Call-Off Schedule 14 (Service Levels)

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

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| “Critical Service Level Failure” | has the meaning given to it in the Order Form; |
| "Service Credits" | 1. any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to UKEF in respect of any failure by the Supplier to meet one or more Service Levels for UKEF Account Work; |
| "Service Credit Cap" | 1. has the meaning given to it in the Order Form; |
|  |  |
| "Service Level Failure" | 1. means a failure to meet the Service Level Performance Measure in respect of a Service Level; |
| "Service Level Performance Measure" | 1. shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and |
| "Service Level Threshold" | 1. shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule. |

1. What happens if you don’t meet the Service Levels
   1. The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
   2. The Supplier acknowledges that any Service Level Failure for UKEF Account Work shall entitle UKEF to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by UKEF as a result of the Supplier’s failure to meet any Service Level Performance Measure.
   3. The Supplier shall send Performance Monitoring Reports to UKEF detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.
   4. A Service Credit shall be UKEF’s exclusive financial remedy for a Service Level Failure for UKEF Account Work except where:
      1. the Supplier has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or
      2. the Service Level Failure:
         1. exceeds the relevant Service Level Threshold;
         2. has arisen due to a Prohibited Act or wilful Default by the Supplier;
         3. results in the corruption or loss of any Government Data; and/or
         4. results in UKEF being required to make a compensation payment to one or more third parties; and/or
      3. UKEF is otherwise entitled to or does terminate this Contract pursuant to Clause 10.4 (Ending the Contract).
   5. Not more than once in each Contract Year, UKEF may, on giving the Supplier at least three (3) Months’ notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Supplier shall not be entitled to object to, or increase the Charges as a result of such changes, provided that:
      1. the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;
      2. the principal purpose of the change is to reflect changes in UKEF's business requirements and/or priorities or to reflect changing industry standards; and
      3. there is no change to the Service Credit Cap.
2. Critical Service Level Failure
   1. On the occurrence of a Critical Service Level Failure any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue.
   2. Where UKEF is liable for payment of the Charges, UKEF shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any Charges which would otherwise have been due to the Supplier in respect of that Service Period ("**Compensation for Critical Service Level Failure**"),

provided that the operation of this paragraph 3 shall be without prejudice to the right of UKEF to terminate this Contract and/or to claim damages from the Supplier for material Default.

Part A: Service Levels and Service Credits

1. Service Levels

If the level of performance of the Supplier:

* 1. is likely to or fails to meet any Service Level Performance Measure; or
  2. is likely to cause or causes a Critical Service Failure to occur,

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

* + 1. require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on UKEF and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring;
    2. instruct the Supplier to comply with the Rectification Plan Process;
    3. if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Supplier to UKEF; and/or
    4. if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for material Default).

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

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

[**Guidance Note:** The following are included by way of example only. Procurement-specific Service Levels should be incorporated]

| Service Levels | | | | Service Credit for each Service Period |
| --- | --- | --- | --- | --- |
| Service Level Performance Criterion | Key Indicator | Service Level Performance Measure | Service Level Threshold |
| Accurate and timely billing of UKEF | Accuracy /Timelines | at least 98% at all times | [ ] | 0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure |
| Access to UKEF support | Availability | at least 98% at all times | [ ] | 0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure |

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

[Example:

|  |  |  |
| --- | --- | --- |
| Formula: x% (Service Level Performance Measure) - x% (actual Service Level performance) | = | x% of the Charges payable to UKEF as Service Credits to be deducted from the next Invoice payable by UKEF |
| Worked example: 98% (e.g. Service Level Performance Measure requirement for accurate and timely billing Service Level) - 75% (e.g. actual performance achieved against this Service Level in a Service Period) | = | 23% of the Charges payable to UKEF as Service Credits to be deducted from the next Invoice payable by UKEF] |

Part B: Performance Monitoring

1. Performance Monitoring and Performance Review
   1. Within twenty (20) Working Days of the Start Date the Supplier shall provide UKEF with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
   2. The Supplier shall provide UKEF with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 1.1 of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
      1. for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
      2. a summary of all failures to achieve Service Levels that occurred during that Service Period;
      3. details of any Critical Service Level Failures;
      4. for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
      5. the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
      6. such other details as UKEF may reasonably require from time to time.
   3. The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and UKEF of the Performance Monitoring Reports. The Performance Review Meetings shall:
      1. take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as UKEF shall reasonably require;
      2. be attended by the Supplier's Representative and UKEF’s Representative; and
      3. be fully minuted by the Supplier and the minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to UKEF’s Representative and any other recipients agreed at the relevant meeting.
   4. The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and UKEF’s Representative at each meeting.
   5. The Supplier shall provide to UKEF such documentation as UKEF may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.
2. Satisfaction Surveys
   1. UKEF may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. UKEF shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the Satisfaction Surveys