

OFFICIAL - SENSITIVE - COMMERCIAL

HMRC Standard Goods and Services Model Contract v1.0

SCHEDULE 7.3

VALUE FOR MONEY

Value For Money

CONTINUOUS IMPROVEMENT

1 CONTINUOUS IMPROVEMENT

- 1.1 As part of the Supplier's continuous improvement obligations, the Supplier shall produce at the start of this Agreement and at the start of any extension of this Agreement, a report of proposals for improving the provision of the Services and/or reducing the Charges (without adversely affecting the performance of this Agreement) during that Contract Year (or any extension thereof) (**Continuous Improvement Report**) for the Authority's approval. The Continuous Improvement Report must include, as a minimum, proposals identifying:
- (a) relevant new and evolving technologies;
 - (b) changes in business processes of the Supplier or the Authority and ways of working that would provide cost savings and/or enhanced benefits to the Authority (such as methods of interaction, supply chain efficiencies, reduction in energy consumption and methods of sale)
 - (c) new or potential improvements to the provision of the Services including the quality, responsiveness, procedures, likely performance mechanisms and customer support services in relation to the Services; and
 - (a) measuring and reducing the sustainability impacts of the Supplier's operations and supply-chains relating to the Deliverables, and identifying opportunities to assist the Buyer in meeting their sustainability objectives.
- 1.2 The initial Continuous Improvement Report shall be submitted by the Supplier to the Buyer for approval within three (3) Months following the Effective Date.
- 1.3 The Supplier shall provide sufficient information with each suggested improvement to enable a decision by the Authority on whether to implement it. The Supplier shall provide any further information as reasonably requested.
- 1.4 If the Authority wishes to incorporate any improvement into this Agreement:
- (a) the Authority shall send the Supplier a Change Request in accordance with the Change Control Procedure; and
 - (b) the costs arising from any improvement shall have no effect on and are included in the Charges and the Supplier shall implement any Contract Change pursuant to Paragraph 1.4(a) at no additional cost to the Authority.
- 1.5 All costs relating to the compilation or updating of the Continuous Improvement Report shall have no effect on and are included in the Charges.
- 1.6 Subject to Paragraph 2 (*Efficiency Gain Share*), if used, below, should the Supplier's costs in providing the Services to the Buyer be reduced as a result of any changes implemented, all of the cost savings shall be passed on to the Buyer by way of a consequential and immediate reduction in the Charges for the Services.

2 EFFICIENCY GAIN SHARE

- 2.1 At any time during the Term, including when submitting its Continuous Improvement Report, the Supplier may make a proposal for gainshare by submitting a Gain Share Report to the Authority detailing the efficiency gain proposals that might be applied to the Services to reduce the Charges payable under this Agreement and/or achieve savings to the Authority elsewhere, including:

details of how the savings are calculated and the time period to which it relates. All savings set out in the Gain Share Report must be based in fact (and net of any costs incurred by the Authority) and incorporate a baseline measure, the costs necessary for each Party to achieve the savings (if any), budget forecast and measures to actualise the savings. The savings identified in the Gain Share Report shall be proven and auditable savings and not based on estimated or deemed savings; and

- 2.2 The Authority may incorporate any improvement from the Gain Share Report into this Agreement in accordance with Paragraph 1.4 above.

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