This Call Off Schedule (Service Levels, Service Credits and Performance Monitoring) sets out the Service Levels which the Supplier is required to achieve when providing the Services, the mechanism by which Service Level Failures and Critical Service Level Failures will be managed and the method by which the Supplier's performance in the provision by it of the Services will be monitored.
- 1.2 This Call Off Schedule comprises:
  - 1.2.1 Part A: Service Levels and Service Credits;
  - 1.2.2 Annex 1 to Part A - Service Levels and Service Credits Table;
  - 1.2.3 Annex 2 to Part A – Critical Service Level Failure;
  - 1.2.4 Part B: Performance Monitoring; and
  - 1.2.5 Annex 1 to Part B: Additional Performance Monitoring Requirements

## **PART A: SERVICE LEVELS AND SERVICE CREDITS**

### **2. GENERAL PROVISIONS**

- 2.1 The Supplier shall provide a proactive Call Off Contract manager to ensure that all Service Levels in this Call Off Contract and Key Performance Indicators in the Framework Agreement are achieved to the highest standard throughout, respectively, the Call Off Contract Period and the Framework Period.
- 2.2 The Supplier shall provide a managed service through the provision of a dedicated Call Off Contract manager where required on matters relating to:
  - 2.1.1 Supply performance;
  - 2.1.2 Quality of [Goods and/or] Services;
  - 2.1.3 Customer support;
  - 2.1.4 Complaints handling; and
  - 2.1.5 Accurate and timely invoices.
- 2.3 The Supplier accepts and acknowledges that failure to meet the Service Level Performance Measures set out in the table in Annex 1 to this Part A of this Call Off Schedule will result in Service Credits being issued to Customers.

### **3. PRINCIPAL POINTS**

- 3.1 The objectives of the Service Levels and Service Credits are to:
  - 3.1.1 ensure that the Services are of a consistently high quality and meet the requirements of the Customer;
  - 3.1.2 provide a mechanism whereby the Customer can attain meaningful recognition of inconvenience and/or loss resulting from the Supplier's failure to deliver the level of service for which it has contracted to deliver; and
  - 3.1.3 incentivise the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

### **4. SERVICE LEVELS**

- 4.1 Annex 1 to this Part A of this Call Off Schedule sets out the Service Levels the performance of which the Parties have agreed to measure.
- 4.2 The Supplier shall monitor its performance of this Call Off Contract by reference to the relevant performance criteria for achieving the Service Levels shown in Annex 1 to this Part A of this Call Off Schedule (the "Service Level Performance Criteria") and shall send the Customer a Performance Monitoring Report detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Call Off Schedule.
- 4.3 The Supplier shall, at all times, provide the Services in such a manner that the Service Levels Performance Measures are achieved.
- 4.4 If the level of performance of the Supplier of any element of the provision by it of the Services during the Call Off Contract Period:
  - 4.4.1 is likely to or fails to meet any Service Level Performance Measure or
  - 4.4.2 is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Customer in writing and the Customer, in its absolute discretion and without prejudice to any other of its rights howsoever arising including under Clause 10 (Service Levels and Service Credits), may:

- a) require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Customer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring; and
  - b) if the action taken under paragraph a) above has not already prevented or remedied the Service Level Failure or Critical Service Level Failure, the Customer shall be entitled to instruct the Supplier to comply with the Rectification Plan Process; or
  - c) if a Service Level Failure has occurred, deduct from the Call Off Contract Charges the applicable Service Level Credits payable by the Supplier to the Customer in accordance with the calculation formula set out in Annex 1 of this Part A of this Call Off Schedule; or
  - d) if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure in accordance with Clause 11 (Critical Service Level Failure) (including subject, for the avoidance of doubt, the proviso in Clause 11.1.2 in relation to Material Breach).
- 4.5 Approval and implementation by the Customer of any Rectification Plan shall not relieve the Supplier of any continuing responsibility to achieve the Service Levels, or remedy any failure to do so, and no estoppels or waiver shall arise from any such Approval and/or implementation by the Customer.

## **5. SERVICE CREDITS – N/A**

- 5.1 Annex 1 to this Part A of this Call Off Schedule sets out the formula used to calculate a Service Credit payable to the Customer as a result of a Service Level Failure in a given service period which, for the purpose of this Call Off Schedule, shall be a recurrent period of [one Month] during the Call Off Contract Period (the "Service Period").
- 5.2 Annex 1 to this Part A of this Call Off Schedule includes details of each Service Credit available to each Service Level Performance Criterion if the applicable Service Level Performance Measure is not met by the Supplier. [Guidance Note: please populate the table in Annex 1 to this Part A of this Call Off Schedule]
- 5.3 The Customer shall use the Performance Monitoring reports supplied by the Supplier under Part B (Performance Monitoring) of this Call Off Schedule to verify the calculation and accuracy of the Service Credits, if any, applicable to each relevant Service Period.
- 5.4 Service Credits are a reduction of the amounts payable in respect of the Services 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 Annex 1 of Part A of this Call Off Schedule.

## **6. NATURE OF SERVICE CREDITS**

- 6.1 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Call Off Contract Charges. Both Parties agree that the Service Credits are a reasonable method of price adjustment to reflect poor performance.

**ANNEX 1 TO PART A: SERVICE LEVELS TABLE**

KPI/SLA	SERVICE AREA	KPI/SLA DESCRIPTION	TARGET
#1	HARDWARE SUPPORT AND MAINTENANCE	FOUR (4 ) HOUR ON-SITE SUPPORT WITH THE OPTION FOR DVLA TO KEEP ANY FAULTY HARD DRIVES.	98%
#2	SOFTWARE SUPPORT AND MAINTENANCE	CRITICAL: <ul style="list-style-type: none"> <li>• RESPONSE - 1 SERVICE HOUR</li> <li>• RESOLUTION - 24 SERVICE HOURS</li> <li>• HOT FIX – 5 BUSINESS DAYS</li> </ul>	90%
#3		HIGH: <ul style="list-style-type: none"> <li>• RESPONSE – 2 SERVICE HOURS</li> <li>• RESOLUTION – 48 SERVICE HOURS</li> <li>• HOT FIX – 10 BUSINESS DAYS</li> </ul>	90%
#4		MAJOR: <ul style="list-style-type: none"> <li>• RESPONSE – 24 SERVICE HOURS</li> <li>• RESOLUTION – 5 BUSINESS DAYS</li> <li>• HOT FIX – N/A</li> </ul>	90%
#5		MINOR: <ul style="list-style-type: none"> <li>• RESPONSE – 48 SERVICE HOURS</li> <li>• RESOLUTION – 10 BUSINESS DAYS</li> <li>• HOT FIX – N/A</li> </ul>	90%

SEVERITY	DESCRIPTION
1 CRITICAL	<p>SYSTEM FUNCTIONALITY IS COMPLETELY UNAVAILABLE OR INACCESSIBLE.</p> <p>THE SITUATION REQUIRES IMMEDIATE ATTENTION. EXAMPLE SCENARIOS:</p> <ul style="list-style-type: none"> <li>• ALL SERVICES UNAVAILABLE ON A SINGLE PLATFORM - TOTAL LOSS OF SERVICE</li> </ul>

	<ul style="list-style-type: none"> <li>• SERVICES UNAVAILABLE TO A MULTITUDE OF PLATFORMS</li> <li>• SUSPECTED SECURITY BREACH</li> </ul>
2 HIGH	<p>SYSTEM FUNCTIONALITY IS SEVERELY LIMITED, RESULTING IN THE PREVENTION OF KEY OPERATIONS. WITH NO AVAILABLE WORKAROUND, THE SITUATION REQUIRES URGENT ATTENTION. EXAMPLE SCENARIOS:</p> <ul style="list-style-type: none"> <li>• SINGLE SERVICE UNAVAILABLE</li> <li>• LOSS OF PLATFORM/NETWORK RESILIENCE</li> <li>• BACKUP FAILURE</li> <li>• SIGNIFICANT DEGRADATION OF SERVICE/PERFORMANCE</li> </ul>
3 MAJOR	<p>THE SYSTEM IS IMPAIRED, A SINGLE FUNCTION IS IMPACTED BUT KEY BUSINESS PROCESSES ARE NOT INTERRUPTED. EXAMPLE SCENARIOS:</p> <ul style="list-style-type: none"> <li>• MINOR DEGRADATION OF SYSTEM PERFORMANCE</li> <li>• SINGLE USER FAULT</li> </ul>
4 MINOR	<p>THE PROBLEM CAUSES MINIMAL OPERATIONAL OR BUSINESS IMPACT, A GENERAL TECHNICAL QUESTION OR ENHANCEMENT REQUEST. EXAMPLE SCENARIOS:</p> <ul style="list-style-type: none"> <li>• MINOR ISSUE WITH NO IMPACT TO SERVICE</li> <li>• DOCUMENTATION ERROR</li> <li>• TECHNICAL/PRODUCT QUERY</li> <li>• ENHANCEMENT REQUEST</li> </ul>

## **ANNEX 2 TO PART A: CRITICAL SERVICE LEVEL FAILURE – N/A**

[In relation to [ ] a Critical Service Level Failure shall include a delay in producing [ ] ordered by the Customer in excess of twenty four (24) hours more than once in any [three (3) Month] period or more than three (3) times in any rolling twelve (12) Month period.]

[In relation to [ ] a Critical Service Level Failure shall include a loss of [ ] during core hours (08:00 – 18:00 Mon – Fri excluding bank holidays) to the [ ] for more than twenty four (24) hours accumulated in any [three (3) Month] period, or forty eight (48) hours in any rolling twelve (12) Month period.]

[ *other* ]

## **PART B: PERFORMANCE MONITORING**

### **7. PRINCIPAL POINTS**

- 7.1 Part B to this Call Off Schedule provides the methodology for monitoring the provision of the Services:
  - 7.1.1 to ensure that the Supplier is complying with the Service Levels; and
  - 7.1.2 for identifying any failures to achieve Service Levels in the performance of the Supplier and/or provision of the Services ("**Performance Monitoring System**").
- 7.2 Within twenty (20) Working Days of the Call Off Commencement Date the Supplier shall provide the Customer 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.

### **8. REPORTING OF SERVICE FAILURES**

- 8.1 The Customer shall report all failures to achieve Service Levels and any Critical Service Level Failure to the Customer in accordance with the processes agreed in paragraph 7.2 above.

### **9. PERFORMANCE MONITORING AND PERFORMANCE REVIEW**

- 9.1 The Supplier shall provide the Customer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 7.2 above which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
  - 9.1.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
  - 9.1.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;
  - 9.1.3 any Critical Service Level Failures and details in relation thereto;
  - 9.1.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
  - 9.1.5 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
  - 9.1.6 such other details as the Customer may reasonably require from time to time.
- 9.2 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a monthly basis (unless otherwise agreed). The Performance Review Meetings will be the forum for the review by the Supplier and the Customer of the performance monitoring reports. The Performance Review Meetings shall (unless otherwise agreed):
  - 9.2.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier;



- 9.2.2 take place at such location and time (within normal business hours) as the Customer shall reasonably require unless otherwise agreed in advance;
  - 9.2.3 be attended by the Supplier's Representative and the Customer's Representative; and
  - 9.2.4 be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Customer's Representative and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Customer's Representative at each meeting.
- 9.3 The Customer shall be entitled to raise any additional questions and/or request any further information regarding any failure to achieve Service Levels.
- 9.4 The Supplier shall provide to the Customer such supporting documentation as the Customer 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.

#### **10. SATISFACTION SURVEYS**

- 10.1 In order to assess the level of performance of the Supplier, the Customer may undertake satisfaction surveys in respect of the Supplier's provision of the Services.
- 10.2 The Customer shall be entitled to notify the Supplier of any aspects of their performance of the Services which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with the Call Off Contract.

**ANNEX 1 TO PART B: ADDITIONAL PERFORMANCE MONITORING  
REQUIREMENTS – N/A**

*[You may for example wish to include the following clauses and definitions:*

In this Schedule, the following definitions shall apply:

<b>“Project Manager”</b>	shall have the meaning given to it in paragraph 5.1 of Part B of Schedule 6 (Service Levels, Service Credits and Performance Monitoring);
<b>“Technical Board”</b>	shall mean the board established in accordance with paragraph 6 of Part B of Schedule 6 (Service Levels, Service Credits and Performance Monitoring);

**1. MANAGEMENT OF THE SERVICES**

- 1.1 The Supplier and the Customer shall each appoint a Project Manager for the purposes of this Call Off Contract through whom the Services shall be managed at a day-to-day (“**Project Manager**”).
- 1.2 Both parties shall ensure that appropriate resource is made available on a regular basis including, for example, a Technical Board such that the aims, objectives and specific provisions of this Call Off Contract can be fully realised .

**2. TECHNICAL BOARD**

- 2.1 The Technical Board shall be established by the Customer for the purposes of this Call Off Contract on which the Supplier and the Customer shall be represented.
- 2.2 The Technical Board members, frequency and location of board meetings and planned start date by which the board shall be established shall be set out in Annex [x].
- 2.3 In the event that either Party wishes to replace any of its appointed board members, that party shall notify the other in writing of the proposed change for agreement by the other Party (such agreement not to be unreasonably withheld or delayed). Notwithstanding the foregoing it is intended that each Customer board member has at all times a counterpart Supplier board member of equivalent seniority and expertise.
- 2.4 Each Party shall ensure that its board members shall make all reasonable efforts to attend board meetings at which that board member’s attendance is required. If any board member is not able to attend a board meeting, that person shall use all reasonable endeavours to ensure that a delegate attends the Technical Board meeting in his/her place (wherever possible) is properly briefed and prepared and that he/she is debriefed by such delegate after the board meeting.
- 2.5 The Technical Board shall be accountable to the Project Managers for oversight of the technology used in the Supplier Solution and ensuring that technological choices are made to maximise the long term value of the Services.
- 2.6 The Technical Board shall:

- 2.6.1 assure compliance with the overall technical architecture of the Customer and with Government IT Strategy (as defined at [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/85968/uk-government-government-ict-strategy\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/85968/uk-government-government-ict-strategy_0.pdf));
- 2.6.2 grant dispensations for variations from such compliance where appropriate;
- 2.6.3 assure the coherence and consistency of the systems architecture for the Services;
- 2.6.4 monitor developments in new technology and reporting on their potential benefit to the Services;
- 2.6.5 provide advice, guidance and information on technical issues; and
- 2.6.6 assure that the technical architecture of the Services is aligned to the Service requirements specified in Schedule 2 (Goods and Services) and has sufficient flexibility to cope with future requirements of the Customer.]

**CALL OFF SCHEDULE 7: STANDARDS**

**STANDARDS**

No additional Standards

## CALL OFF SCHEDULE 8: SECURITY

### 1. DEFINITIONS

1.1 In this Call Off Schedule 8, the following definitions shall apply:

<b>“Breach of Security”</b>	the occurrence of:  any unauthorised access to or use of the Goods and/or Services, the Sites and/or any ICT, information or data (including the Confidential Information and the Customer Data) used by the Customer and/or the Supplier in connection with this Call Off Contract; and/or  the loss and/or unauthorised disclosure of any information or data (including the Confidential Information and the Customer Data), including any copies of such information or data, used by the Customer and/or the Supplier in connection with this Call Off Contract,  in either case as more particularly set out in the Security requirements in Annex 1 (Security) to this Call Off Schedule 8 and the Security Policy;
<b>“ISMS”</b>	the information security management system developed by the Supplier in accordance with paragraph 2 (ISMS) as updated from time to time in accordance with this Schedule 8;
<b>“Security Policy Framework”</b>	the HMG Security Policy Framework (available from the Cabinet Office); and
<b>“Security Tests”</b>	has the meaning given in paragraph 5.1 (Testing of the ISMS).

### 2. ISMS

- 2.1 By the date specified in the Implementation Plan the Supplier shall develop and submit to the Customer for the Customer's Approval an information security management system for the purposes of this Call Off Contract, which:
- 2.1.1 if required by the Implementation Plan, shall have been tested in accordance with Call Off Schedule 5 (*Testing*); and
  - 2.1.2 shall comply with the requirements of paragraphs 2.3 to 2.5 of this Call Off Schedule 8 (Security).
- 2.2 The Supplier acknowledges that the Customer places great emphasis on the confidentiality, integrity and availability of information and consequently on the security provided by the ISMS and that the Supplier shall be responsible for the effective performance of the ISMS.
- 2.3 The ISMS shall:
- 2.1.3 unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Goods and/or Services and all processes associated with the delivery of the Goods and/or

Services, including the Customer Premises, the Sites, the Supplier System and any ICT, information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Call Off Contract;

- 2.1.4 meet the relevant standards in ISO/IEC 27001;and
- 2.1.5 at all times provide a level of security which:
  - a) is in accordance with Good Industry Practice, Law and this Call Off Contract;
  - b) complies with the Security Policy;
  - c) complies with at least the minimum set of security measures and standards as determined by the Security Policy Framework (Tiers 1-4);
  - d) meets any specific security threats to the ISMS;
  - e) complies with ISO/IEC27001 and ISO/IEC27002 in accordance with paragraph 6 (Compliance of the ISMS With ISO/IEC 27001);
  - f) complies with the security requirements as set out in Annex 1 (Security) to this Call Off Schedule 8; and
  - g) complies with the Customer's ICT policies.
- 2.4 Subject to Clause 24 (Security And Protection of Information) the references to standards, guidance and policies set out in paragraph 2.3 shall be deemed to be references to such items as developed and updated and to any successor to or replacement for such standards, guidance and policies, as notified to the Supplier from time to time.
- 2.5 In the event that the Supplier becomes aware of any inconsistency in the provisions of the standards, guidance and policies set out in paragraph 2.3, the Supplier shall immediately notify the Customer Representative of such inconsistency and the Customer Representative shall, as soon as practicable, notify the Supplier as to which provision the Supplier shall comply with.
- 2.6 If the ISMS submitted to the Customer pursuant to paragraph 2.1 is Approved by the Customer, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Call Off Schedule 8. If the ISMS is not Approved by the Customer, the Supplier shall amend it within 10 Working Days of a notice of non-approval from the Customer and re-submit it to the Customer for Approval. The Parties shall use all reasonable endeavours to ensure that the Approval process takes as little time as possible and in any event no longer than 15 Working Days (or such other period as the Parties may agree in writing) from the date of the first submission of the ISMS to the Customer. If the Customer does not Approve the ISMS following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No Approval to be given by the Customer pursuant to this paragraph 2 may be unreasonably withheld or delayed. However any failure to approve the ISMS on the grounds that it does not comply with any of the requirements set out in paragraphs 2.3 to 2.5 shall be deemed to be reasonable.

- 2.7 Approval by the Customer of the ISMS pursuant to paragraph 2.6 or of any change or amendment to the ISMS shall not relieve the Supplier of its obligations under this Schedule.

### **3. SECURITY MANAGEMENT PLAN**

- 3.1 Within 20 Working Days after the Call Off Commencement Date, the Supplier shall prepare and submit to the Customer for Approval in accordance with paragraph 3.3 a fully developed, complete and up-to-date Security Management Plan which shall comply with the requirements of paragraph 3.2.
- 3.2 The Security Management Plan shall:
- 3.1.1 be based on the initial Security Management Plan set out in Annex 2 (Security Management Plan);
  - 3.1.2 comply with the Security Policy;
  - 3.1.3 unless otherwise specified by the Customer in writing, be developed to protect all aspects of the Goods and/or Services and all processes associated with the delivery of the Goods and/or Services, including the Customer Premises, the Sites, the Supplier System and any ICT, information and data (including the Customer's Confidential Information and the Customer Data) to the extent used by the Customer or the Supplier in connection with this Call Off Contract;
  - 3.1.4 set out the security measures to be implemented and maintained by the Supplier in relation to all aspects of the Goods and/or Services and all processes associated with the delivery of the Goods and/or Services and at all times comply with and specify security measures and procedures which are sufficient to ensure that the Goods and/or Services comply with the provisions of this Call Off Schedule 8 (including the requirements set out in paragraph 2.3);
  - 3.1.5 set out the plans for transiting all security arrangements and responsibilities from those in place at the Call Off Commencement Date to those incorporated in the Supplier's ISMS at the date set out in the Implementation Plan for the Supplier to meet the full obligations of the security requirements set out in Schedule Annex 1 (Security) to this Schedule 8.
  - 3.1.6 be structured in accordance with ISO/IEC27001 and ISO/IEC27002, cross-referencing if necessary to other Schedules which cover specific areas included within those standards; and
  - 3.1.7 be written in plain English in language which is readily comprehensible to the staff of the Supplier and the Customer engaged in the Goods and/or Services and shall reference only documents which are in the possession of the Customer or whose location is otherwise specified in this Call Off Schedule 8.
- 3.3 If the Security Management Plan submitted to the Customer pursuant to paragraph 3.1 is Approved by the Customer, it shall be adopted by the Supplier immediately and thereafter operated and maintained in accordance with this Call Off Schedule 8. If the Security Management Plan is not approved by the Customer, the Supplier shall amend it within

10 Working Days of a notice of non-approval from the Customer and re-submit it to the Customer for Approval. The Parties shall use all reasonable endeavours to ensure that the Approval process takes as little time as possible and in any event no longer than 15 Working Days (or such other period as the Parties may agree in writing) from the date of the first submission to the Customer of the Security Management Plan. If the Customer does not Approve the Security Management Plan following its resubmission, the matter shall be resolved in accordance with the Dispute Resolution Procedure. No Approval to be given by the Customer pursuant to this Paragraph 3.3 may be unreasonably withheld or delayed. However any failure to approve the Security Management Plan on the grounds that it does not comply with the requirements set out in Paragraph 3.2 shall be deemed to be reasonable.

- 3.4 Approval by the Customer of the Security Management Plan pursuant to paragraph 3.3 or of any change or amendment to the Security Management Plan shall not relieve the Supplier of its obligations under this Call Off Schedule 8.

#### **4. AMENDMENT AND REVISION OF THE ISMS AND SECURITY MANAGEMENT PLAN**

- 4.1 The ISMS and Security Management Plan shall be fully reviewed and updated by the Supplier from time to time and at least annually to reflect:
- 4.1.1 emerging changes in Good Industry Practice;
  - 4.1.2 any change or proposed change to the Supplier System, the Goods and/or Services and/or associated processes;
  - 4.1.3 any new perceived or changed security threats; and
  - 4.1.4 any reasonable request by the Customer.
- 4.2 The Supplier shall provide the Customer with the results of such reviews as soon as reasonably practicable after their completion and amend the ISMS and Security Management Plan at no additional cost to the Customer. The results of the review shall include, without limitation:
- 4.2.1 suggested improvements to the effectiveness of the ISMS;
  - 4.2.2 updates to the risk assessments;
  - 4.2.3 proposed modifications to the procedures and controls that effect information security to respond to events that may impact on the ISMS; and
  - 4.2.4 suggested improvements in measuring the effectiveness of controls.
- 4.3 Subject to paragraph 4.4, any change or amendment which the Supplier proposes to make to the ISMS or Security Management Plan (as a result of a review carried out pursuant to paragraph 4.1, a Customer request, change to Annex 1 (Security) or otherwise) shall be subject to the Variation Procedure and shall not be implemented until Approved in writing by the Customer.
- 4.4 The Customer may, where it is reasonable to do so, Approve and require changes or amendments to the ISMS or Security Management Plan to be implemented on timescales faster than set out in the Variation Procedure but, without prejudice to their effectiveness, all such changes and



amendments shall thereafter be subject to the Variation Procedure for the purposes of formalising and documenting the relevant change or amendment for the purposes of this Call Off Contract.

## **5. TESTING OF THE ISMS**

- 5.1 The Supplier shall conduct tests of the ISMS ("Security Tests") from time to time and at least annually and additionally after any change or amendment to the ISMS or the Security Management Plan. Security Tests shall be designed and implemented by the Supplier so as to minimise the impact on the delivery of the Goods and/or Services and the date, timing, content and conduct of such Security Tests shall be agreed in advance with the Customer. Subject to compliance by the Supplier with the foregoing requirements, if any Security Tests adversely affect the Supplier's ability to deliver the Goods and/or Services so as to meet the Service Level Performance Measures, the Supplier shall be granted relief against any resultant under-performance for the period of the Security Tests.
- 5.2 The Customer shall be entitled to send a representative to witness the conduct of the Security Tests. The Supplier shall provide the Customer with the results of such Security Tests (in a form approved by the Customer in advance) as soon as practicable after completion of each Security Test.
- 5.3 Without prejudice to any other right of audit or access granted to the Customer pursuant to this Call Off Contract, the Customer and/or its authorised representatives shall be entitled, at any time by giving reasonable notice to the Supplier, to carry out such tests (including penetration tests) as it may deem necessary in relation to the ISMS and the Supplier's compliance with the ISMS and the Security Management Plan. The Customer may notify the Supplier of the results of such tests after completion of each such test.
- 5.4 Where any Security Test carried out pursuant to paragraphs 5.2 or 5.3 reveals any actual or potential breach of security, the Supplier shall promptly notify the Customer of any changes to the ISMS and to the Security Management Plan (and the implementation thereof) which the Supplier proposes to make in order to correct such failure or weakness. Subject to the Customer's prior written Approval, the Supplier shall implement such changes to the ISMS and the Security Management Plan and repeat the relevant Security Tests in accordance with the timetable agreed with the Customer or, otherwise, as soon as reasonably possible. For the avoidance of doubt, where the change to the ISMS or Security Management Plan is to address a non-compliance with the Security Policy or security requirements (as set out in Annex 1 (Security) to this Call Off Schedule 8) or the requirements of this Schedule 8, the change to the ISMS or Security Management Plan shall be at no cost to the Customer.
- 5.5 If any repeat Security Test carried out pursuant to paragraph 5.4 reveals an actual or potential breach of security exploiting the same root cause failure, such circumstance shall constitute a material Default of the Call Off contract.

## **6. COMPLIANCE OF THE ISMS WITH ISO/IEC 27001**

- 6.1 The Customer shall be entitled to carry out such security audits as it may reasonably deem necessary in order to ensure that the ISMS maintains compliance with the principles and practices of ISO 27001.
- 6.2 If, on the basis of evidence provided by such security audits, it is the Customer's reasonable opinion that compliance with the principles and practices of ISO/IEC 27001 is not being achieved by the Supplier, then the Customer shall notify the Supplier of the same and give the Supplier a reasonable time (having regard to the extent and criticality of any non-compliance and any other relevant circumstances) to become compliant with the principles and practices of ISO/IEC 27001. If the Supplier does not become compliant within the required time then the Customer shall have the right to obtain an independent audit against these standards in whole or in part.
- 6.3 If, as a result of any such independent audit as described in paragraph 6.2 the Supplier is found to be non-compliant with the principles and practices of ISO/IEC 27001 then the Supplier shall, at its own expense, undertake those actions required in order to achieve the necessary compliance and shall reimburse in full the costs incurred by the Customer in obtaining such audit.

## **7. BREACH OF SECURITY**

- 7.1 Either Party shall notify the other in accordance with the agreed security incident management process as defined by the ISMS upon becoming aware of any breach of security or any potential or attempted breach of security.
- 7.2 Without prejudice to the security incident management process, upon becoming aware of any of the circumstances referred to in paragraph 7.1, the Supplier shall:
  - 7.2.1 immediately take all reasonable steps (which shall include any action or changes reasonably required by the Customer) necessary to:
    - a) remedy such breach of security or any potential or attempted breach of security or protect the integrity of the ISMS against any such breach of security or any potential or attempted breach of security; and
    - b) prevent a further breach of security or any potential or attempted breach of security in the future exploiting the same root cause failure; and
  - 7.2.2 as soon as reasonably practicable provide to the Customer full details (using such reporting mechanism as defined by the ISMS) of the breach of security or the potential or attempted breach of security, including a root cause analysis where required by the Customer.
- 7.3 In the event that such action is taken in response to a breach of security or potential or attempted breach of security that demonstrates non-compliance of the ISMS with the Security Policy or security requirements (as set out in Annex 1 (Security) to this Call Off Schedule 8) or the requirements of this Call Off Schedule 8, then any required change to the ISMS shall be at no cost to the Customer.

## ANNEX 1: SECURITY POLICY

### DVLA Guidance: Offshoring Personal Data

From a commercial perspective it continues to be an attractive prospect to store, hold and access data outside of the UK. However, this has significant implications for DVLA from an information assurance perspective and potentially introduces new risks (especially reputational damage) and can incur additional costs in managing or mitigating those risks.

In line with HMG policy, the Agency position is that DVLA personal data is **not** to be stored or accessed overseas. However, the Agency recognises the complexity of the global data environment, and variations in regulation between storage within the European Economic Area and elsewhere. Our main concern is to preserve the confidentiality, integrity and availability of the data, and to minimise risk to this asset. These notes advise on procedures.

#### 1: Process for the approval of proposals to store personal data overseas

Any proposals to store, process or access personal data sets overseas **must** be approved by DVLA's Information Assurance Group [IAG]. Email: [REDACTED]

All commercial customers utilising DVLA data are obliged to comply with these requirements. For the avoidance of doubt, primary contractors will be responsible for ensuring their sub contracted resources also comply with these guidelines.

The service elements offered by offshore service providers may include, but are not confined to:

- Software development, including research.
- Database administration
- Data processing centres (including hosting), data warehouses (including archive facilities), and web hosting;
- Call centres and help desks;
- Hardware development, supply and maintenance;
- Developing and writing code used in processing DVLA personal data.

## **2: Definitions.**

'Offshoring', in the context of DVLA data sharing agreements, would be defined as the transfer of a business process to another country under existing contractual obligations agreed with the Agency where the data remains within the UK but is accessed outside of the EEA or is also transferred, stored and processed outside of the EEA. Under UK law, personal data cannot be transferred to a country outside the EEA unless that country ensures an adequate level of protection for the rights and freedoms of the data.

'Near-shoring', in the context of DVLA data sharing agreements, would be defined as the transfer of a business process to another country under existing contractual obligations agreed with the Agency where the data remains within the UK but is accessed within the EEA or is also transferred, stored and processed within of the EEA.

The Agency is responsible for assessing whether the data intended to be off-shored could be categorised as personal data. Applicants will be required to complete an Off-shoring Registration Form followed by an assessment once all the details have been received. This assessment includes:

- the business case for offshoring,
- security management responsibilities,
- contractual agreements,
- risk assessments,
- on-going security management (including incident reporting and business continuity).

Any changes to agreed offshoring/nearshoring arrangements will need to be agreed with the Agency prior to implementation.

## **3: Criteria.**

The criteria applied by IAG to contracts that involve data offshoring, is as follows:

### **3.1: Compliance with ISO 27001 or 10 Steps to Cyber Security.**

As an initial step the following points need to be addressed:

- a) What data or information is the supplier/contractor collecting, holding, accessing, processing or transferring for its own purposes or on behalf of the Agency (e.g. anonymised, non-personal, personal etc);
- b) Ensuring that risks are identified and data is protected, but in cases of personal (and especially protect personal data) the DVLA will ensure that the supplier/contractor meets the specifications set out in ISO 27001 or the 10 Steps to Cyber Security

Any organisation proposing to offshore DVLA data must provide evidence of:

- Technical security – security of the systems in play including access controls, monitoring protections for the integrity of systems including firewall, anti-virus, etc.;
- Physical – location of their buildings and protection for them, where are the backups created/stored, conditions for handling data;
- People – who has access to the data, how are they vetted, have they been vetted by us or do they need to be?
- Culture – does the culture value data and treat it as an asset? What evidence do they have that the necessary culture is in place to protect data?
- Binding corporate rules
- Compliance with the DPA (Data Protection Act)
- Agreed EU model contract clauses

### **3.2: Assurance that approval from Senior Information Risk Officer (SIRO) that adequate information risk assessment and protection is in place.**

The approval of the SIRO approval is required for existing contracts that involve some form of off-shored data processing. To do this, IAG and Commercial Services Group (CSG) will need:

- A completed Off-shoring Registration Form
- Details of the contract in place including duration and break clauses
- Evidence of compliances; e.g. ISO 27001

The Agency may at this point undertake a Privacy Impact Assessment, in compliance with the requirements of the Information Commissioner's Office.

The initial point of contact regarding this Appendix will be via Email to;

[REDACTED]

**ANNEX 2: SECURITY MANAGEMENT PLAN**

N/A

#### **CALL OFF SCHEDULE 9: SOFTWARE**

Third party software (if any) shall be licensed subject to the third party licensor's standard licence terms which shall govern the supply, the Customer's use of and obligations relating to the software in their entirety and which shall prevail in the event of any conflict with the terms and conditions of this Call-Off Contract.

7,000 Clearswift Secure Web Gateway Licences [REDACTED]

**CALL OFF SCHEDULE 10: BUSINESS CONTINUITY AND DISASTER RECOVERY –  
N/A**

**[OPTION 1]**

**CUSTOMER BCDR REQUIREMENTS**

[ ]

**SUPPLIER BCDR PLAN**

[ ]

**[OPTION 2]**

**1. Definitions**

1.1 In this Call Off Schedule 10, the following definitions shall apply:

<b>“Business Continuity Plan”</b>	has the meaning given in paragraph 2.2.1.1 of Call Off Schedule 10 (Business Continuity and Disaster Recovery);
<b>“Business Continuity Services”</b>	has the meaning given in paragraph 4.2.2
<b>“Disaster Recovery Plan”</b>	has the meaning 2.2.1.3 of Schedule 10 (Business Continuity and Disaster Recovery);
<b>“Disaster Recovery Services”</b>	the services embodied in the processes and procedures for restoring the Services following the occurrence of a disaster;
<b>“Disaster Recovery System”</b>	the system embodied in the processes and procedures for restoring the provision of Goods and/or Services following the occurrence of a disaster s;
<b>Review Report</b>	has the meaning as set out in Paragraph 6.2;
<b>Supplier’s Proposals</b>	has the meaning as set out in Paragraph 6.2.3;

**2. BCDR PLAN**

2.1 Within [30] Working Days from the Call Off Commencement Date the Supplier shall prepare and deliver to the Customer for the Customer’s written approval a plan, which shall detail the processes and arrangements that the Supplier shall follow to:

2.1.1 ensure continuity of the business processes and operations supported by the Services following any failure or disruption of any element of the Services; and

2.1.2 the recovery of the Services in the event of a Disaster.

2.2 The BCDR Plan shall:



- 2.2.1 be divided into three parts:
  - a) Part A which shall set out general principles applicable to the BCDR Plan;
  - b) Part B which shall relate to business continuity (the “**Business Continuity Plan**”); and
  - c) Part C which shall relate to disaster recovery (the “**Disaster Recovery Plan**”); and
- 2.2.2 unless otherwise required by the Customer in writing, be based upon and be consistent with the provisions of Paragraphs 3, 4 and 5.
- 2.3 Following receipt of the draft BCDR Plan from the Supplier, the Customer shall:
  - 2.3.1 review and comment on the draft BCDR Plan as soon as reasonably practicable; and
  - 2.3.2 notify the Supplier in writing that it approves or rejects the draft BCDR Plan no later than 20 Working Days after the date on which the draft BCDR Plan is first delivered to the Customer.
- 2.4 If the Customer rejects the draft BCDR Plan:
  - 2.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and
  - 2.4.2 the Supplier shall then revise the draft BCDR Plan (taking reasonable account of the Customer's comments) and shall re-submit a revised draft BCDR Plan to the Customer for the Customer's approval within 20 Working Days of the date of the Customer's notice of rejection. The provisions of paragraph 2.3 and this paragraph 2.4 shall apply again to any resubmitted draft BCDR Plan, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.

### 3. **PART A OF THE BCDR PLAN AND GENERAL PRINCIPLES AND REQUIREMENTS**

- 3.1 Part A of the BCDR Plan shall:
  - 3.1.1 set out how the business continuity and disaster recovery elements of the Plan link to each other;
  - 3.1.2 provide details of how the invocation of any element of the BCDR Plan may impact upon the operation of the Services and any services provided to the Customer by a Related Supplier;
  - 3.1.3 contain an obligation upon the Supplier to liaise with the Customer and (at the Customer's request) any Related Suppliers with respect to issues concerning business continuity and disaster recovery where applicable;
  - 3.1.4 detail how the BCDR Plan links and interoperates with any overarching and/or connected disaster recovery or business continuity plan of the Customer and any of its other Related Supplier in each case as notified to the Supplier by the Customer from time to time;

- 3.1.5 contain a communication strategy including details of an incident and problem management service and advice and help desk facility which can be accessed via multi-channels (including but without limitation a web-site (with FAQs), e-mail, phone and fax) for both portable and desk top configurations, where required by the Customer;
- 3.1.6 contain a risk analysis, including:
  - a) failure or disruption scenarios and assessments and estimates of frequency of occurrence;
  - b) identification of any single points of failure within the Services and processes for managing the risks arising therefrom;
  - c) identification of risks arising from the interaction of the Services with the services provided by a Related Supplier; and
  - d) a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;
- 3.1.7 provide for documentation of processes, including business processes, and procedures;
- 3.1.8 set out key contact details (including roles and responsibilities) for the Supplier (and any Sub-contractors) and for the Customer;
- 3.1.9 identify the procedures for reverting to "normal service";
- 3.1.10 set out method(s) of recovering or updating data collected (or which ought to have been collected) during a failure or disruption to ensure that there is no more than the accepted amount of data loss and to preserve data integrity;
- 3.1.11 identify the responsibilities (if any) that the Customer has agreed it will assume in the event of the invocation of the BCDR Plan; and
- 3.1.12 provide for the provision of technical advice and assistance to key contacts at the Customer as notified by the Customer from time to time to inform decisions in support of the Customer's business continuity plans.
- 3.2 The BCDR Plan shall be designed so as to ensure that:
  - 3.2.1 the Services are provided in accordance with this Call Off Contract at all times during and after the invocation of the BCDR Plan;
  - 3.2.2 the adverse impact of any Disaster, service failure, or disruption on the operations of the Customer is minimal as far as reasonably possible;
  - 3.2.3 it complies with the relevant provisions of [ISO/IEC 27002] and all other industry standards from time to time in force; and
  - 3.2.4 there is a process for the management of disaster recovery testing detailed in the BCDR Plan.
- 3.3 The BCDR Plan shall be upgradeable and sufficiently flexible to support any changes to the Services or to the business processes facilitated by and the business operations supported by the Services.

- 3.4 The Supplier shall not be entitled to any relief from its obligations under the Service Levels or to any increase in the Charges to the extent that a Disaster occurs as a consequence of any breach by the Supplier of this Call Off Contract.

#### **4. BUSINESS CONTINUITY PLAN - PRINCIPLES AND CONTENTS**

- 4.1 The Business Continuity Plan shall set out the arrangements that are to be invoked to ensure that the business processes and operations facilitated by the Services remain supported and to ensure continuity of the business operations supported by the Services including, unless the Customer expressly states otherwise in writing:
- 4.1.1 the alternative processes (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the Services; and
  - 4.1.2 the steps to be taken by the Supplier upon resumption of the Services in order to address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption.
- 4.2 The Business Continuity Plan shall:
- 4.2.1 address the various possible levels of failures of or disruptions to the Services;
  - 4.2.2 set out the services to be provided and the steps to be taken to remedy the different levels of failures of and disruption to the Services (such services and steps, the "Business Continuity Services");
  - 4.2.3 specify any applicable Service Levels with respect to the provision of the Business Continuity Services and details of any agreed relaxation to the Service Levels in respect of other Services during any period of invocation of the Business Continuity Plan; and
  - 4.2.4 clearly set out the conditions and/or circumstances under which the Business Continuity Plan is invoked.

#### **5. DISASTER RECOVERY PLAN - PRINCIPLES AND CONTENTS**

- 5.1 The Disaster Recovery Plan shall be designed so as to ensure that upon the occurrence of a Disaster the Supplier ensures continuity of the business operations of the Customer supported by the Services following any Disaster or during any period of service failure or disruption with, as far as reasonably possible, minimal adverse impact.
- 5.2 The Disaster Recovery Plan shall be invoked only upon the occurrence of a Disaster.
- 5.3 The Disaster Recovery Plan shall include the following:
- 5.3.1 the technical design and build specification of the Disaster Recovery System;
  - 5.3.2 details of the procedures and processes to be put in place by the Supplier in relation to the Disaster Recovery System and the provision of the Disaster Recovery Services and any testing of the same including but not limited to the following:
    - a) [data centre and disaster recovery site audits;

- b) backup methodology and details of the Supplier's approach to data back-up and data verification;
  - c) identification of all potential disaster scenarios;
  - d) risk analysis;
  - e) documentation of processes and procedures;
  - f) hardware configuration details;
  - g) network planning including details of all relevant data networks and communication links;
  - h) invocation rules;
  - i) Service recovery procedures; and
  - j) steps to be taken upon resumption of the Services to address any prevailing effect of the failure or disruption of the Services;
- 5.3.3 any applicable Service Levels with respect to the provision of the Disaster Recovery Services and details of any agreed relaxation to the Service Levels in respect of other Services during any period of invocation of the Disaster Recovery Plan;
- 5.3.4 details of how the Supplier shall ensure compliance with security standards ensuring that compliance is maintained for any period during which the Disaster Recovery Plan is invoked;
- 5.3.5 access controls to any disaster recovery sites used by the Supplier in relation to its obligations pursuant to this Schedule; and
- 5.3.6 testing and management arrangements.

## **6. REVIEW AND AMENDMENT OF THE BCDR PLAN**

- 6.1 The Supplier shall review the BCDR Plan (and the risk analysis on which it is based):
- 6.1.1 on a regular basis and as a minimum once every 6 months;
  - 6.1.2 within three (3) calendar months of the BCDR Plan (or any part) having been invoked pursuant to Paragraph 7; and
  - 6.1.3 where the Customer requests any additional reviews (over and above those provided for in Paragraphs 6.1.1 and 6.1.2) by notifying the Supplier to such effect in writing, whereupon the Supplier shall conduct such reviews in accordance with the Customer's written requirements. Prior to starting its review, the Supplier shall provide an accurate written estimate of the total costs payable by the Customer for the Customer's approval. The costs of both Parties of any such additional reviews shall be met by the Customer except that the Supplier shall not be entitled to charge the Customer for any costs that it may incur above any estimate without the Customer's prior written approval.
- 6.2 Each review of the BCDR Plan pursuant to Paragraph 6.1 shall be a review of the procedures and methodologies set out in the BCDR Plan and shall

assess their suitability having regard to any change to the Services or any underlying business processes and operations facilitated by or supported by the Services which have taken place since the later of the original approval of the BCDR Plan or the last review of the BCDR Plan and shall also have regard to any occurrence of any event since that date (or the likelihood of any such event taking place in the foreseeable future) which may increase the likelihood of the need to invoke the BCDR Plan. The review shall be completed by the Supplier within the period required by the BCDR Plan or, if no such period is required, within such period as the Customer shall reasonably require. The Supplier shall, within 20 Working Days of the conclusion of each such review of the BCDR Plan, provide to the Customer a report (a “**Review Report**”) setting out:

- 6.2.1 the findings of the review;
  - 6.2.2 any changes in the risk profile associated with the Services; and
  - 6.2.3 the Supplier's proposals (the “Supplier's Proposals”) for addressing any changes in the risk profile and its proposals for amendments to the BCDR Plan following the review detailing the impact (if any and to the extent that the Supplier can reasonably be expected to be aware of the same) that the implementation of such proposals may have on any services or systems provided by a third party.
- 6.3 Following receipt of the Review Report and the Supplier's Proposals, the Customer shall:
- 6.3.1 review and comment on the Review Report and the Supplier's Proposals as soon as reasonably practicable; and
  - 6.3.2 notify the Supplier in writing that it approves or rejects the Review Report and the Supplier's Proposals no later than 20 Working Days after the date on which they are first delivered to the Customer.
- 6.4 If the Customer rejects the Review Report and/or the Supplier's Proposals:
- 6.4.1 the Customer shall inform the Supplier in writing of its reasons for its rejection; and
  - 6.4.2 the Supplier shall then revise the Review Report and/or the Supplier's Proposals as the case may be (taking reasonable account of the Customer's comments and carrying out any necessary actions in connection with the revision) and shall re-submit a revised Review Report and/or revised Supplier's Proposals to the Customer for the Customer's approval within 20 Working Days of the date of the Customer's notice of rejection. The provisions of Paragraph 6.3 and this Paragraph 6.4 shall apply again to any resubmitted Review Report and Supplier's Proposals, provided that either Party may refer any disputed matters for resolution by the Dispute Resolution Procedure at any time.
- 6.5 The Supplier shall as soon as is reasonably practicable after receiving the Customer's approval of the Supplier's Proposals (having regard to the significance of any risks highlighted in the Review Report) effect any change in its practices or procedures necessary so as to give effect to the Supplier's Proposals. Any such change shall be at the Supplier's expense unless it can be reasonably shown that the changes are required because of a material change to the risk profile of the Services.

## 7. TESTING OF THE BCDR PLAN

- 7.1 The Supplier shall test the BCDR Plan on a regular basis (and in any event not less than once in every Contract Year). Subject to Paragraph 7.2, the Customer may require the Supplier to conduct additional tests of some or all aspects of the BCDR Plan at any time where the Customer considers it necessary, including where there has been any change to the Services or any underlying business processes, or on the occurrence of any event which may increase the likelihood of the need to implement the BCDR Plan.
- 7.2 If the Customer requires an additional test of the BCDR Plan, it shall give the Supplier written notice and the Supplier shall conduct the test in accordance with the Customer's requirements and the relevant provisions of the BCDR Plan. The Supplier's costs of the additional test shall be borne by the Customer unless the BCDR Plan fails the additional test in which case the Supplier's costs of that failed test shall be borne by the Supplier.
- 7.3 The Supplier shall undertake and manage testing of the BCDR Plan in full consultation with the Customer and shall liaise with the Customer in respect of the planning, performance, and review, of each test, and shall comply with the reasonable requirements of the Customer in this regard. Each test shall be carried out under the supervision of the Customer or its nominee.
- 7.4 The Supplier shall ensure that any use by it or any Sub-Contractor of "live" data in such testing is first approved with the Customer. Copies of live test data used in any such testing shall be (if so required by the Customer) destroyed or returned to the Customer on completion of the test.
- 7.5 The Supplier shall, within 20 Working Days of the conclusion of each test, provide to the Customer a report setting out:
- 7.5.1 the outcome of the test;
  - 7.5.2 any failures in the BCDR Plan (including the BCDR Plan's procedures) revealed by the test; and
  - 7.5.3 the Supplier's proposals for remedying any such failures.
- 7.6 Following each test, the Supplier shall take all measures requested by the Customer, (including requests for the re-testing of the BCDR Plan) to remedy any failures in the BCDR Plan and such remedial activity and re-testing shall be completed by the Supplier, at no additional cost to the Customer, by the date reasonably required by the Customer and set out in such notice.
- 7.7 For the avoidance of doubt, the carrying out of a test of the BCDR Plan (including a test of the BCDR Plan's procedures) shall not relieve the Supplier of any of its obligations under this Call Off Contract.
- 7.8 The Supplier shall also perform a test of the BCDR Plan in the event of any major reconfiguration of the Services or as otherwise reasonably requested by the Customer.

## **8. INVOCATION OF THE BCDR PLAN**

- 8.1 In the event of a complete loss of service or in the event of a Disaster, the Supplier shall immediately invoke the BCDR Plan (and shall inform the Customer promptly of such invocation). In all other instances the Supplier shall invoke or test the BCDR Plan only with the prior consent of the Customer.



## CALL OFF SCHEDULE 11: EXIT MANAGEMENT

### 1. DEFINITIONS

1.1 In this Call Off Schedule, the following definitions shall apply:

<b>"Exclusive Assets"</b>	those Supplier Assets used by the Supplier or a Key Sub-Contractor which are used exclusively in the provision of the Services;
<b>"Exit Information"</b>	has the meaning given to it in paragraph 1;
<b>"Exit Manager"</b>	the person appointed by each Party pursuant to paragraph 3.3 for managing the Parties' respective obligations under this Call Off Schedule;
<b>"Net Book Value"</b>	the net book value of the relevant Supplier Asset(s) calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Customer of even date with this Call Off Contract;
<b>"Non-Exclusive Assets"</b>	those Supplier Assets (if any) which are used by the Supplier or a Key Sub-Contractor in connection with the Services but which are also used by the Supplier or Key Sub-Contractor for other purposes;
<b>"Registers"</b>	the register and configuration database referred to in paragraphs 3.1.1 and 3.1.2;
<b>"Termination Assistance"</b>	the activities to be performed by the Supplier pursuant to the Exit Plan, and any other assistance required by the Customer pursuant to the Termination Assistance Notice;
<b>"Termination Assistance Notice"</b>	has the meaning given in paragraph 1;
<b>"Termination Assistance Notice Period"</b>	in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is required to provide the Termination Assistance as such period may be extended pursuant to paragraph 6.2;
<b>"Transferable Assets"</b>	those of the Exclusive Assets which are capable of legal transfer to the Customer;



<b>"Transferable Contracts"</b>	the Sub-contracts, licences for Supplier's Software, licences for Third Party Software or other agreements which are necessary to enable the Customer or any Replacement Supplier to perform the Services or the Replacement Services, including in relation to licences all relevant Documentation;
<b>"Transferring Assets"</b>	has the meaning given to it in paragraph 9.2.1;
<b>"Transferring Contracts"</b>	has the meaning given to it in paragraph 9.2.3.

## 2. INTRODUCTION

- 2.1 This Call Off Schedule describes provisions that should be included in the Exit Plan, the duties and responsibilities of the Supplier to the Customer leading up to and covering the Call Off Expiry Date and the transfer of service provision to the Customer and/or a Replacement Supplier.
- 2.2 The objectives of the exit planning and service transfer arrangements are to ensure a smooth transition of the availability of the Services from the Supplier to the Customer and/or a Replacement Supplier at the Call Off Expiry Date.

## 3. OBLIGATIONS DURING THE CALL OFF CONTRACT PERIOD TO FACILITATE EXIT

- 3.1 During the Call Off Contract Period, the Supplier shall:
  - 3.1.1 create and maintain a Register of all:
    - a) Supplier Assets, detailing their:
      - i. make, model and asset number;
      - ii. ownership and status as either Exclusive Assets or Non-Exclusive Assets;
      - iii. Net Book Value;
      - iv. condition and physical location; and
      - v. use (including technical specifications); and
    - b) Sub-Contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services;
  - 3.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services, which shall contain sufficient detail to permit the Customer and/or Replacement Supplier to understand how the Supplier provides the Services and to enable the smooth transition of the Services with the minimum of disruption;

- 3.1.3 agree the format of the Registers with the Customer as part of the process of agreeing the Exit Plan; and
- 3.1.4 at all times keep the Registers up to date, in particular in the event that Assets, Sub-Contracts or other relevant agreements are added to or removed from the Services.
- 3.2 The Supplier shall:
  - 3.2.1 procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of the Services under this Call Off Contract.
- 3.3 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Call Off Schedule and provide written notification of such appointment to the other Party within three (3) months of the Call Off Commencement Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-Contractors comply with this Call Off Schedule. The Supplier shall ensure that its Exit Manager has the requisite Customer to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Call Off Schedule. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Call Off Contract and all matters connected with this Call Off Schedule and each Party's compliance with it.

#### 4. OBLIGATIONS TO ASSIST ON RE-TENDERING OF SERVICES

- 4.1 On reasonable notice at any point during the Call Off Contract Period, the Supplier shall provide to the Customer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Customer of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:
  - 4.1.1 details of the Service(s);
  - 4.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;
  - 4.1.3 an inventory of Customer Data in the Supplier's possession or control;
  - 4.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;
  - 4.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Services;
  - 4.1.6 all information relating to Transferring Supplier Employees required to be provided by the Supplier under this Call Off Contract; and
  - 4.1.7 such other material and information as the Customer shall reasonably require,
 (together, the "**Exit Information**").
- 4.2 The Supplier acknowledges that the Customer may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier

or any third party whom the Customer is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Customer may not under this paragraph 4.2 disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-contractors' prices or costs).

- 4.3 The Supplier shall:
  - 4.3.1 notify the Customer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Services and shall consult with the Customer regarding such proposed material changes; and
  - 4.3.2 provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from the Customer.
- 4.4 The Supplier may charge the Customer for its reasonable additional costs to the extent the Customer requests more than four (4) updates in any six (6) month period.
- 4.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:
  - 4.5.1 prepare an informed offer for those Services; and
  - 4.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

## 5. EXIT PLAN

- 5.1 The Supplier shall, within three (3) months after the Call Off Commencement Date, deliver to the Customer an Exit Plan which:
  - 5.1.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the Services from the Supplier to the Customer and/or its Replacement Supplier on the expiry or termination of this Call Off Contract;
  - 5.1.2 complies with the requirements set out in paragraph 5.3;
  - 5.1.3 is otherwise reasonably satisfactory to the Customer.
- 5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
- 5.3 Unless otherwise specified by the Customer or Approved, the Exit Plan shall set out, as a minimum:
  - 5.3.1 how the Exit Information is obtained;
  - 5.3.2 the management structure to be employed during both transfer and cessation of the Services;
  - 5.3.3 the management structure to be employed during the Termination Assistance Period;
  - 5.3.4 a detailed description of both the transfer and cessation processes, including a timetable;

- 5.3.5 how the Services will transfer to the Replacement Supplier and/or the Customer, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Customer's technology components from any technology components operated by the Supplier or its Sub-Contractors (where applicable);
- 5.3.6 details of contracts (if any) which will be available for transfer to the Customer and/or the Replacement Supplier upon the Call Off Expiry Date together with any reasonable costs required to effect such transfer (and the Supplier agrees that all Transferable Assets and Transferable Contracts used by the Supplier in connection with the provision of the Goods and/or Services will be available for such transfer);
- 5.3.7 proposals for the training of key members of the Replacement Supplier's personnel in connection with the continuation of the provision of the Services following the Call Off Expiry Date charged at rates agreed between the Parties at that time;
- 5.3.8 proposals for providing the Customer or a Replacement Supplier copies of all documentation:
  - a) used in the provision of the Services and necessarily required for the continued use thereof, in which the Intellectual Property Rights are owned by the Supplier; and
  - b) relating to the use and operation of the Services;
- 5.3.9 proposals for the assignment or novation of the provision of all services, leases, maintenance agreements and support agreements utilised by the Supplier in connection with the performance of the supply of the Services;
- 5.3.10 proposals for the identification and return of all Customer Property in the possession of and/or control of the Supplier or any third party (including any Sub-Contractor);
- 5.3.11 proposals for the disposal of any redundant Services and materials;
- 5.3.12 procedures to deal with requests made by the Customer and/or a Replacement Supplier for Staffing Information pursuant to Call Off Schedule 12 (Staff Transfer);
- 5.3.13 how each of the issues set out in this Call Off Schedule will be addressed to facilitate the transition of the Services from the Supplier to the Replacement Supplier and/or the Customer with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period; and
- 5.3.14 proposals for the supply of any other information or assistance reasonably required by the Customer or a Replacement Supplier in order to effect an orderly handover of the provision of the Services.

## 6. TERMINATION ASSISTANCE

- 6.1 The Customer shall be entitled to require the provision of Termination Assistance at any time during the Call Off Contract Period by giving written notice to the Supplier (a "**Termination Assistance Notice**") at least four (4) months prior to the Call Off Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) month) following the

service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:

- 6.1.1 the date from which Termination Assistance is required;
- 6.1.2 the nature of the Termination Assistance required; and
- 6.1.3 the period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) months after the date that the Supplier ceases to provide the Services.

- 6.2 The Customer shall have an option to extend the period of Termination Assistance beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than six (6) months after the date the Supplier ceases to provide the Services or, if applicable, beyond the end of the Termination Assistance Period and provided that it shall notify the Supplier to such effect no later than twenty (20) Working Days prior to the date on which the provision of Termination Assistance is otherwise due to expire. The Customer shall have the right to terminate its requirement for Termination Assistance by serving not less than (20) Working Days' written notice upon the Supplier to such effect.

## **7. TERMINATION ASSISTANCE PERIOD**

- 7.1 Throughout the Termination Assistance Period, or such shorter period as the Customer may require, the Supplier shall:
  - 7.1.1 continue to provide the Services (as applicable) and, if required by the Customer pursuant to paragraph 1, provide the Termination Assistance;
  - 7.1.2 in addition to providing the Services and the Termination Assistance, provide to the Customer any reasonable assistance requested by the Customer to allow the Services to continue without interruption following the termination or expiry of this Call Off Contract and to facilitate the orderly transfer of responsibility for and conduct of the Services to the Customer and/or its Replacement Supplier;
  - 7.1.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 without additional costs to the Customer;
  - 7.1.4 provide the Services and the Termination Assistance at no detriment to the Service Level Performance Measures, save to the extent that the Parties agree otherwise in accordance with paragraph 7.3; and
  - 7.1.5 at the Customer's request and on reasonable notice, deliver up-to-date Registers to the Customer.
- 7.2 Without prejudice to the Supplier's obligations under paragraph 7.1.3, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 without additional costs to the Customer, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Assistance or the Exit Plan shall be subject to the Change Control Procedure.

- 7.3 If the Supplier demonstrates to the Customer's reasonable satisfaction that transition of the Services and provision of the Termination Assist during the Termination Assistance Period will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Service Level Performance Measure(s), the Parties shall vary the relevant Service Level Performance Measure(s) and/or the applicable Service Credits to take account of such adverse effect.

## **8. TERMINATION OBLIGATIONS**

- 8.1 The Supplier shall comply with all of its obligations contained in the Exit Plan.
- 8.2 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of this Call Off Schedule), the Supplier shall:
- 8.2.1 cease to use the Customer Data;
  - 8.2.2 provide the Customer and/or the Replacement Supplier with a complete and uncorrupted version of the Customer Data in electronic form (or such other format as reasonably required by the Customer);
  - 8.2.3 erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Customer Data and promptly certify to the Customer that it has completed such deletion;
  - 8.2.4 return to the Customer such of the following as is in the Supplier's possession or control:
    - a) all copies of the Customer Software and any other software licensed by the Customer to the Supplier under this Call Off Contract;
    - b) all materials created by the Supplier under this Call Off Contract in which the IPRs are owned by the Customer;
    - c) any parts of the IT Environment and any other equipment which belongs to the Customer;
    - d) any items that have been on-charged to the Customer, such as consumables; and
    - e) [all Customer Property issued to the Supplier under Clause 54 (Customer Property). Such Customer Property shall be handed back to the Customer in good working order (allowance shall be made only for reasonable wear and tear)];
    - f) any sums prepaid by the Customer in respect of Services not Delivered by the Call Off Expiry Date;
  - 8.2.5 vacate any Customer Premises;
  - 8.2.6 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Services and shall leave the

Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier and/or any Supplier Personnel;

8.2.7 provide access during normal working hours to the Customer and/or the Replacement Supplier for up to 12 months after expiry or termination to:

- a) such information relating to the Services as remains in the possession or control of the Supplier; and
- b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Customer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this paragraph b)

8.3 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of this Call Off Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Services or for statutory compliance purposes.

8.4 Except where this Call Off Contract provides otherwise, all licences, leases and authorisations granted by the Customer to the Supplier in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.

## **9. ASSETS, SUB-CONTRACTS AND SOFTWARE**

9.1 Following notice of termination of this Call Off Contract and during the Termination Assistance Period, the Supplier shall not, without the Customer's prior written consent:

- 9.1.1 terminate, enter into or vary any Sub-Contract;
- 9.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier Assets or acquire any new Supplier Assets; or
- 9.1.3 terminate, enter into or vary any licence for software in connection with the Services.

9.2 Within 20 Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to paragraph 7.1.5, the Customer shall provide written notice to the Supplier setting out:

- 9.2.1 which, if any, of the Transferable Assets the Customer requires to be transferred to the Customer and/or the Replacement Supplier ("Transferring Assets");
- 9.2.2 which, if any, of:

- a) the Exclusive Assets that are not Transferable Assets; and
  - b) the Non-Exclusive Assets, the Customer and/or the Replacement Supplier requires the continued use of; and
- 9.2.3 which, if any, of Transferable Contracts the Customer requires to be assigned or novated to the Customer and/or the Replacement Supplier (the **"Transferring Contracts"**),
- in order for the Customer and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Customer and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Customer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Customer and/or its Replacement Supplier requires to provide the Services or Replacement Services.
- 9.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Customer and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where the cost of the Transferring Asset has been partially or fully paid for through the Call Off Contract Charges at the Call Off expiry Date, in which case the Customer shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Call Off Contract Charges.
- 9.4 Risk in the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) on payment for the same.
- 9.5 Where the Supplier is notified in accordance with paragraph 9.2.2 that the Customer and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:
- 9.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Customer) for the Customer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which
- 9.6 procure a suitable alternative to such assets and the Customer or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.
- 9.7 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Customer and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Customer reasonably requires to effect this novation or assignment.
- 9.8 The Customer shall:
- a) accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and



- b) once a Transferring Contract is novated or assigned to the Customer and/or the Replacement Supplier, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.

- 9.9 The Supplier shall hold any Transferring Contracts on trust for the Customer until such time as the transfer of the relevant Transferring Contract to the Customer and/or the Replacement Supplier has been effected.
- 9.10 The Supplier shall indemnify the Customer (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Customer (and/or Replacement Supplier) pursuant to paragraph 9.7 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract.

#### **10. SUPPLIER PERSONNEL**

- 10.1 The Customer and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Services or part of them for any reason, Call Off Schedule 12 (Staff Transfer) shall apply.
- 10.2 The Supplier shall not take any step (expressly or implicitly and directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Customer and/or the Replacement Supplier.
- 10.3 During the Termination Assistance Period, the Supplier shall give the Customer and/or the Replacement Supplier reasonable access to the Supplier's personnel to present the case for transferring their employment to the Customer and/or the Replacement Supplier.
- 10.4 The Supplier shall immediately notify the Customer or, at the direction of the Customer, the Replacement Supplier of any period of notice given by the Supplier or received from any person referred to in the Staffing Information, regardless of when such notice takes effect.
- 10.5 The Supplier shall not for a period of twelve (12) months from the date of transfer re-employ or re-engage or entice any employees, suppliers or Sub-contractors whose employment or engagement is transferred to the Customer and/or the Replacement Supplier.

#### **11. CHARGES**

- 11.1 Except as otherwise expressly specified in this Call Off Contract, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Customer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with, this Call Off Schedule including the preparation and implementation of the Exit Plan, the Termination Assistance and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

#### **12. APPORTIONMENTS**

- 12.1 All outgoings and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the

Transferring Assets and Transferring Contracts shall be apportioned between the Customer and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:

- 12.2 the amounts shall be annualised and divided by 365 to reach a daily rate;
- 12.3 the Customer shall be responsible for (or shall procure that the Replacement Supplier shall be responsible for) or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and
- 12.4 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.
- 12.5 Each Party shall pay (and/or the Customer shall procure that the Replacement Supplier shall pay) any monies due under paragraph 1 as soon as reasonably practicable.

## CALL OFF SCHEDULE 12: STAFF TRANSFER – N/A

### 1. DEFINITIONS

In this Schedule, the following definitions shall apply:

<b>“Admission Agreement”</b>	The agreement to be entered into by which the supplier agrees to participate in the Schemes as amended from time to time;
<b>“Eligible Employee”</b>	any Fair Deal Employee who at the relevant time is an eligible employee as defined in the Admission Agreement;
<b>“Fair Deal Employees”</b>	those Transferring Customer Employees who are on the Relevant Transfer Date entitled to the protection of New Fair Deal and any Transferring Former Supplier Employees who originally transferred pursuant to a Relevant Transfer under the Employment Regulations (or the predecessor legislation to the Employment Regulations), from employment with a public sector employer and who were once eligible to participate in the Schemes and who at the Relevant Transfer Date become entitled to the protection of New Fair Deal;
<b>“Former Supplier”</b>	a supplier supplying services to the Customer before the Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such supplier (or any sub-contractor of any such sub-contractor);
<b>“New Fair Deal”</b>	the revised Fair Deal position set out in the HM Treasury guidance: “Fair Deal for staff pensions: staff transfer from central government” issued in October 2013;
<b>“Notified Sub-contractor”</b>	a Sub-contractor identified in the Annex to this Schedule to whom Transferring Customer Employees and/or Transferring Former Supplier Employees will transfer on a Relevant Transfer Date;
<b>“Replacement Sub-contractor”</b>	a sub-contractor of the Replacement Supplier to whom Transferring Supplier Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);
<b>“Relevant Transfer”</b>	a transfer of employment to which the Employment Regulations applies;
<b>“Relevant Transfer Date”</b>	in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place;
<b>“Schemes”</b>	the Principal Civil Service Pension Scheme available to employees of the civil service and employees of bodies under the Superannuation Act 1972, as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Scheme and (ii) Death Benefits Scheme; the Civil Service Additional

	Voluntary Contribution Scheme; and the 2015 New Scheme (with effect from a date to be notified to the Supplier by the Minister for the Cabinet Office);
<b>“Service Transfer”</b>	any transfer of the Services (or any part of the Services), for whatever reason, from the Supplier or any Sub-contractor to a Replacement Supplier or a Replacement Sub-contractor;
<b>“Service Transfer Date”</b>	the date of a Service Transfer;
<b>“Staffing Information”</b>	<p>in relation to all persons identified on the Supplier's Provisional Supplier Personnel List or Supplier's Final Supplier Personnel List, as the case may be, such information as the Customer may reasonably request (subject to all applicable provisions of the DPA), but including in an anonymised format:</p> <ul style="list-style-type: none"> <li>(a) their ages, dates of commencement of employment or engagement and gender;</li> <li>(b) details of whether they are employed, self employed contractors or consultants, agency workers or otherwise;</li> <li>(c) the identity of the employer or relevant contracting Party;</li> <li>(d) their relevant contractual notice periods and any other terms relating to termination of employment, including redundancy procedures, and redundancy payments;</li> <li>(e) their wages, salaries and profit sharing arrangements as applicable;</li> <li>(f) details of other employment-related benefits, including (without limitation) medical insurance, life assurance, pension or other retirement benefit schemes, share option schemes and company car schedules applicable to them;</li> <li>(g) any outstanding or potential contractual, statutory or other liabilities in respect of such individuals (including in respect of personal injury claims);</li> <li>(h) details of any such individuals on long term sickness absence, parental leave, maternity leave or other authorised long term absence;</li> <li>(i) copies of all relevant documents and materials relating to such information, including copies of relevant contracts of employment (or relevant standard contracts if applied generally in respect of such employees); and</li> </ul>

- (j) any other “employee liability information” as such term is defined in regulation 11 of the Employment Regulations;

<b>“Supplier’s Final Supplier Personnel List”</b>	a list provided by the Supplier of all Supplier Personnel who will transfer under the Employment Regulations on the Relevant Transfer Date;
<b>“Supplier’s Provisional Supplier Personnel List”</b>	a list prepared and updated by the Supplier of all Supplier Personnel who are engaged in or wholly or mainly assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Supplier;
<b>“Transferring Customer Employees”</b>	those employees of the Customer to whom the Employment Regulations will apply on the Relevant Transfer Date;
<b>“Transferring Former Supplier Employees”</b>	in relation to a Former Supplier, those employees of the Former Supplier to whom the Employment Regulations will apply on the Relevant Transfer Date; and
<b>“Transferring Supplier Employees”</b>	those employees of the Supplier and/or the Supplier’s Sub-contractors to whom the Employment Regulations will apply on the Service Transfer Date

## 2. INTERPRETATION

- 2.1 Where a provision in this Schedule imposes an obligation on the Supplier to provide an indemnity, undertaking or warranty, the Supplier shall procure that each of its Sub-contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Customer, Former Supplier, Replacement Supplier or Replacement Sub-contractor, as the case may be.

## PART A

### Transferring Customer Employees at commencement of Services

## 1. RELEVANT TRANSFERS

- 1.1 The Customer and the Supplier agree that:
- 1.1.1 the commencement of the provision of the Services or of each relevant part of the Services will be a Relevant Transfer in relation to the Transferring Customer Employees; and
  - 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between the Customer and the Transferring Customer Employees (except in relation to any terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or any Notified Sub-contractor and each such Transferring Customer Employee.

- 1.2 The Customer shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of the Transferring Customer Employees in respect of the period arising up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period up to (but not including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Customer; and (ii) the Supplier and/or any Notified Sub-contractor (as appropriate).

## **2. CUSTOMER INDEMNITIES**

- 2.1 Subject to Paragraph 2.2, the Customer shall indemnify the Supplier and any Notified Sub-contractor against any Employee Liabilities in respect of any Transferring Customer Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
- 2.1.1 any act or omission by the Customer occurring before the Relevant Transfer Date;
  - 2.1.2 the breach or non-observance by the Customer before the Relevant Transfer Date of:
    - 2.1.2.1 any collective agreement applicable to the Transferring Customer Employees; and/or
    - 2.1.2.2 any custom or practice in respect of any Transferring Customer Employees which the Customer is contractually bound to honour;
  - 2.1.3 any claim by any trade union or other body or person representing the Transferring Customer Employees arising from or connected with any failure by the Customer to comply with any legal obligation to such trade union, body or person arising before the Relevant Transfer Date;
  - 2.1.4 any proceeding, claim or demand by HMRC or other statutory Customer in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
    - 2.1.4.1 in relation to any Transferring Customer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising before the Relevant Transfer Date; and
    - 2.1.4.2 in relation to any employee who is not a Transferring Customer Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Customer to the Supplier and/or any Notified Sub-contractor

as appropriate, to the extent that the proceeding, claim or demand by the HMRC or other statutory Customer relates to financial obligations arising before the Relevant Transfer Date.

- 2.1.5 a failure of the Customer to discharge, or procure the discharge of, all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Customer Employees arising before the Relevant Transfer Date;
  - 2.1.6 any claim made by or in respect of any person employed or formerly employed by the Customer other than a Transferring Customer Employee for whom it is alleged the Supplier and/or any Notified Sub-contractor as appropriate may be liable by virtue of the Employment Regulations and/or the Acquired Rights Directive; and
  - 2.1.7 any claim made by or in respect of a Transferring Customer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Customer Employee relating to any act or omission of the Customer in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-contractor (whether or not a Notified Sub-contractor) whether occurring or having its origin before, on or after the Relevant Transfer Date including any Employee Liabilities:
- 2.2.1 arising out of the resignation of any Transferring Customer Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier and/or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or
  - 2.2.2 arising from the failure by the Supplier or any Sub-contractor to comply with its obligations under the Employment Regulations.
- 2.3 If any person who is not identified by the Customer as a Transferring Customer Employee claims, or it is determined in relation to any person who is not identified by the Customer as a Transferring Customer Employee, that his/her contract of employment has been transferred from the Customer to the Supplier and/or any Notified Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
- 2.3.1 the Supplier shall, or shall procure that the Notified Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer; and
  - 2.3.2 the Customer may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of receipt of the notification by the Supplier and/or any Notified Sub-contractor,

or take such other reasonable steps as the Customer considers appropriate to deal with the matter provided always that such steps are in compliance with Law.

- 2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Customer, the Supplier shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.

- 2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:

2.5.1 no such offer of employment has been made;

2.5.2 such offer has been made but not accepted; or

2.5.3 the situation has not otherwise been resolved,

the Supplier and/or any Notified Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

- 2.6 Subject to the Supplier and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in applicable Law, the Customer shall indemnify the Supplier and/or any Notified Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or procures that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

- 2.7 The indemnity in Paragraph 2.1:

2.7.1 shall not apply to:

2.7.1.1 any claim for:

2.7.1.1.1 discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

2.7.1.1.2 equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or

2.7.1.2 any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and

2.7.1.3 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified



Sub-contractor (as appropriate) to the Customer within 6 months of the Call Off Commencement Date.

- 2.8 If any such person as is referred to in Paragraph 2.3 is neither re-employed by the Customer nor dismissed by the Supplier and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.5 such person shall be treated as having transferred to the Supplier and/or any Notified Sub-contractor and the Supplier shall, or shall procure that the Notified Sub-contractor shall, comply with such obligations as may be imposed upon it under applicable Law.

### **3. SUPPLIER INDEMNITIES AND OBLIGATIONS**

- 3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Customer against any Employee Liabilities in respect of any Transferring Customer Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
- 3.1.1 any act or omission by the Supplier or any Sub-contractor whether occurring before, on or after the Relevant Transfer Date;
  - 3.1.2 the breach or non-observance by the Supplier or any Sub-contractor on or after the Relevant Transfer Date of:
    - 3.1.2.1 any collective agreement applicable to the Transferring Customer Employees; and/or
    - 3.1.2.2 any custom or practice in respect of any Transferring Customer Employees which the Supplier or any Sub-contractor is contractually bound to honour;
  - 3.1.3 any claim by any trade union or other body or person representing any Transferring Customer Employees arising from or connected with any failure by the Supplier or any Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
  - 3.1.4 any proposal by the Supplier or a Sub-contractor made before the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Customer Employees to their material detriment on or after their transfer to the Supplier or the relevant Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Customer Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
  - 3.1.5 any statement communicated to or action undertaken by the Supplier or any Sub-contractor to, or in respect of, any Transferring Customer Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Customer in writing;

- 3.1.6 any proceeding, claim or demand by HMRC or other statutory Customer in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
  - 3.1.6.1 in relation to any Transferring Customer Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising on or after the Relevant Transfer Date; and
  - 3.1.6.2 in relation to any employee who is not a Transferring Customer Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Customer to the Supplier or a Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising on or after the Relevant Transfer Date;
- 3.1.7 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Customer Employees in respect of the period from (and including) the Relevant Transfer Date; and
- 3.1.8 any claim made by or in respect of a Transferring Customer Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Customer Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to their obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Customer's failure to comply with its obligations under regulation 13 of the Employment Regulations.
- 3.2 The indemnities in Paragraph **Error! Reference source not found..1** shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Customer whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Customer's failure to comply with its obligations under the Employment Regulations.
- 3.3 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of the Transferring Customer Employees, from (and including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from and including the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Customer and the Supplier.

#### **4. INFORMATION**

The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer in writing such information as is necessary to enable the Customer to carry out its duties under regulation 13 of the Employment Regulations. The Customer shall promptly provide to the Supplier and each Notified Sub-contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

#### **5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE**

- 5.1 The Parties agree that the Principles of Good Employment Practice issued by the Cabinet Office in December 2010 apply to the treatment by the Supplier of employees whose employment begins after the Relevant Transfer Date, and the Supplier undertakes to treat such employees in accordance with the provisions of the Principles of Good Employment Practice.
- 5.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Customer relating to pensions in respect of any Transferring Customer Employee as set down in:
  - 5.2.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;
  - 5.2.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
  - 5.2.3 HM Treasury's guidance "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or
  - 5.2.4 the New Fair Deal.
- 5.3 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraphs 5.1 or 5.2 shall be agreed in accordance with the Variation Procedure.

#### **6. PENSIONS**

The Supplier shall, and shall procure that each of its Sub-contractors shall, comply with the pensions provisions in the following Annex.

## **ANNEX TO PART A**

### **PENSIONS**

#### **1. PARTICIPATION**

The Supplier undertakes to enter into the Admission Agreement.

1.1 The Supplier and the Customer:

- 1.1.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;
- 1.1.2 agree that the Customer is entitled to make arrangements with the body responsible for the Schemes for the Customer to be notified if the Supplier breaches the Admission Agreement;
- 1.1.3 notwithstanding Paragraph 1.1.2 of this Annex, the Supplier shall notify the Customer in the event that it breaches the Admission Agreement; and
- 1.1.4 agree that the Customer may terminate this Call Off Contract for material default in the event that the Supplier breaches the Admission Agreement.

1.2 The Supplier shall bear its own costs and all costs that the Customer reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes.

#### **2. FUTURE SERVICE BENEFITS**

- 2.1 The Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of Schemes for service from (and including) the Relevant Transfer Date.
- 2.2 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Customer, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Customer in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.
- 2.3 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1

of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

### **3. FUNDING**

- 3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.
- 3.2 The Supplier shall indemnify and keep indemnified the Customer on demand against any claim by, payment to, or loss incurred by, the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

### **4. PROVISION OF INFORMATION**

The Supplier and the Customer respectively undertake to each other:

- 4.1 to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and
- 4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

### **5. INDEMNITY**

The Supplier undertakes to the Customer to indemnify and keep indemnified the Customer on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

### **6. EMPLOYER OBLIGATION**

The Supplier shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

### **7. SUBSEQUENT TRANSFERS**

The Supplier shall:

- 7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;
- 7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or the Customer may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal; and

7.3 for the period either:

7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Call Off Contract, to terminate the Agreement or any part of the Services; or

7.3.2 after the date which is two (2) years prior to the date of expiry of this Call Off Contract,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or the Customer, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Customer (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.

## **PART B**

### **Transferring Former Supplier Employees at commencement of Services**

#### **1. RELEVANT TRANSFERS**

- 1.1 The Customer and the Supplier agree that:
  - 1.1.1 the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Supplier Employees; and
  - 1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between each Former Supplier and the Transferring Former Supplier Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Supplier and/or Notified Sub-contractor and each such Transferring Former Supplier Employee.
- 1.2 The Customer shall procure that each Former Supplier shall comply with all its obligations under the Employment Regulations and shall perform and discharge all its obligations in respect of all the Transferring Former Supplier Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date) and the Supplier shall make, and the Customer shall procure that each Former Supplier makes, any necessary apportionments in respect of any periodic payments.

#### **2. FORMER SUPPLIER INDEMNITIES**

- 2.1 Subject to Paragraph 2.2, the Customer shall procure that each Former Supplier shall indemnify the Supplier and any Notified Sub-contractor against any Employee Liabilities in respect of any Transferring Former Supplier Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:
  - 2.1.1 any act or omission by the Former Supplier arising before the Relevant Transfer Date;
  - 2.1.2 the breach or non-observance by the Former Supplier arising before the Relevant Transfer Date of:
    - 2.1.2.1 any collective agreement applicable to the Transferring Former Supplier Employees; and/or
    - 2.1.2.2 any custom or practice in respect of any Transferring Former Supplier Employees which the Former Supplier is contractually bound to honour;

- 2.1.3 any proceeding, claim or demand by HMRC or other statutory Customer in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
  - 2.1.3.1 in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising before the Relevant Transfer Date; and
  - 2.1.3.2 in relation to any employee who is not a Transferring Former Supplier Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier and/or any Notified Sub-contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.4 a failure of the Former Supplier to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.5 any claim made by or in respect of any person employed or formerly employed by the Former Supplier other than a Transferring Former Supplier Employee for whom it is alleged the Supplier and/or any Notified Sub-contractor as appropriate may be liable by virtue of this Call Off Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
- 2.1.6 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Former Supplier in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Supplier or any Sub-contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in Paragraph 2.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier or any Sub-contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:
  - 2.2.1 arising out of the resignation of any Transferring Former Supplier Employee before the Relevant Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Supplier or any Sub-contractor to occur in the period from (and including) the Relevant Transfer Date; or



- 2.2.2 arising from the failure by the Supplier and/or any Sub-contractor to comply with its obligations under the Employment Regulations.
- 2.3 If any person who is not identified by the Customer as a Transferring Former Supplier Employee claims, or it is determined in relation to any person who is not identified by the Customer as a Transferring Former Supplier Employee, that his/her contract of employment has been transferred from a Former Supplier to the Supplier and/or any Notified Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
- 2.3.1 the Supplier shall, or shall procure that the Notified Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer and, where required by the Customer, to the Former Supplier; and
- 2.3.2 the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier and/or the Notified Sub-contractor or take such other reasonable steps as the Former Supplier considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 2.4 If an offer referred to in Paragraph 2.3.2 is accepted, or if the situation has otherwise been resolved by the Former Supplier and/or the Customer, the Supplier shall, or shall procure that the Notified Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 2.5 If by the end of the 15 Working Day period specified in Paragraph 2.3.2:
- 2.5.1 no such offer of employment has been made;
- 2.5.2 such offer has been made but not accepted; or
- 2.5.3 the situation has not otherwise been resolved,
- the Supplier and/or any Notified Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.
- 2.6 Subject to the Supplier and/or any Notified Sub-contractor acting in accordance with the provisions of Paragraphs 2.3 to 2.5 and in accordance with all applicable proper employment procedures set out in Law, the Customer shall procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-contractor (as appropriate) against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.5 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.7 The indemnity in Paragraph 2.1:
- 2.7.1 shall not apply to:
- 2.7.1.1 any claim for:

2.7.1.1.1 discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

2.7.1.1.2 equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or

2.7.2 any claim that the termination of employment was unfair because the Supplier and/or Notified Sub-contractor neglected to follow a fair dismissal procedure; and

2.7.3 shall apply only where the notification referred to in Paragraph 2.3.1 is made by the Supplier and/or any Notified Sub-contractor (as appropriate) to the Customer and, if applicable, the Former Supplier, within 6 months of the Call Off Commencement Date.

2.8 If any such person as is described in Paragraph 2.3 is neither re-employed by the Former Supplier nor dismissed by the Supplier and/or any Notified Sub-contractor within the time scales set out in Paragraph 2.5, such person shall be treated as having transferred to the Supplier or Notified Sub-contractor and the Supplier shall, or shall procure that the Notified Sub-contractor shall, comply with such obligations as may be imposed upon it under the Law.

### **3. SUPPLIER INDEMNITIES AND OBLIGATIONS**

3.1 Subject to Paragraph 3.2, the Supplier shall indemnify the Customer and/or the Former Supplier against any Employee Liabilities in respect of any Transferring Former Supplier Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

3.1.1 any act or omission by the Supplier or any Sub-contractor whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Supplier or any Sub-contractor on or after the Relevant Transfer Date of:

3.1.2.1 any collective agreement applicable to the Transferring Former Supplier Employee; and/or

3.1.2.2 any custom or practice in respect of any Transferring Former Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

3.1.3 any claim by any trade union or other body or person representing any Transferring Former Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

- 3.1.4 any proposal by the Supplier or a Sub-contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Supplier Employees to their material detriment on or after their transfer to the Supplier or a Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
- 3.1.5 any statement communicated to or action undertaken by the Supplier or a Sub-contractor to, or in respect of, any Transferring Former Supplier Employee before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Customer and/or the Former Supplier in writing;
- 3.1.6 any proceeding, claim or demand by HMRC or other statutory Customer in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
  - 3.1.6.1 in relation to any Transferring Former Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising on or after the Relevant Transfer Date; and
  - 3.1.6.2 in relation to any employee who is not a Transferring Former Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Former Supplier to the Supplier or a Sub-contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory Customer relates to financial obligations arising on or after the Relevant Transfer Date;
- 3.1.7 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Supplier Employees in respect of the period from (and including) the Relevant Transfer Date; and
- 3.1.8 any claim made by or in respect of a Transferring Former Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Supplier's failure to comply with its obligations under regulation 13 of the Employment Regulations.

- 3.2 The indemnities in Paragraph 3.1 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Supplier whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Supplier's failure to comply with its obligations under the Employment Regulations.
- 3.3 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Supplier Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Supplier and the Former Supplier.

#### **4. INFORMATION**

The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer and/or at the Customer's direction, the Former Supplier, in writing such information as is necessary to enable the Customer and/or the Former Supplier to carry out their respective duties under regulation 13 of the Employment Regulations. The Customer shall procure that the Former Supplier shall promptly provide to the Supplier and each Notified Sub-contractor in writing such information as is necessary to enable the Supplier and each Notified Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

#### **5. PRINCIPLES OF GOOD EMPLOYMENT PRACTICE**

- 5.1 The Supplier shall, and shall procure that each Sub-contractor shall, comply with any requirement notified to it by the Customer relating to pensions in respect of any Transferring Former Supplier Employee as set down in:
- 5.1.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised 2007;
  - 5.1.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
  - 5.1.3 HM Treasury's guidance: "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or
  - 5.1.4 the New Fair Deal.

5.2 Any changes embodied in any statement of practice, paper or other guidance that replaces any of the documentation referred to in Paragraph 5.1 shall be agreed in accordance with the Variation Procedure.

## **6. PROCUREMENT OBLIGATIONS**

Notwithstanding any other provisions of this Part B, where in this Part B the Customer accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Customer's contract with the Former Supplier contains a contractual right in that regard which the Customer may enforce, or otherwise so that it requires only that the Customer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

## **7. PENSIONS**

The Supplier shall, and shall procure that each Sub-contractor shall, comply with the pensions provisions in the following Annex in respect of any Transferring Former Supplier Employees who transfer from the Former Supplier to the Supplier.

## **ANNEX TO PART B**

### **PENSIONS**

#### **1. PARTICIPATION**

- 1.1 The Supplier undertakes to enter into the Admission Agreement.
- 1.2 The Supplier and the Customer:
  - 1.2.1 undertake to do all such things and execute any documents (including the Admission Agreement) as may be required to enable the Supplier to participate in the Schemes in respect of the Fair Deal Employees;
  - 1.2.2 agree that the Customer is entitled to make arrangements with the body responsible for the Schemes for the Customer to be notified if the Supplier breaches the Admission Agreement;
  - 1.2.3 notwithstanding Paragraph 1.2.2 of this Annex, the Supplier shall notify the Customer in the event that it breaches the Admission Agreement; and
  - 1.2.4 agree that the Customer may terminate this Call Off Contract for material default in the event that the Supplier breaches the Admission Agreement.
- 1.3 The Supplier shall bear its own costs and all costs that the Customer reasonably incurs in connection with the negotiation, preparation and execution of documents to facilitate the Supplier participating in the Schemes.

#### **2. FUTURE SERVICE BENEFITS**

- 2.1 If the Supplier is rejoining the Schemes for the first time, the Supplier shall procure that the Fair Deal Employees shall be either admitted to or offered continued membership of the relevant section of the Schemes that they became eligible to join on the Relevant Transfer Date and shall continue to accrue or accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
- 2.2 If staff have already been readmitted to the Schemes, the Supplier shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the Schemes that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date and the Supplier shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the Schemes for service from (and including) the Relevant Transfer Date.
- 2.3 The Supplier undertakes that should it cease to participate in the Schemes for whatever reason at a time when it has Eligible Employees, that it will, at no extra cost to the Customer, provide to any Fair Deal Employee who immediately prior to such cessation remained an Eligible Employee with

access to an occupational pension scheme certified by the Government Actuary's Department or any actuary nominated by the Customer in accordance with relevant guidance produced by the Government Actuary's Department as providing benefits which are broadly comparable to those provided by the Schemes at the relevant date.

- 2.4 The Parties acknowledge that the Civil Service Compensation Scheme and the Civil Service Injury Benefit Scheme (established pursuant to section 1 of the Superannuation Act 1972) are not covered by the protection of New Fair Deal.

### **3. FUNDING**

- 3.1 The Supplier undertakes to pay to the Schemes all such amounts as are due under the Admission Agreement and shall deduct and pay to the Schemes such employee contributions as are required by the Schemes.
- 3.2 The Supplier shall indemnify and keep indemnified the Customer on demand against any claim by, payment to, or loss incurred by the Schemes in respect of the failure to account to the Schemes for payments received and the non-payment or the late payment of any sum payable by the Supplier to or in respect of the Schemes.

### **4. PROVISION OF INFORMATION**

The Supplier and the Customer respectively undertake to each other:

- 4.1 to provide all information which the other Party may reasonably request concerning matters (i) referred to in this Annex and (ii) set out in the Admission Agreement, and to supply the information as expeditiously as possible; and
- 4.2 not to issue any announcements to the Fair Deal Employees prior to the Relevant Transfer Date concerning the matters stated in this Annex without the consent in writing of the other Party (not to be unreasonably withheld or delayed).

### **5. INDEMNITY**

The Supplier undertakes to the Customer to indemnify and keep indemnified the Customer on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards the Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which relate to the payment of benefits under an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Schemes.

### **6. EMPLOYER OBLIGATION**

The Supplier shall comply with the requirements of the Pensions Act 2008 and the Transfer of Employment (Pension Protection) Regulations 2005.

### **7. SUBSEQUENT TRANSFERS**

The Supplier shall:

- 7.1 not adversely affect pension rights accrued by any Fair Deal Employee in the period ending on the date of the relevant future transfer;
- 7.2 provide all such co-operation and assistance as the Schemes and the Replacement Supplier and/or the Customer may reasonably require to enable the Replacement Supplier to participate in the Schemes in respect of any Eligible Employee and to give effect to any transfer of accrued rights required as part of participation under the New Fair Deal; and
- 7.3 for the period either
  - 7.3.1 after notice (for whatever reason) is given, in accordance with the other provisions of this Call Off Contract, to terminate the Agreement or any part of the Services; or
  - 7.3.2 after the date which is two (2) years prior to the date of expiry of this Call Off Contract,

ensure that no change is made to pension, retirement and death benefits provided for or in respect of any person who will transfer to the Replacement Supplier or the Customer, no category of earnings which were not previously pensionable are made pensionable and the contributions (if any) payable by such employees are not reduced without (in any case) the prior approval of the Customer (such approval not to be unreasonably withheld). Save that this sub-paragraph shall not apply to any change made as a consequence of participation in an Admission Agreement.



## **PART C**

### **No transfer of employees at commencement of Services**

#### **1. PROCEDURE IN THE EVENT OF TRANSFER**

- 1.1 The Customer and the Supplier agree that the commencement of the provision of the Services or of any part of the Services will not be a Relevant Transfer in relation to any employees of the Customer and/or any Former Supplier.
- 1.2 If any employee of the Customer and/or a Former Supplier claims, or it is determined in relation to any employee of the Customer and/or a Former Supplier, that his/her contract of employment has been transferred from the Customer and/or the Former Supplier to the Supplier and/or any Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive then:
  - 1.2.1 the Supplier shall, and shall procure that the relevant Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Customer and, where required by the Customer, give notice to the Former Supplier; and
  - 1.2.2 the Customer and/or the Former Supplier may offer (or may procure that a third party may offer) employment to such person within 15 Working Days of the notification by the Supplier or the Sub-contractor (as appropriate) or take such other reasonable steps as the Customer or Former Supplier (as the case may be) considers appropriate to deal with the matter provided always that such steps are in compliance with applicable Law.
- 1.3 If an offer referred to in Paragraph 1.2.2 is accepted (or if the situation has otherwise been resolved by the Customer and/or the Former Supplier), the Supplier shall, or shall procure that the Sub-contractor shall, immediately release the person from his/her employment or alleged employment.
- 1.4 If by the end of the 15 Working Day period specified in Paragraph 1.2.2:
  - 1.4.1 no such offer of employment has been made;
  - 1.4.2 such offer has been made but not accepted; or
  - 1.4.3 the situation has not otherwise been resolved,the Supplier and/or the Sub-contractor may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

#### **2. INDEMNITIES**

- 2.1 Subject to the Supplier and/or the relevant Sub-contractor acting in accordance with the provisions of Paragraphs 1.2 to 1.4 and in accordance with all applicable employment procedures set out in applicable Law and subject also to Paragraph 2.4, the Customer shall:

- 2.1.1 indemnify the Supplier and/or the relevant Sub-contractor against all Employee Liabilities arising out of the termination of the employment of any employees of the Customer referred to in Paragraph 1.2 made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the Notified Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities; and
- 2.1.2 procure that the Former Supplier indemnifies the Supplier and/or any Notified Sub-contractor against all Employee Liabilities arising out of termination of the employment of the employees of the Former Supplier made pursuant to the provisions of Paragraph 1.4 provided that the Supplier takes, or shall procure that the relevant Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.2 If any such person as is described in Paragraph 1.2 is neither re employed by the Customer and/or the Former Supplier as appropriate nor dismissed by the Supplier and/or any Sub-contractor within the 15 Working Day period referred to in Paragraph 1.4 such person shall be treated as having transferred to the Supplier and/or the Sub-contractor (as appropriate) and the Supplier shall, or shall procure that the Sub-contractor shall, comply with such obligations as may be imposed upon it under Law.
- 2.3 Where any person remains employed by the Supplier and/or any Sub-contractor pursuant to Paragraph 2.2, all Employee Liabilities in relation to such employee shall remain with the Supplier and/or the Sub-contractor and the Supplier shall indemnify the Customer and any Former Supplier, and shall procure that the Sub-contractor shall indemnify the Customer and any Former Supplier, against any Employee Liabilities that either of them may incur in respect of any such employees of the Supplier and/or employees of the Sub-contractor.
- 2.4 The indemnities in Paragraph 2.1:
  - 2.4.1 shall not apply to:
    - 2.4.1.1 any claim for:
      - 2.4.1.1.1 discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
      - 2.4.1.1.2 equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
    - in any case in relation to any alleged act or omission of the Supplier and/or any Sub-contractor; or
    - 2.4.1.2 any claim that the termination of employment was unfair because the Supplier and/or any Sub-contractor neglected to follow a fair dismissal procedure; and

2.4.1.3 shall apply only where the notification referred to in Paragraph 1.2(a) is made by the Supplier and/or any Sub-contractor to the Customer and, if applicable, Former Supplier within 6 months of the Call Off Commencement Date.

### **3. PROCUREMENT OBLIGATIONS**

Where in this Part C the Customer accepts an obligation to procure that a Former Supplier does or does not do something, such obligation shall be limited so that it extends only to the extent that the Customer's contract with the Former Supplier contains a contractual right in that regard which the Customer may enforce, or otherwise so that it requires only that the Customer must use reasonable endeavours to procure that the Former Supplier does or does not act accordingly.

## **PART D**

### **Employment Exit Provisions**

#### **1. PRE-SERVICE TRANSFER OBLIGATIONS**

- 1.1 The Supplier agrees that within 20 Working Days of the earliest of:
- 1.1.1 receipt of a notification from the Customer of a Service Transfer or intended Service Transfer;
  - 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Call Off Contract;
  - 1.1.3 the date which is 12 months before the end of the Term; and
  - 1.1.4 receipt of a written request of the Customer at any time (provided that the Customer shall only be entitled to make one such request in any 6 month period),

it shall provide in a suitably anonymised format so as to comply with the DPA, the Supplier's Provisional Supplier Personnel List, together with the Staffing Information in relation to the Supplier's Provisional Supplier Personnel List and it shall provide an updated Supplier's Provisional Supplier Personnel List at such intervals as are reasonably requested by the Customer.

- 1.2 At least 20 Working Days prior to the Service Transfer Date, the Supplier shall provide to the Customer or at the direction of the Customer to any Replacement Supplier and/or any Replacement Sub-contractor:
- 1.2.1 the Supplier's Final Supplier Personnel List, which shall identify which of the Supplier Personnel are Transferring Supplier Employees; and
  - 1.2.2 the Staffing Information in relation to the Supplier's Final Supplier Personnel List (insofar as such information has not previously been provided).
- 1.3 The Customer shall be permitted to use and disclose information provided by the Supplier under Paragraphs 1.1 and 1.2 for the purpose of informing any prospective Replacement Supplier and/or Replacement Sub-contractor.
- 1.4 The Supplier warrants, for the benefit of the Customer, any Replacement Supplier, and any Replacement Sub-contractor that all information provided pursuant to Paragraphs 1.1 and 1.2 shall be true and accurate in all material respects at the time of providing the information.
- 1.5 From the date of the earliest event referred to in Paragraph 1.1(a), 1.1(b) and 1.1(c), the Supplier agrees, that it shall not, and agrees to procure that each Sub-contractor shall not, assign any person to the provision of the Services who is not listed on the Supplier's Provisional Supplier Personnel List and shall not without the approval of the Customer (not to be unreasonably withheld or delayed):

- 1.5.1 replace or re-deploy any Supplier Personnel listed on the Supplier Provisional Supplier Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person he/she replaces;
- 1.5.2 make, promise, propose or permit any material changes to the terms and conditions of employment of the Supplier Personnel (including any payments connected with the termination of employment);
- 1.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Supplier Personnel save for fulfilling assignments and projects previously scheduled and agreed;
- 1.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Supplier's Provisional Supplier Personnel List;
- 1.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
- 1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Supplier's Provisional Supplier Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-contractor shall promptly notify, the Customer or, at the direction of the Customer, any Replacement Supplier and any Replacement Sub-contractor of any notice to terminate employment given by the Supplier or relevant Sub-contractor or received from any persons listed on the Supplier's Provisional Supplier Personnel List regardless of when such notice takes effect.

- 1.6 During the Term, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Customer any information the Customer may reasonably require relating to the manner in which the Services are organised, which shall include:
  - 1.6.1 the numbers of employees engaged in providing the Services;
  - 1.6.2 the percentage of time spent by each employee engaged in providing the Services; and
  - 1.6.3 a description of the nature of the work undertaken by each employee by location.
- 1.7 The Supplier shall provide, and shall procure that each Sub-contractor shall provide, all reasonable cooperation and assistance to the Customer, any Replacement Supplier and/or any Replacement Sub-contractor to ensure the smooth transfer of the Transferring Supplier Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements

can be made to enable the Transferring Supplier Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within 5 Working Days following the Service Transfer Date, the Supplier shall provide, and shall procure that each Sub-contractor shall provide, to the Customer or, at the direction of the Customer, to any Replacement Supplier and/or any Replacement Sub-contractor (as appropriate), in respect of each person on the Supplier's Final Supplier Personnel List who is a Transferring Supplier Employee:

- 1.7.1 the most recent month's copy pay slip data;
- 1.7.2 details of cumulative pay for tax and pension purposes;
- 1.7.3 details of cumulative tax paid;
- 1.7.4 tax code;
- 1.7.5 details of any voluntary deductions from pay; and
- 1.7.6 bank/building society account details for payroll purposes.

## **2. EMPLOYMENT REGULATIONS EXIT PROVISIONS**

- 2.1 The Customer and the Supplier acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Call Off Contract or otherwise) resulting in the Services being undertaken by a Replacement Supplier and/or a Replacement Sub-contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations and/or the Acquired Rights Directive will apply. The Customer and the Supplier further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Supplier and the Transferring Supplier Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if originally made between the Replacement Supplier and/or a Replacement Sub-contractor (as the case may be) and each such Transferring Supplier Employee.
- 2.2 The Supplier shall, and shall procure that each Sub-contractor shall, comply with all its obligations in respect of the Transferring Supplier Employees arising under the Employment Regulations in respect of the period up to (and including) the Service Transfer Date and shall perform and discharge, and procure that each Sub-contractor shall perform and discharge, all its obligations in respect of all the Transferring Supplier Employees arising in respect of the period up to (and including) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part to the period ending on (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between: (i) the Supplier and/or the Sub-

contractor (as appropriate); and (ii) the Replacement Supplier and/or Replacement Sub-contractor.

2.3 Subject to Paragraph 2.4, the Supplier shall indemnify the Customer and/or the Replacement Supplier and/or any Replacement Sub-contractor against any Employee Liabilities in respect of any Transferring Supplier Employee (or, where applicable any employee representative as defined in the Employment Regulations) arising from or as a result of:

2.3.1 any act or omission of the Supplier or any Sub-contractor whether occurring before, on or after the Service Transfer Date;

2.3.2 the breach or non-observance by the Supplier or any Sub-contractor occurring on or before the Service Transfer Date of:

2.3.2.1 any collective agreement applicable to the Transferring Supplier Employees; and/or

2.3.2.2 any other custom or practice with a trade union or staff association in respect of any Transferring Supplier Employees which the Supplier or any Sub-contractor is contractually bound to honour;

2.3.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Supplier or a Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or before the Service Transfer Date;

2.3.4 any proceeding, claim or demand by HMRC or other statutory Customer in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

2.3.4.1 in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising on and before the Service Transfer Date; and

2.3.4.2 in relation to any employee who is not a Transferring Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier to the Customer and/or Replacement Supplier and/or any Replacement Sub-contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising on or before the Service Transfer Date;

2.3.5 a failure of the Supplier or any Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Supplier Employees in respect of the period up to (and including) the Service Transfer Date);

- 2.3.6 any claim made by or in respect of any person employed or formerly employed by the Supplier or any Sub-contractor other than a Transferring Supplier Employee for whom it is alleged the Customer and/or the Replacement Supplier and/or any Replacement Sub-contractor may be liable by virtue of this Call Off Contract and/or the Employment Regulations and/or the Acquired Rights Directive; and
  - 2.3.7 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Supplier or any Sub-contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Customer and/or Replacement Supplier to comply with regulation 13(4) of the Employment Regulations.
- 2.4 The indemnities in Paragraph 2.3 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Replacement Supplier and/or any Replacement Sub-contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
- 2.4.1 arising out of the resignation of any Transferring Supplier Employee before the Service Transfer Date on account of substantial detrimental changes to his/her working conditions proposed by the Replacement Supplier and/or any Replacement Sub-contractor to occur in the period on or after the Service Transfer Date); or
  - 2.4.2 arising from the Replacement Supplier's failure, and/or Replacement Sub-contractor's failure, to comply with its obligations under the Employment Regulations.
- 2.5 If any person who is not a Transferring Supplier Employee claims, or it is determined in relation to any person who is not a Transferring Supplier Employee, that his/her contract of employment has been transferred from the Supplier or any Sub-contractor to the Replacement Supplier and/or Replacement Sub-contractor pursuant to the Employment Regulations or the Acquired Rights Directive, then:
- 2.5.1 the Customer shall procure that the Replacement Supplier shall, or any Replacement Sub-contractor shall, within 5 Working Days of becoming aware of that fact, give notice in writing to the Supplier; and
  - 2.5.2 the Supplier may offer (or may procure that a Sub-contractor may offer) employment to such person within 15 Working Days of the notification by the Replacement Supplier and/or any and/or Replacement Sub-contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with Law.
- 2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Supplier or a Sub-contractor, the Customer shall procure that the



Replacement Supplier shall, or procure that the Replacement Sub-contractor shall, immediately release or procure the release of the person from his/her employment or alleged employment.

- 2.7 If after the 15 Working Day period specified in Paragraph 2.5(b) has elapsed:

2.7.1 no such offer of employment has been made;

2.7.2 such offer has been made but not accepted; or

2.7.3 the situation has not otherwise been resolved

the Customer shall advise the Replacement Supplier and/or Replacement Sub-contractor, as appropriate that it may within 5 Working Days give notice to terminate the employment or alleged employment of such person.

- 2.8 Subject to the Replacement Supplier and/or Replacement Sub-contractor acting in accordance with the provisions of Paragraphs **Error! Reference source not found.** to 2.7, and in accordance with all applicable proper employment procedures set out in applicable Law, the Supplier shall indemnify the Replacement Supplier and/or Replacement Sub-contractor against all Employee Liabilities arising out of the termination pursuant to the provisions of Paragraph 2.7 provided that the Replacement Supplier takes, or shall procure that the Replacement Sub-contractor takes, all reasonable steps to minimise any such Employee Liabilities.

- 2.9 The indemnity in Paragraph 2.8:

2.9.1 shall not apply to:

2.9.1.1 any claim for:

2.9.1.1.1 discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or

2.9.1.1.2 equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,

in any case in relation to any alleged act or omission of the Replacement Supplier and/or Replacement Sub-contractor; or

2.9.1.2 any claim that the termination of employment was unfair because the Replacement Supplier and/or Replacement Sub-contractor neglected to follow a fair dismissal procedure; and

- 2.9.2 shall apply only where the notification referred to in Paragraph 2.5(a) is made by the Replacement Supplier and/or Replacement Sub-contractor to the Supplier within 6 months of the Service Transfer Date .

- 2.10 If any such person as is described in Paragraph 2.5 is neither re-employed by the Supplier or any Sub-contractor nor dismissed by the Replacement Supplier and/or Replacement Sub-contractor within the time scales set out in Paragraphs 2.5 to 2.7, such person shall be treated as a Transferring Supplier Employee and the Replacement Supplier and/or Replacement Sub-contractor shall comply with such obligations as may be imposed upon it under applicable Law.
- 2.11 The Supplier shall comply, and shall procure that each Sub-contractor shall comply, with all its obligations under the Employment Regulations and shall perform and discharge, and shall procure that each Sub-contractor shall perform and discharge, all its obligations in respect of the Transferring Supplier Employees before and on the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (and including) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:
- 2.11.1 the Supplier and/or any Sub-contractor; and
- 2.11.2 the Replacement Supplier and/or the Replacement Sub-contractor.
- 2.12 The Supplier shall, and shall procure that each Sub-contractor shall, promptly provide to the Customer and any Replacement Supplier and/or Replacement Sub-contractor, in writing such information as is necessary to enable the Customer, the Replacement Supplier and/or Replacement Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Customer shall procure that the Replacement Supplier and/or Replacement Sub-contractor, shall promptly provide to the Supplier and each Sub-contractor in writing such information as is necessary to enable the Supplier and each Sub-contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
- 2.13 Subject to Paragraph 2.14, the Customer shall procure that the Replacement Supplier indemnifies the Supplier on its own behalf and on behalf of any Replacement Sub-contractor and its sub-contractors against any Employee Liabilities in respect of each Transferring Supplier Employee (or, where applicable any employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee) arising from or as a result of:
- 2.13.1 any act or omission of the Replacement Supplier and/or Replacement Sub-contractor;
- 2.13.2 the breach or non-observance by the Replacement Supplier and/or Replacement Sub-contractor on or after the Service Transfer Date of:
- 2.13.2.1 any collective agreement applicable to the Transferring Supplier Employees; and/or

- 2.13.2.2 any custom or practice in respect of any Transferring Supplier Employees which the Replacement Supplier and/or Replacement Sub-contractor is contractually bound to honour;
- 2.13.3 any claim by any trade union or other body or person representing any Transferring Supplier Employees arising from or connected with any failure by the Replacement Supplier and/or Replacement Sub-contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;
- 2.13.4 any proposal by the Replacement Supplier and/or Replacement Sub-contractor to change the terms and conditions of employment or working conditions of any Transferring Supplier Employees on or after their transfer to the Replacement Supplier or Replacement Sub-contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Supplier Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;
- 2.13.5 any statement communicated to or action undertaken by the Replacement Supplier or Replacement Sub-contractor to, or in respect of, any Transferring Supplier Employee on or before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Supplier in writing;
- 2.13.6 any proceeding, claim or demand by HMRC or other statutory Customer in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
  - 2.13.6.1 in relation to any Transferring Supplier Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising after the Service Transfer Date; and
  - 2.13.6.2 in relation to any employee who is not a Transferring Supplier Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer his/her employment from the Supplier or Sub-contractor, to the Replacement Supplier or Replacement Sub-contractor to the extent that the proceeding, claim or demand by HMRC or other statutory Customer relates to financial obligations arising after the Service Transfer Date;
- 2.13.7 a failure of the Replacement Supplier or Replacement Sub-contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring

Supplier Employees in respect of the period from (and including) the Service Transfer Date; and

2.13.8 any claim made by or in respect of a Transferring Supplier Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Supplier Employee relating to any act or omission of the Replacement Supplier or Replacement Sub-contractor in relation to obligations under regulation 13 of the Employment Regulations.

2.14 The indemnities in Paragraph 2.13 shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Supplier and/or any Sub-contractor (as applicable) whether occurring or having its origin before, on or after the Relevant Transfer Date, including any Employee Liabilities arising from the failure by the Supplier and/or any Sub-contractor (as applicable) to comply with its obligations under the Employment Regulations.

**ANNEX**  
**LIST OF NOTIFIED SUB-CONTRACTORS**  
**CLEARSWIFT LIMITED**

**CALL OFF SCHEDULE 13: GUARANTEE – N/A**

**[INSERT THE NAME OF THE GUARANTOR]**

**- AND -**

**[INSERT THE NAME OF THE BENEFICIARY]**

**DEED OF GUARANTEE**

DEED OF GUARANTEE – n/a

THIS DEED OF GUARANTEE is made the                      day of                      20[                      ]

**BETWEEN:**

- (1) [Insert the name of the Guarantor] [a company incorporated in England and Wales] with number [insert company no.] whose registered office is at [insert details of the Guarantor's registered office here] [OR] [a company incorporated under the laws of [insert country], registered in [insert country] with number [insert number] at [insert place of registration], whose principal office is at [insert office details] ("**Guarantor**") in favour of
- (2) [Insert name of Contracting Body who is Party to the Guaranteed Agreement] whose principal office is at [                      ] ("**Beneficiary**")

**WHEREAS:**

- (A) The Guarantor has agreed, in consideration of the Beneficiary entering into the Guaranteed Agreement with the Supplier, to guarantee all of the Supplier's obligations under the Guaranteed Agreement.
- (B) It is the intention of the Parties that this document be executed and take effect as a deed.

Now in consideration of the Beneficiary entering into the Guaranteed Agreement, the Guarantor hereby agrees with the Beneficiary as follows:

**1. DEFINITIONS AND INTERPRETATION**

In this Deed of Guarantee:

- 1.1 **unless defined elsewhere in this Deed of Guarantee or the context requires otherwise, defined terms shall have the same meaning as they have for the purposes of the Guaranteed Agreement;**
- 1.2 **the words and phrases below shall have the following meanings:**
- ["**Beneficiary**" means [insert name of the Contracting Body with whom the Supplier enters into a Call Off Agreement] and "Beneficiaries" shall be construed accordingly;]
- ["**Call Off Agreement**" shall have the meaning given to it in the Call Off Agreement;]
- ["**Goods**" shall have the meaning given in the Call Off Agreement;]
- ["**Guaranteed Agreement**" means the Call Off Agreement made between the Beneficiary and the Supplier on [insert date];]
- ["**Services**" has the meaning given in the Call Off Agreement;]

**"Guaranteed Obligations"**

means all obligations and liabilities of the Supplier to the Beneficiary under the Guaranteed Agreement together with all obligations owed by the Supplier to the Beneficiary that are supplemental to, incurred

under, ancillary to or calculated by reference to the Guaranteed Agreement;

- 1.3 references to this Deed of Guarantee and any provisions of this Deed of Guarantee or to any other document or agreement (including to the Guaranteed Agreement) are to be construed as references to this Deed of Guarantee, those provisions or that document or agreement in force for the time being and as amended, varied, restated, supplemented, substituted or novated from time to time;
- 1.4 unless the context otherwise requires, words importing the singular are to include the plural and vice versa;
- 1.5 references to a person are to be construed to include that person's assignees or transferees or successors in title, whether direct or indirect;
- 1.6 the words "other" and "otherwise" are not to be construed as confining the meaning of any following words to the class of thing previously stated where a wider construction is possible;
- 1.7 unless the context otherwise requires, reference to a gender includes the other gender and the neuter;
- 1.8 unless the context otherwise requires, references to an Act of Parliament, statutory provision or statutory instrument include a reference to that Act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it;
- 1.9 unless the context otherwise requires, any phrase introduced by the words "including", "includes", "in particular", "for example" or similar, shall be construed as illustrative and without limitation to the generality of the related general words;
- 1.10 references to Clauses and Schedules are, unless otherwise provided, references to Clauses of and Schedules to this Deed of Guarantee; and
- 1.11 references to liability are to include any liability whether actual, contingent, present or future.

## **2. GUARANTEE AND INDEMNITY**

- 2.1 The Guarantor irrevocably and unconditionally guarantees and undertakes to the Beneficiary to procure that the Supplier duly and punctually performs all of the Guaranteed Obligations now or hereafter due, owing or incurred by the Supplier to the Beneficiary.
- 2.2 The Guarantor irrevocably and unconditionally undertakes upon demand to pay to the Beneficiary all monies and liabilities which are now or at any time hereafter shall have become payable by the Supplier to the Beneficiary under or in connection with the Guaranteed Agreement or in respect of the Guaranteed Obligations as if it were a primary obligor.
- 2.3 If at any time the Supplier shall fail to perform any of the Guaranteed Obligations, the Guarantor, as primary obligor, irrevocably and unconditionally undertakes to the Beneficiary that, upon first demand by the Beneficiary it shall, at the cost and expense of the Guarantor:
  - 2.3.1 fully, punctually and specifically perform such Guaranteed Obligations as if it were itself a direct and primary obligor to the Beneficiary in respect of the Guaranteed Obligations and liable as



if the Guaranteed Agreement had been entered into directly by the Guarantor and the Beneficiary; and

- 2.3.2 as a separate and independent obligation and liability, indemnify and keep the Beneficiary indemnified against all losses, damages, costs and expenses (including VAT thereon, and including, without limitation, all court costs and all legal fees on a solicitor and own client basis, together with any disbursements,) of whatever nature which may result or which such Beneficiary may suffer, incur or sustain arising in any way whatsoever out of a failure by the Supplier to perform the Guaranteed Obligations save that, subject to the other provisions of this Deed of Guarantee, this shall not be construed as imposing greater obligations or liabilities on the Guarantor than are purported to be imposed on the Supplier under the Guaranteed Agreement.
- 2.4 As a separate and independent obligation and liability from its obligations and liabilities under Clauses 2.1 to 2.3 above, the Guarantor as a primary obligor irrevocably and unconditionally undertakes to indemnify and keep the Beneficiary indemnified on demand against all losses, damages, costs and expenses (including VAT thereon, and including, without limitation, all legal costs and expenses), of whatever nature, whether arising under statute, contract or at common law, which such Beneficiary may suffer or incur if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal as if the obligation guaranteed had not become unenforceable, invalid or illegal provided that the Guarantor's liability shall be no greater than the Supplier's liability would have been if the obligation guaranteed had not become unenforceable, invalid or illegal.

### **3. OBLIGATION TO ENTER INTO A NEW CONTRACT**

- 3.1 If the Guaranteed Agreement is terminated for any reason, whether by the Beneficiary or the Supplier, or if the Guaranteed Agreement is disclaimed by a liquidator of the Supplier or the obligations of the Supplier are declared to be void or voidable for any reason, then the Guarantor will, at the request of the Beneficiary enter into a contract with the Beneficiary in terms mutatis mutandis the same as the Guaranteed Agreement and the obligations of the Guarantor under such substitute agreement shall be the same as if the Guarantor had been original obligor under the Guaranteed Agreement or under an agreement entered into on the same terms and at the same time as the Guaranteed Agreement with the Beneficiary.

### **4. DEMANDS AND NOTICES**

- 4.1 Any demand or notice served by the Beneficiary on the Guarantor under this Deed of Guarantee shall be in writing, addressed to:
- 4.1.1 [Address of the Guarantor in England and Wales]
- 4.1.2 [Facsimile Number]
- 4.1.3 For the Attention of [insert details]
- or such other address in England and Wales or facsimile number as the Guarantor has from time to time notified to the Beneficiary in writing in accordance with the terms of this Deed of Guarantee as being an address or facsimile number for the receipt of such demands or notices.

- 4.2 Any notice or demand served on the Guarantor or the Beneficiary under this Deed of Guarantee shall be deemed to have been served:
- 4.2.1 if delivered by hand, at the time of delivery; or
  - 4.2.2 if posted, at 10.00 a.m. on the second Working Day after it was put into the post; or
  - 4.2.3 if sent by facsimile, at the time of despatch, if despatched before 5.00 p.m. on any Working Day, and in any other case at 10.00 a.m. on the next Working Day.
- 4.3 In proving service of a notice or demand on the Guarantor or the Beneficiary it shall be sufficient to prove that delivery was made, or that the envelope containing the notice or demand was properly addressed and posted as a prepaid first class recorded delivery letter, or that the facsimile message was properly addressed and despatched, as the case may be.
- 4.4 Any notice purported to be served on the Beneficiary under this Deed of Guarantee shall only be valid when received in writing by the Beneficiary.

## **5. BENEFICIARY'S PROTECTIONS**

- 5.1 The Guarantor shall not be discharged or released from this Deed of Guarantee by any arrangement made between the Supplier and the Beneficiary (whether or not such arrangement is made with or without the assent of the Guarantor) or by any amendment to or termination of the Guaranteed Agreement or by any forbearance or indulgence whether as to payment, time, performance or otherwise granted by the Beneficiary in relation thereto (whether or not such amendment, termination, forbearance or indulgence is made with or without the assent of the Guarantor) or by the Beneficiary doing (or omitting to do) any other matter or thing which but for this provision might exonerate the Guarantor.
- 5.2 This Deed of Guarantee shall be a continuing security for the Guaranteed Obligations and accordingly:
- 5.2.1 it shall not be discharged, reduced or otherwise affected by any partial performance (except to the extent of such partial performance) by the Supplier of the Guaranteed Obligations or by any omission or delay on the part of the Beneficiary in exercising its rights under this Deed of Guarantee;
  - 5.2.2 it shall not be affected by any dissolution, amalgamation, reconstruction, reorganisation, change in status, function, control or ownership, insolvency, liquidation, administration, appointment of a receiver, voluntary arrangement, any legal limitation or other incapacity, of the Supplier, the Beneficiary, the Guarantor or any other person;
  - 5.2.3 if, for any reason, any of the Guaranteed Obligations shall prove to have been or shall become void or unenforceable against the Supplier for any reason whatsoever, the Guarantor shall nevertheless be liable in respect of that purported obligation or liability as if the same were fully valid and enforceable and the Guarantor were principal debtor in respect thereof; and
  - 5.2.4 the rights of the Beneficiary against the Guarantor under this Deed of Guarantee are in addition to, shall not be affected by and shall

not prejudice, any other security, guarantee, indemnity or other rights or remedies available to the Beneficiary.

- 5.3 The Beneficiary shall be entitled to exercise its rights and to make demands on the Guarantor under this Deed of Guarantee as often as it wishes and the making of a demand (whether effective, partial or defective) in respect of the breach or non performance by the Supplier of any Guaranteed Obligation shall not preclude the Beneficiary from making a further demand in respect of the same or some other default in respect of the same Guaranteed Obligation.
- 5.4 The Beneficiary shall not be obliged before taking steps to enforce this Deed of Guarantee against the Guarantor to obtain judgment against the Supplier or the Guarantor or any third party in any court, or to make or file any claim in a bankruptcy or liquidation of the Supplier or any third party, or to take any action whatsoever against the Supplier or the Guarantor or any third party or to resort to any other security or guarantee or other means of payment. No action (or inaction) by the Beneficiary in respect of any such security, guarantee or other means of payment shall prejudice or affect the liability of the Guarantor hereunder.
- 5.5 The Beneficiary's rights under this Deed of Guarantee are cumulative and not exclusive of any rights provided by law and may be exercised from time to time and as often as the Beneficiary deems expedient.
- 5.6 Any waiver by the Beneficiary of any terms of this Deed of Guarantee, or of any Guaranteed Obligations shall only be effective if given in writing and then only for the purpose and upon the terms and conditions, if any, on which it is given.
- 5.7 Any release, discharge or settlement between the Guarantor and the Beneficiary shall be conditional upon no security, disposition or payment to the Beneficiary by the Guarantor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Beneficiary shall be entitled to enforce this Deed of Guarantee subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made. The Beneficiary shall be entitled to retain this security after as well as before the payment, discharge or satisfaction of all monies, obligations and liabilities that are or may become due owing or incurred to the Beneficiary from the Guarantor for such period as the Beneficiary may determine.

## **6. GUARANTOR INTENT**

- 6.1 Without prejudice to the generality of Clause 5 (Beneficiary's protections), the Guarantor expressly confirms that it intends that this Deed of Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to the Guaranteed Agreement and any associated fees, costs and/or expenses.

## **7. RIGHTS OF SUBROGATION**

- 7.1 The Guarantor shall, at any time when there is any default in the performance of any of the Guaranteed Obligations by the Supplier and/or any default by the Guarantor in the performance of any of its obligations under this Deed of Guarantee, exercise any rights it may have:
  - 7.1.1 of subrogation and indemnity;

7.1.2 to take the benefit of, share in or enforce any security or other guarantee or indemnity for the Supplier's obligations; and

7.1.3 to prove in the liquidation or insolvency of the Supplier,

only in accordance with the Beneficiary's written instructions and shall hold any amount recovered as a result of the exercise of such rights on trust for the Beneficiary and pay the same to the Beneficiary on first demand. The Guarantor hereby acknowledges that it has not taken any security from the Supplier and agrees not to do so until Beneficiary receives all moneys payable hereunder and will hold any security taken in breach of this Clause on trust for the Beneficiary.

## **8. DEFERRAL OF RIGHTS**

8.1 Until all amounts which may be or become payable by the Supplier under or in connection with the Guaranteed Agreement have been irrevocably paid in full, the Guarantor agrees that, without the prior written consent of the Beneficiary, it will not:

8.1.1 exercise any rights it may have to be indemnified by the Supplier;

8.1.2 claim any contribution from any other guarantor of the Supplier's obligations under the Guaranteed Agreement;

8.1.3 take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Beneficiary under the Guaranteed Agreement or of any other guarantee or security taken pursuant to, or in connection with, the Guaranteed Agreement;

8.1.4 demand or accept repayment in whole or in part of any indebtedness now or hereafter due from the Supplier; or

8.1.5 claim any set-off or counterclaim against the Supplier;

8.2 If the Guarantor receives any payment or other benefit or exercises any set off or counterclaim or otherwise acts in breach of this Clause 8, anything so received and any benefit derived directly or indirectly by the Guarantor there from shall be held on trust for the Beneficiary and applied in or towards discharge of its obligations to the Beneficiary under this Deed of Guarantee.

## **9. REPRESENTATIONS AND WARRANTIES**

9.1 **The Guarantor hereby represents and warrants to the Beneficiary that:**

9.1.1 the Guarantor is duly incorporated and is a validly existing company under the laws of its place of incorporation, has the capacity to sue or be sued in its own name and has power to carry on its business as now being conducted and to own its property and other assets;

9.1.2 the Guarantor has full power and authority to execute, deliver and perform its obligations under this Deed of Guarantee and no limitation on the powers of the Guarantor will be exceeded as a result of the Guarantor entering into this Deed of Guarantee;

9.1.3 the execution and delivery by the Guarantor of this Deed of Guarantee and the performance by the Guarantor of its obligations under this Deed of Guarantee including, without limitation entry into and performance of a contract pursuant to Clause 3) have been

duly authorised by all necessary corporate action and do not contravene or conflict with:

- a) the Guarantor's memorandum and articles of association or other equivalent constitutional documents;
- b) any existing law, statute, rule or regulation or any judgment, decree or permit to which the Guarantor is subject; or
- c) the terms of any agreement or other document to which the Guarantor is a Party or which is binding upon it or any of its assets;

9.1.4 all governmental and other authorisations, approvals, licences and consents, required or desirable, to enable it lawfully to enter into, exercise its rights and comply with its obligations under this Deed of Guarantee, and to make this Deed of Guarantee admissible in evidence in its jurisdiction of incorporation, have been obtained or effected and are in full force and effect; and

9.1.5 this Deed of Guarantee is the legal valid and binding obligation of the Guarantor and is enforceable against the Guarantor in accordance with its terms.

## **10. PAYMENTS AND SET-OFF**

10.1 All sums payable by the Guarantor under this Deed of Guarantee shall be paid without any set-off, lien or counterclaim, deduction or withholding, howsoever arising, except for those required by law, and if any deduction or withholding must be made by law, the Guarantor will pay that additional amount which is necessary to ensure that the Beneficiary receives a net amount equal to the full amount which it would have received if the payment had been made without the deduction or withholding.

10.2 The Guarantor shall pay interest on any amount due under this Deed of Guarantee at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the due date up to the date of actual payment, whether before or after judgment.

10.3 The Guarantor will reimburse the Beneficiary for all legal and other costs (including VAT) incurred by the Beneficiary in connection with the enforcement of this Deed of Guarantee.

## **11. GUARANTOR'S ACKNOWLEDGEMENT**

11.1 The Guarantor warrants, acknowledges and confirms to the Beneficiary that it has not entered into this Deed of Guarantee in reliance upon, nor has it been induced to enter into this Deed of Guarantee by any representation, warranty or undertaking made by or on behalf of the Beneficiary (whether express or implied and whether pursuant to statute or otherwise) which is not set out in this Deed of Guarantee.

## **12. ASSIGNMENT**

12.1 The Beneficiary shall be entitled to assign or transfer the benefit of this Deed of Guarantee at any time to any person without the consent of the Guarantor being required and any such assignment or transfer shall not release the Guarantor from its liability under this Guarantee.

- 12.2 The Guarantor may not assign or transfer any of its rights and/or obligations under this Deed of Guarantee.

### **13. SEVERANCE**

- 13.1 If any provision of this Deed of Guarantee is held invalid, illegal or unenforceable for any reason by any court of competent jurisdiction, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if this Deed of Guarantee had been executed with the invalid, illegal or unenforceable provision eliminated.

### **14. THIRD PARTY RIGHTS**

- 14.1 A person who is not a Party to this Deed of Guarantee shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed of Guarantee. This Clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

### **15. GOVERNING LAW**

- 15.1 This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in all respects in accordance with English law.
- 15.2 The Guarantor irrevocably agrees for the benefit of the Beneficiary that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings and to settle any dispute which may arise out of or in connection with this Deed of Guarantee and for such purposes hereby irrevocably submits to the jurisdiction of such courts.
- 15.3 Nothing contained in this Clause shall limit the rights of the Beneficiary to take proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of any such proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not (unless precluded by applicable law).
- 15.4 The Guarantor irrevocably waives any objection which it may have now or in the future to the courts of England being nominated for the purpose of this Clause on the ground of venue or otherwise and agrees not to claim that any such court is not a convenient or appropriate forum.

IN WITNESS whereof the Guarantor has caused this instrument to be executed and delivered as a Deed the day and year first before written.

EXECUTED as a DEED by

[Insert name of the Guarantor] acting by [Insert/print names]

Director

Director/Secretary]