

## Schedule 22

### Change Control Procedure

#### 1 Definitions

In this Schedule the definitions in Schedule 1 (Definitions) shall apply.

#### 2 General principles of change control procedure

- 2.1 This Schedule sets out the procedure for dealing with Changes.
- 2.2 Operational Changes shall be processed in accordance with Paragraph 9. If either Party is in doubt about whether a change falls within the definition of an Operational Change, then it must be processed as a Contract Change.
- 2.3 In the interests of efficiency, the Parties may, by agreement, consolidate multiple change requests into a single Change Request.
- 2.4 The Change Control Procedure shall be the only method by which either Supplier is entitled to reduce, increase, vary the basis for, add or delete a Charge.
- 2.5 The Parties shall deal with Contract Change as follows:
  - 2.5.1 either Party may request a Contract Change which they shall initiate by issuing a Change Request in accordance with Paragraph 4;
  - 2.5.2 unless this Contract otherwise requires, each Supplier shall assess and document the potential impact of a proposed Contract Change in accordance with Paragraph 5 before the Contract Change can be either approved or implemented;
  - 2.5.3 the Authority shall have the right to request amendments to a Change Request, approve it or reject it in the manner set out in Paragraph 6;
  - 2.5.4 each Supplier shall have the right to reject a Change Request solely in the manner set out in Paragraph 7;
  - 2.5.5 save as otherwise provided in this Contract, no proposed Contract Change shall be implemented by either Supplier until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2; and
  - 2.5.6 if a proposed Contract Change is a Fast-track Change, it shall be processed in accordance with Paragraph 8.
- 2.6 To the extent that any Contract Change requires testing and/or a programme for implementation, then the Parties shall follow the procedures set out in Schedule 14 (Testing Procedures), and, where appropriate, the Change Authorisation Note relating to such a Contract Change shall specify Milestones and/or a Key Milestone and Milestone Date(s) in respect of such Contract Change for the purposes of such procedures.
- 2.7 Changes between Supplier A and Supplier B which do not impact the Authority shall not be subject to this Change Control Procedure. However, Supplier A and Supplier B shall log such changes and shall notify the Authority of these from time to time where such Changes have a material impact on the Services.
- 2.8 Until a Change Authorisation Note has been signed and issued by the Authority in accordance with Paragraph 6.2, then:
  - 2.8.1 unless the Authority expressly agrees (or requires) otherwise in writing, each Supplier shall continue to supply the Services in accordance with the existing terms of this Contract as if the proposed Contract Change did not apply; and

- 2.8.2 any discussions, negotiations or other communications which may take place between the Authority and either Supplier in connection with any proposed Contract Change, including the submission of any Change Communications, shall be without prejudice to each Party's other rights under this Contract.

2.9 Each Supplier shall:

- 2.9.1 within ten (10) Working Days of the Authority's signature and issue of a Change Authorisation Note, deliver to the Authority a copy of this Contract updated to reflect all Contract Changes agreed in the relevant Change Authorisation Note and annotated with a reference to the Change Authorisation Note pursuant to which the relevant Contract Changes were agreed; and
- 2.9.2 thereafter provide to the Authority such further copies of the updated Contract as the Authority may from time to time request.

**3 Costs**

3.1 Subject to Paragraph 3.3:

- 3.1.1 the costs of preparing each Change Request shall be borne by the Party making the Change Request; and
- 3.1.2 the costs incurred by the relevant Supplier in undertaking an Impact Assessment shall be borne by the Party making the Change Request provided that the Authority shall not be required to pay any such costs if the relevant Supplier is able to undertake the Impact Assessment by using resources already deployed in the provision of the Services.

- 3.2 The cost of any Contract Change shall be calculated and charged in accordance with the principles and day rates or day costs (as applicable) set out in Schedule 15 (Charges and Invoicing). The relevant Supplier shall be entitled to increase the Charges only if it can demonstrate in the Impact Assessment that the proposed Contract Change requires additional resources and, in any event, any change to the Charges resulting from a Contract Change (whether the change will cause an increase or a decrease in the Charges) will be strictly proportionate to the increase or decrease in the level of resources required for the provision of the Services as amended by the Contract Change.

- 3.3 The Parties' costs incurred in respect of any use of this Change Control Procedure as a result of any error or Default by the relevant Supplier shall be paid for by the relevant Supplier.

**4 Change Request**

- 4.1 Either Party may issue a Change Request to the other Party at any time during the Term. A Change Request shall be substantially in the form of Appendix A and state whether the Party issuing the Change Request considers the proposed Contract Change to be a Fast-track Change.
- 4.2 If either Supplier or the Authority issues the Change Request, then the relevant Supplier(s) shall also provide an Impact Assessment to the Authority as soon as is reasonably practicable but in any event within ten (10) Working Days from the date on which the Change Request is issued.
- 4.3 If either Supplier requires any clarification in relation to the Change Request before it can deliver the Impact Assessment, then it shall promptly make a request for clarification to the Authority and provided that sufficient information is received by the Authority to fully understand:
  - 4.3.1 the nature of the request for clarification; and
  - 4.3.2 the reasonable justification for the request.

The time period to complete the Impact Assessment shall be extended by the time taken by the Authority to provide that clarification. The Authority shall respond to the request for clarification as soon as is reasonably practicable.

- 4.4 The relevant Supplier shall provide such other information as is requested by the Authority in connection with any proposed addition to or increase in the Charge.
- 4.5 The Parties acknowledge and agree that implementation of a Contract Change shall not, without provision otherwise within the Change Authorisation Note, give rise to a change in the Charges.
- 4.6 The relevant Supplier shall not be entitled to add to or increase the Charges in respect of the following types of Contract Change (and the Parties acknowledge and agree that this is not an exhaustive list of non-chargeable Contract Changes):
  - 4.6.1 Contract Changes that are required in order to incorporate any services, functions and responsibilities (including incidental services, functions and responsibilities) that are not expressly described in Schedule 2 (Services Description), but which are reasonably and necessarily required for the proper performance and provision of the obligations set out in Schedule 2 (Services Description);
  - 4.6.2 lawful Contract Changes which were envisaged by the Parties at the Effective Date and for which a Charge is included in Schedule 15 (Charges and Invoicing);
  - 4.6.3 Contract Changes required for the relevant Supplier to carry out its obligations hereunder where the associated costs and expenses are already included in the Charges;
  - 4.6.4 Contract Changes that arise out of any incident or problem resolution procedure, including the testing and acceptance procedures that are within the scope of the Services; and
  - 4.6.5 Contract Changes required as a result of a General Change in Law or a Specific Change in Law to the extent that the relevant Supplier is obliged under this Contract to bear the costs of such Change in Law in accordance with this Contract.

## **5 Impact Assessment**

- 5.1 Each Impact Assessment shall be completed in good faith and shall include:
  - 5.1.1 details of the proposed Contract Change including the reason for the Contract Change;
  - 5.1.2 details of the impact of the proposed Contract Change on the Services, the Optional Services (if any) and the relevant Supplier's ability to meet its other obligations under this Contract;
  - 5.1.3 any variation to the terms of this Contract that will be required as a result of that impact, including changes to:
    - (a) the Services Description, the Performance Indicators and/or the Target Performance Levels;
    - (b) the format of Authority Data (including Service Recipient data where appropriate), as set out in the Services Description;
    - (c) the Milestones, Implementation Plan and any other timetable previously agreed by the Parties; and/or
    - (d) other services provided by third party contractors to the Authority, including any changes required by the proposed Contract Change to the Authority's (and/or or Service Recipients), IT infrastructure;

- 5.1.4 details of the cost (if any) of implementing the proposed Contract Change (including supporting details and justification);
- 5.1.5 details of the ongoing costs (if any) required by the proposed Contract Change when implemented, including any increase or decrease in the Charges, any alteration in the resources and/or expenditure required by either Party (or Service Recipients), and any alteration to the working practices of either Party (or Service Recipients) and including supporting details and justification in each case;
- 5.1.6 a timetable for the implementation, together with any proposals for the testing of the Contract Change;
- 5.1.7 an assessment of the impact of the Contract Change on any amounts that may become payable under Schedule 16 (Payments on Termination) and the limits on liability set out in Clause 25 (Limitations on Liability) and any other provisions notified by the Authority from time to time;
- 5.1.8 any material impact the Contract Change may have on the Authority's ability to transition part or all of the Services to a Replacement Supplier (including supporting details and justification);
- 5.1.9 the proposed recovery, remediation and mitigation procedures which will apply if the implementation of the Contract Change fails in whole or in part; and
- 5.1.10 where relevant, details of how the proposed Contract Change will ensure compliance with any applicable Change in Law.
- 5.2 If the Contract Change involves the processing or transfer of any Personal Data outside the European Economic Area, the preparation of the Impact Assessment shall also be subject to Clause 21 (Protection of Personal Data).
- 5.3 Subject to the provisions of Paragraph 5.4, the Authority shall review the Impact Assessment and respond to the relevant Supplier in accordance with Paragraph 6 within fifteen (15) Working Days of receiving the Impact Assessment.
- 5.4 If the Authority is the Receiving Party and the Authority reasonably considers that it requires further information regarding the proposed Contract Change so that it may properly evaluate the Change Request and the Impact Assessment, then within five (5) Working Days of receiving the Impact Assessment, it shall notify the relevant Supplier of this fact and detail the further information that it requires. The relevant Supplier shall then re-issue the relevant Impact Assessment to the Authority within ten (10) Working Days of receiving such notification. At the Authority's discretion, the Parties may repeat the process described in this Paragraph 5.4 until the Authority is satisfied that it has sufficient information to properly evaluate the Change Request and Impact Assessment.
- 5.5 The calculation of costs for the purposes of Paragraphs 5.1.4 and 5.1.5 shall:
  - 5.5.1 be based on the Financial Model;
  - 5.5.2 facilitate the Financial Transparency Objectives;
  - 5.5.3 include estimated volumes of each type of resource to be employed and the applicable rate card;
  - 5.5.4 include full disclosure of any assumptions underlying such Impact Assessment;
  - 5.5.5 include evidence of the cost of any assets required for the Change; and
  - 5.5.6 include details of any new Sub-contracts necessary to accomplish the Change.
- 5.6 Each Supplier shall be responsible for:

- 5.6.1 obtaining from the Authority all of the information and documents that the relevant Supplier considers necessary or relevant for the creation of the Impact Assessment;
  - 5.6.2 making its own enquiries to satisfy itself as to the accuracy and adequacy of such information; and
  - 5.6.3 satisfying itself (whether by inspection or having raised all relevant questions with the Authority before supplying the Impact Assessment) of all relevant details relating to the Authority (or Service Recipients') Requirements in connection with the Change Request.
- 5.7 Each Supplier hereby warrants and undertakes that each Impact Assessment submitted to the Authority shall be comprehensive, complete and accurate in all material respects.
- 5.8 In respect of a proposed Contract Change where it is reasonable for the Authority to expect a reduced Charge, or where the Authority has expressly requested a reduction in the Charges, when raising or responding to a Change Request, then in addition to the requirements in Paragraph 5.1 above, the relevant Supplier is required to supply with its impact assessment its proposals for that reduction which shall include as a minimum:
- 5.8.1 an analysis of the cost reductions that will, or are anticipated to, be achieved as a result of the proposed Contract Change (supported by relevant transparent and comprehensive documentary evidence of the reduction including the analysis of any overhead and margin removed with reference to the Financial Model);
  - 5.8.2 any other information requested by the Authority in connection with the reduction; and
  - 5.8.3 an analysis of the impact, if any, on the Anticipated Contract Life Profit Margin.

## **6 Authority's right of approval**

- 6.1 Within fifteen (15) Working Days of receiving the Impact Assessment from either Supplier or within ten (10) Working Days of receiving the further information that it may request pursuant to Paragraph 5.4, the Authority shall evaluate the Change Request and the Impact Assessment and shall do one of the following:
- 6.1.1 approve the proposed Contract Change, in which case the Parties shall follow the procedure set out in Paragraph 6.2;
  - 6.1.2 in its absolute discretion reject the Contract Change, in which case it shall notify the relevant Supplier of the rejection. The Authority shall not reject any proposed Contract Change to the extent that the Contract Change is necessary for the relevant Supplier or the Services to comply with any Changes in Law. If the Authority does reject a Contract Change, then it shall explain its reasons in writing to the relevant Supplier as soon as is reasonably practicable following such rejection; or
  - 6.1.3 in the event that it reasonably believes that a Change Request or Impact Assessment contains errors or omissions, require the relevant Supplier to modify the relevant document accordingly, in which event the relevant Supplier shall make such modifications in accordance with either Paragraph 5.4 or Paragraph 6.4 (as is relevant).
- 6.2 If the Authority approves the proposed Contract Change pursuant to Paragraph 6.1 and it has not been rejected by the relevant Supplier in accordance with Paragraph 7, then it shall inform the relevant Supplier and the relevant Supplier shall prepare two copies of a Change Authorisation Note which it shall sign and deliver to the Authority for its signature. Following receipt by the Authority of the Change Authorisation Note, it shall sign both copies and return one copy to the relevant Supplier. On the Authority's signature the Change Authorisation Note shall constitute (or, where the Authority has agreed to or required the implementation of a

Change prior to signature of a Change Authorisation Note, shall constitute confirmation of) a binding variation to this Contract.

- 6.3 If the Authority does not sign the Change Authorisation Note within ten (10) Working Days, then the relevant Supplier shall have the right to notify the Authority and if the Authority does not sign the Change Authorisation Note within five (5) Working Days of such notification, then the relevant Supplier may refer the matter to the Expedited Dispute Timetable pursuant to the Dispute Resolution Procedure.
- 6.4 If an Impact Assessment omits any details then without prejudice to the Authority's other rights and remedies the relevant Supplier shall be responsible for:
- 6.4.1 notifying the Authority of the relevant details, updating the relevant Impact Assessment and delivering a copy to the Authority as soon as practicable (and in any event within five (5) Working Days or such other period notified by the Authority in writing) following the relevant Supplier becoming aware of those details;
  - 6.4.2 as necessary, issuing a Change Request including any changes to the Services required by the Authority and notified to the relevant Supplier following its receipt of the updated Impact Assessment pursuant to sub-paragraph 6.4.1 above in order to rectify the Default. Any Change Requests issued pursuant to this Paragraph 6.4.2 shall be processed as Fast-track Changes (and the limitations set out in Paragraph 8.2 shall not apply to any Change Requests issued pursuant to this Paragraph 6.4.2); and
  - 6.4.3 mitigating the effect of the Default as far as possible from the time of the relevant Supplier becoming aware of the Default and either:
    - (a) the notification from the Authority that no Contract Change is required; or
    - (b) the agreement and implementation of a Contract Change, as a result of the updated Impact Assessment.
- 6.5 In the event of a Default subject to Paragraph 6.4, the relevant Supplier shall be responsible for all costs and expenses howsoever arising in connection with the preparation, agreement, implementation and ongoing delivery and management of any Contract Change required pursuant to Paragraph 6.4 (including any increase in overheads or other ongoing charges, costs or expenses connected with the provision of the Services).

## **7 Supplier's right of approval**

- 7.1 Following an Impact Assessment, if:
- 7.1.1 the relevant Supplier reasonably believes that any proposed Contract Change which is requested by the Authority would:
    - (a) materially and adversely affect the risks to the health and safety of any person; and/or
    - (b) require the Services to be performed in a way that infringes any Law; and/or
  - 7.1.2 the relevant Supplier demonstrates to the Authority's reasonable satisfaction that the proposed Contract Change is technically impossible to implement and neither the relevant Supplier's Solution nor the Services Description state that the relevant Supplier does have the technical capacity and flexibility required to implement the proposed Contract Change,

then the relevant Supplier shall be entitled to reject the proposed Contract Change and shall notify the Authority of its reasons for doing so within five (5) Working Days after the date on which it is obliged to deliver the Impact Assessment pursuant to Paragraph 4.2.

## **8 Fast-track Changes**

8.1 The Parties acknowledge that to ensure operational efficiency there may be circumstances where it is desirable to expedite the processes set out above.

8.2 If:

8.2.1 the total number of Contract Changes in relation to which this Fast-track Change procedure has been applied does not exceed 20 in the immediately preceding twelve (12) month period; and

8.2.2 the value of the proposed Contract Change over the remaining Term and any period for which Termination Services may be required is not significant (as determined by the Authority acting reasonably),

then the Parties shall confirm to each other in writing that they shall use the process set out in Paragraphs 4, 5, 6 and 7 but with reduced timescales, such that any period of fifteen (15) Working Days is reduced to five (5) Working Days, any period of ten (10) Working Days is reduced to two (2) Working Days and any period of five (5) Working Days is reduced to one (1) Working Day.

8.3 The Parties may agree in writing to revise the parameters set out in Paragraph 8.2 if from time to time or that the Fast-track Change procedure shall be used in relation to a particular Contract Change notwithstanding that the total number of Contract Changes to which such procedure is applied will then exceed 20 in a twelve (12) month period.

## **9 Operational change procedure**

9.1 Any Operational Changes identified by the relevant Supplier to improve operational efficiency of the Services may be implemented by the relevant Supplier without following the Change Control Procedure for proposed Contract Changes provided they do not:

9.1.1 have an impact on the business of the Authority;

9.1.2 require a change to this Contract;

9.1.3 have a direct impact on use of the Services;

9.1.4 cause any material delay; or

9.1.5 involve the Authority in paying any additional Charges or other costs.

9.2 The Authority may request an Operational Change by submitting a written request for Operational Change (**RFOC**) to the relevant Supplier's Representative.

9.3 The RFOC shall include the following details:

9.3.1 the proposed Operational Change; and

9.3.2 the timescale for completion of the Operational Change.

9.4 The relevant Supplier shall inform the Authority of any impact on the Services that may arise from the proposed Operational Change.

9.5 The relevant Supplier shall complete the Operational Change by the timescale specified for completion of the Operational Change in the RFOC and shall promptly notify the Authority when the Operational Change is completed.

## **10 Communications**

For any Change Communication to be valid under this Schedule, it must be sent to either the Authority Change Manager or the relevant Supplier's Change Manager, as applicable. The

provisions of Clause 42 (Notices) shall apply to a Change Communication as if it were a notice.

## Appendix A

### Change Request Form

|   |        |                   |
|---|--------|-------------------|
| CR No.:   | Title: | Type of change:   |
| Contract:   |        | Required by date: |
| Action:   | Name:  | Date:             |
| <p>Raised by:</p> <ul style="list-style-type: none"> <li>• [Supplier A only];</li> <li>• [Supplier B only];</li> <li>• [Supplier A &amp; B jointly]</li> <li>• [The Authority]</li> </ul> |        |                   |
| Area(s) impacted ( <i>optional field</i> ):   |        |                   |
| Assigned for Impact Assessment by:  |        |                   |
| Assigned for Impact Assessment to:  |        |                   |
| Supplier reference no.:   |        |                   |
| Full description of requested Contract Change (including proposed changes to the wording of the contract):  |        |                   |
| Details of any proposed alternative scenarios:  |        |                   |
| Reasons for and benefits and disadvantages of requested Contract Change:  |        |                   |
| Signature of requesting change owner:   |        |                   |
| Date of request:  |        |                   |

## Appendix B

### Change Authorisation Note

|   |                 |                                   |
|---|-----------------|-----------------------------------|
| CR no.:   | Title:          | Date raised:                      |
| Contract:   | Type of change: | Required by date:                 |
| [KEY MILESTONE DATE: [if any] • ]   |                 |                                   |
| Detailed description of Contract Change for which Impact Assessment is being prepared and wording of related changes to the Contract: |                 |                                   |
| Proposed adjustment to the charges resulting from the Contract Change:  |                 |                                   |
| Details of proposed one-off additional charges and means for determining these (e.g. fixed price basis):                              |                 |                                   |
| Signed on behalf of the Authority:  |                 | Signed on behalf of the Supplier: |
| Signature: _____  |                 | Signature: _____                  |
| Name: _____   |                 | Name: _____                       |
| Position: _____   |                 | Position: _____                   |
| Date: _____   |                 | Date: _____                       |