



**Home Office**

**DATED**

**2018**

**(1) THE SECRETARY OF STATE FOR THE HOME DEPARTMENT**

**and**

**(2) SOPRA STERIA LIMITED**

**AGREEMENT**

relating to

**Front End Services (FES) UK**

## CONTENTS

|   |    |
|---|----|
| SCHEDULES .....   | 3  |
| SECTION A - PRELIMINARIES .....                                   | 4  |
| 1. DEFINITIONS AND INTERPRETATION .....                           | 4  |
| 2. DUE DILIGENCE .....  | 5  |
| 3. WARRANTIES .....   | 6  |
| SECTION B – THE SERVICES.....                                     | 9  |
| 4. CONTRACT TERM .....  | 9  |
| 5. SERVICES .....   | 10 |
| 6. IMPLEMENTATION .....   | 15 |
| 7. PERFORMANCE INDICATORS .....                                   | 17 |
| 8. SERVICES IMPROVEMENT.....                                      | 19 |
| 9. EQUIPMENT AND MAINTENANCE .....                                | 22 |
| SECTION C - PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS ..   | 23 |
| 10. FINANCIAL AND TAXATION MATTERS .....                          | 23 |
| SECTION D - CONTRACT GOVERNANCE .....                             | 25 |
| 11. GOVERNANCE.....   | 25 |
| 12. RECORDS, REPORTS, AUDITS & OPEN BOOK DATA.....                | 25 |
| 13. CHANGE .....  | 25 |
| SECTION E – SUPPLIER PERSONNEL AND SUPPLY CHAIN .....             | 27 |
| 14. SUPPLIER PERSONNEL .....                                      | 27 |
| 15. SUPPLY CHAIN RIGHTS AND PROTECTIONS .....                     | 30 |
| 16. COMPLIANCE WITH ANTI-SLAVERY AND HUMAN TRAFFICKING            |    |
| LAWS AND POLICIES .....   | 35 |
| SECTION F - INTELLECTUAL PROPERTY, DATA AND CONFIDENTIALITY ..... | 37 |
| 17. INTELLECTUAL PROPERTY RIGHTS.....                             | 37 |
| 18. TRANSFER AND LICENCES GRANTED BY THE SUPPLIER.....            | 38 |
| 19. LICENCES GRANTED BY THE AUTHORITY .....                       | 42 |
| 20. IPRs INDEMNITY .....  | 43 |
| 21. AUTHORITY DATA AND SECURITY REQUIREMENTS.....                 | 45 |
| 22. CONFIDENTIALITY .....   | 47 |
| 23. TRANSPARENCY AND FREEDOM OF INFORMATION .....                 | 49 |
| 24. PROTECTION OF PERSONAL DATA.....                              | 50 |
| 25. PUBLICITY AND BRANDING .....                                  | 53 |
| SECTION G - LIABILITY, INDEMNITIES AND INSURANCE .....            | 55 |
| 26. LIMITATIONS ON LIABILITY .....                                | 55 |
| 27. INSURANCE .....   | 57 |
| SECTION H – REMEDIES AND RELIEF .....                             | 58 |
| 28. RECTIFICATION PLAN PROCESS .....                              | 58 |
| 29. DELAY PAYMENTS.....   | 59 |
| 30. REMEDIAL ADVISER .....  | 60 |
| 31. STEP-IN RIGHTS.....   | 62 |
| 32. AUTHORITY CAUSE .....   | 63 |
| 33. FORCE MAJEURE.....  | 65 |
| SECTION I – TERMINATION AND EXIT MANAGEMENT.....                  | 68 |
| 34. TERMINATION RIGHTS .....                                      | 68 |
| 35. CONSEQUENCES OF EXPIRY OR TERMINATION.....                    | 69 |
| SECTION J - MISCELLANEOUS AND GOVERNING LAW .....                 | 73 |
| 36. COMPLIANCE.....   | 73 |

---

|     |                                       |    |
|-----|---------------------------------------|----|
| 37. | ASSIGNMENT AND NOVATION .....         | 73 |
| 38. | WAIVER AND CUMULATIVE REMEDIES .....  | 74 |
| 39. | RELATIONSHIP OF THE PARTIES.....      | 74 |
| 40. | PREVENTION OF FRAUD AND BRIBERY ..... | 75 |
| 41. | ENVIRONMENTAL REQUIREMENTS.....       | 76 |
| 42. | SEVERANCE .....                       | 76 |
| 43. | FURTHER ASSURANCES .....              | 77 |
| 44. | ENTIRE AGREEMENT .....                | 77 |
| 45. | THIRD PARTY RIGHTS .....              | 77 |
| 46. | NOTICES .....                         | 77 |
| 47. | DISPUTES .....                        | 79 |
| 48. | GOVERNING LAW AND JURISDICTION .....  | 79 |

**SCHEDULES**

|                    |   |
|--------------------|---|
| <b>Schedule 1</b>  | Definitions   |
| <b>Schedule 2</b>  | Statement of Requirements                             |
| <b>Schedule 3</b>  | Supplier Solution                                     |
| <b>Schedule 4</b>  | Security  |
| <b>Schedule 5</b>  | Implementation (Mobilisation and Transition)          |
| <b>Schedule 6</b>  | Pricing, Payments and Invoicing                       |
| <b>Schedule 7</b>  | Performance Levels (KPIs)                             |
| <b>Schedule 8</b>  | Governance and Contract Management                    |
| <b>Schedule 9</b>  | Exit Management                                       |
| <b>Schedule 10</b> | Change Control Procedures                             |
| <b>Schedule 11</b> | Representatives and Key Personnel                     |
| <b>Schedule 12</b> | Notified Key Sub-contractors                          |
| <b>Schedule 13</b> | Facilities  |
| <b>Schedule 14</b> | Management Information and Reporting                  |
| <b>Schedule 15</b> | Financial Reports and Audit Rights                    |
| <b>Schedule 16</b> | Sustainability  |
| <b>Schedule 17</b> | Insurance Requirements                                |
| <b>Schedule 18</b> | Deed of Guarantee                                     |
| <b>Schedule 19</b> | Financial Distress                                    |
| <b>Schedule 20</b> | Authority Responsibilities                            |
| <b>Schedule 21</b> | Business Continuity and Disaster Recovery (BCDR) Plan |
| <b>Schedule 22</b> | Commercially Sensitive Information                    |
| <b>Schedule 23</b> | Standards   |
| <b>Schedule 24</b> | Staff Transfer  |
| <b>Schedule 25</b> | Dispute Resolution Procedure                          |
| <b>Schedule 26</b> | Complaints Handling                                   |
| <b>Schedule 27</b> | Information Technology (IT)                           |
| <b>Schedule 28</b> | Payments on Termination                               |
| <b>Schedule 29</b> | GDPR  |
| <b>Schedule 30</b> | Data Processing                                       |

**THIS AGREEMENT** is made on

20

**BETWEEN:**

- (1) **THE SECRETARY OF STATE FOR THE HOME DEPARTMENT** acting through the United Kingdom Border Agency, whose address is 2 Marsham Street, London SW1P 4DF (“**the Authority**”); and
- (2) **SOPRA STERIA LIMITED** a company registered in England and Wales under company number 04077975 whose registered office is at Three, Cherry Trees Lane, Hemel Hempstead, Hertfordshire, HP2 7AH (the “**Supplier**”)

(each a “Party” and together the “Parties”).

**INTRODUCTION**

- (A) The Authority, acting through UK Visas and Immigration (UKVI), wishes to procure Front End Services (FES) in the UK to support Customer applications to either extend their stay, settle, or pursue British nationality. The strategic ambition for FES (UK) is to create a streamlined, digitised and accessible application service, whilst offering a choice for customers in how they experience that service and facilitating opportunities to generate revenue that aligns with customer demand.
- (B) On 08 August 2017, the Authority advertised in the Official Journal of the European Union (Reference 2017/S 150-310539) inviting prospective suppliers to submit proposals for the FES (UK) services.
- (C) The Supplier is a Private Limited Company
- (D) On the basis of the Supplier's response to the advertisement and a subsequent tender process, the Authority selected the Supplier as its preferred supplier.
- (E) Following negotiations, the Parties have agreed to contract with each other in accordance with the terms and conditions set out below.

**IT IS AGREED** as follows:

**SECTION A - PRELIMINARIES**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Agreement, unless otherwise provided or the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 1 (**Definitions**) or the relevant Schedule in which that capitalised expression appears.
- 1.2 In this Agreement, unless the context otherwise requires:
  - (a) the singular includes the plural and vice versa;
  - (b) reference to a gender includes the other gender and the neuter;
  - (c) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Central Government Body;

- (d) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
  - (e) 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”;
  - (f) 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;
  - (g) the headings are for ease of reference only and shall not affect the interpretation or construction of this Agreement;
  - (h) references to Clauses and Schedules are references to the clauses and schedules of this Agreement and references in any Schedule to Paragraphs, Parts and Annexes are, unless otherwise provided, references to the paragraphs, parts and annexes of the Schedule or the Part of the Schedule in which the references appear; and
  - (i) references to this Agreement are references to this Agreement as amended from time to time.
- 1.3 Where a standard, policy or document is referred to in this Agreement by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify the Authority and the Parties shall update this Agreement with a reference to the replacement hyperlink.
- 1.4 If there is any conflict between the Clauses and the Schedules and/or any Annexes to the Schedules, the conflict shall be resolved in accordance with the following order of precedence:
- (a) the Clauses and Schedule 1 (**Definitions**);
  - (b) Schedule 2 (**Statement of Requirements**) and 7 (**Performance Levels (KPIs)**) and their Annexes;
  - (c) any other Schedules and their Annexes (other than Schedule 3 (**Supplier Solution**) and its Annexes); and
  - (d) Schedule 3 (**Supplier Solution**) and its Annexes (if any).
- 1.5 The Schedules and their Annexes form part of this Agreement.
- 1.6 In entering into this Agreement the Authority is acting as part of the Crown.
- 2. DUE DILIGENCE**
- 2.1 The Supplier acknowledges that:
- (a) the Authority 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 Agreement;

- (b) it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information;
- (c) it has satisfied itself (whether by inspection or having raised all relevant due diligence questions with the Authority before the Effective Date) of all relevant details relating to:
  - (i) the Authority Requirements;
  - (ii) the suitability of the existing and (to the extent that it is defined or reasonably foreseeable at the Effective Date) future Operating Environment;
  - (iii) the operating processes and procedures and the working methods of the Authority;
  - (iv) the ownership, functionality, capacity, condition and suitability for use in the Services of the Authority Assets; and
  - (v) the existing contracts (including any licences, support, maintenance and other agreements relating to the Operating Environment) referred to in the Due Diligence Information which may be novated to, assigned to or managed by the Supplier under this Agreement and/or which the Supplier will require the benefit of for the provision of the Services; and
- (d) it has advised the Authority in writing of:
  - (i) each aspect, if any, of the Operating Environment that is not suitable for the provision of the Services;
  - (ii) the actions needed to remedy each such unsuitable aspect; and
  - (iii) a timetable for and, to the extent that such costs are to be payable to the Supplier, the costs of those actions,

and such actions, timetable and costs are fully reflected in this Agreement, including the Services Description and/or Authority Responsibilities as applicable.

2.2 The Supplier shall not be excused from the performance of any of its obligations under this Agreement on the grounds of, nor shall the Supplier be entitled to recover any additional costs or charges, arising as a result of:

- (a) any unsuitable aspects of the Operating Environment;
- (b) any misinterpretation of the Authority Requirements; and/or
- (c) any failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

### 3. WARRANTIES

3.1 The Authority represents and warrants that:

- (a) it has full capacity and authority to enter into and to perform this Agreement;

- (b) this Agreement is executed by its duly authorised representative;
- (c) 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 that might affect its ability to perform its obligations under this Agreement; and
- (d) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable 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:

- (a) it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;
- (b) it has full capacity and authority to enter into and to perform this Agreement;
- (c) this Agreement is executed by its duly authorised representative;
- (d) it has all necessary consents and regulatory approvals to enter into this Agreement;
- (e) 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 any of its Affiliates that might affect its ability to perform its obligations under this Agreement;
- (f) its execution, delivery and performance of its obligations under this Agreement will not constitute a breach of any Law or obligation applicable to it and will not cause or result in a default under any agreement by which it is bound;
- (g) its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable 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);
- (h) all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation its response to the standard Selection Questionnaire and ITT (if applicable), 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 Agreement or to the extent that the Supplier has otherwise disclosed to the Authority in writing prior to the date of this Agreement;
- (i) it has notified the Authority in writing of any Occasions of Tax Non-Compliance and any litigation in which it is involved that is in connection with any Occasion of Tax Non-Compliance;



- 
- (j) it has all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Agreement and/or the receipt of the Services by the Authority;
  - (k) the Contract Inception Report is a true and accurate reflection of the Costs and Supplier Profit Margin forecast by the Supplier and the Supplier does not have any other internal financial model in relation to the Services inconsistent with the Financial Model;
  - (l) 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 Agreement; and
  - (m) 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 The representations and warranties set out in Clause 3.2 shall be deemed to be repeated by the Supplier on the Effective Date (if later than the date of signature of this Agreement) by reference to the facts then existing.
- 3.4 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 other undertaking in this Agreement.
- 3.5 If at any time a Party becomes aware that a representation or warranty given by it under Clause 3.1 or 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.
- 3.6 For the avoidance of doubt, the fact that any provision within this Agreement is expressed as a warranty shall not preclude any right of termination which the Authority may have in respect of breach of that provision by the Supplier.
- 3.7 Except as expressly stated in this Agreement, all warranties and conditions whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by Law.

## SECTION B – THE SERVICES

### 4. CONTRACT TERM

#### 4.1 This Agreement shall:

- (a) come into force on the Effective Date, save for Clauses 1 (*Definitions and Interpretation*), 3 (*Warranties*), 4 (*Contract Term*), 22 (*Confidentiality*), 23 (*Freedom of Information*), 25 (*Publicity and Branding*), 26 (*Limitations on Liability*), 38 (*Waiver and Cumulative Remedies*), 39 (*Relationship of the Parties*), 42 (*Severance*), 44 (*Entire Agreement*), 45 (*Third Party Rights*), 46 (*Notices*), 47 (*Disputes*) and 48 (*Governing Law and Jurisdiction*), which shall be binding and enforceable as between the Parties from the date of signature; and
- (b) unless terminated at an earlier date by operation of Law or in accordance with Clause 34 (*Termination Rights*), terminate:
  - (i) at the end of the Initial Term;
  - (ii) if the Authority elects to extend the Initial Term by giving the Supplier at least ninety (90) Working Days' notice before the end of the Initial Term, at the end of the Extension Period; or
  - (iii) if the Authority elects to extend the Extension Period by giving the Supplier at least ninety (90) Working Days' notice before the end of the Extension Period, at the end of the Further Extension Period

#### Condition Precedent

- 4.2 Save for Clauses 1 (*Definitions and Interpretation*), 3 (*Warranties*), 4 (*Contract Term*), 22 (*Confidentiality*), 23 (*Freedom of Information*), 25 (*Publicity and Branding*), 26 (*Limitations on Liability*), 38 (*Waiver and Cumulative Remedies*), 39 (*Relationship of the Parties*), 42 (*Severance*), 44 (*Entire Agreement*), 45 (*Third Party Rights*), 46 (*Notices*), 47 (*Disputes*) and 48 (*Governing Law and Jurisdiction*), this Agreement is conditional upon the valid execution and delivery to the Authority of the Guarantee (the "Condition Precedent"). The Authority may in its sole discretion at any time agree to waive compliance with the Condition Precedent by giving the Supplier notice in writing.
- 4.3 The Supplier shall satisfy, or procure the satisfaction of, the Condition Precedent as soon as possible. In the event that the Condition Precedent is not satisfied within 20 Working Days after the date of this Agreement then, unless the Condition Precedent is waived by the Authority in accordance with Clause 4.2:
  - (a) this Agreement shall automatically cease and shall not come into effect; and
  - (b) neither Party shall have any obligation to pay any compensation to the other Party as a result of such cessation.
- 4.4 The Supplier shall consult with the Authority in relation to the steps it takes to satisfy the condition set out in Clause 4.2 and shall keep the Authority fully informed of its progress in satisfying the condition and of any circumstances which are likely to result in the condition not being satisfied by the date set out in Clause 4.3.

## 5. SERVICES

### Standard of Services

5.1 The Supplier shall provide:

- (a) the Implementation Services from (and including) the Implementation Services Commencement Date; and
- (b) the Services in each case from (and including) the relevant Service Commencement Date.

5.2 The Supplier shall ensure that:

- (a) the Services:
  - (i) comply in all respects with the Services Description; and
  - (ii) are supplied in accordance with the Supplier Solution and the provisions of this Agreement; and
- (b) where:
  - (i) the Services to be provided from any Service Commencement Date are similar to services that the Authority was receiving immediately prior to that Service Commencement Date (such similar services being "Preceding Services"); and
  - (ii) the standard and level of service received by the Authority in respect of any of the Preceding Services in the 12 month period immediately prior to that Service Commencement Date have been disclosed to the Supplier in the Due Diligence Information (such preceding services being "Relevant Preceding Services"),

the Services to be provided from the relevant Service Commencement Date that are similar to the Relevant Preceding Services are in each case provided to a standard and level of service which is at least as good as the standard and level of service received by the Authority in respect of the Relevant Preceding Services in the 12 month period immediately prior to the relevant Service Commencement Date.

5.3 The Supplier shall:

- (a) perform its obligations under this Agreement, including in relation to the supply of the Services and any Goods in accordance with:
  - (i) all applicable Law;
  - (ii) Good Industry Practice;
  - (iii) the Standards;
  - (iv) the Baseline Security Requirements;
  - (v) the Quality Plans;

- (vi) the Authority IT Strategy; and
    - (vii) the Supplier's own established procedures and practices to the extent the same do not conflict with the requirements of Clauses 5.3(a)(i) to 5.3(a)(vi); and
  - (b) deliver the Services using efficient business processes and ways of working having regard to the Authority's obligation to ensure value for money.
- 5.4 In the event that the Supplier becomes aware of any inconsistency between the requirements of Clauses 5.3(a)(i) to 5.3(a)(vi), the Supplier shall immediately notify the Authority Representative in writing of such inconsistency and the Authority Representative shall, as soon as practicable, notify the Supplier which requirement the Supplier shall comply with.

### Supplier covenants

5.5 The Supplier shall:

- (a) at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Agreement;
- (b) save to the extent that obtaining and maintaining the same are Authority Responsibilities and subject to Clause 13 (*Change*), obtain, and maintain throughout the duration of this Agreement, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services;
- (c) ensure that:
  - (i) it shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Agreement and/or the receipt of the Services by the Authority;
  - (ii) the release of any new Software or upgrade to any Software complies with the interface requirements in the Services Description and (except in relation to new Software or upgrades which are released to address Malicious Software or to comply with the requirements of Schedule 4 (**Security**)) shall notify the Authority 3 months before the release of any new Software or Upgrade;
  - (iii) all Software including Upgrades, Updates and New Releases used by or on behalf of the Supplier are currently supported versions of that Software and perform in all material respects in accordance with the relevant specification;
  - (iv) any products or services recommended or otherwise specified by the Supplier for use by the Authority in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or Services to meet the Authority Requirements; and

- (v) the Supplier System and Assets used in the performance of the Services will be free of all encumbrances (except as agreed in writing with the Authority) and will be Euro Compliant;
- (d) minimise any disruption to the Services, the IT Environment and/or the Authority's operations when carrying out its obligations under this Agreement;
- (e) ensure that any Documentation and training provided by the Supplier to the Authority are comprehensive, accurate and prepared in accordance with Good Industry Practice;
- (f) co-operate with the Other Suppliers and provide reasonable information (including any Documentation), advice and assistance in connection with the Services to any Other Supplier to enable such Other Supplier to create and maintain technical or organisational interfaces with the Services and, on the expiry or termination of this Agreement for any reason, to enable the timely transition of the Services (or any of them) to the Authority and/or to any Replacement Supplier;
- (g) to the extent it is legally able to do so, hold on trust for the sole benefit of the Authority, all warranties and indemnities provided by third parties or any Sub-contractor in respect of any Deliverables and/or the Services and, where any such warranties are held on trust, at its cost enforce such warranties in accordance with any reasonable directions that the Authority may notify from time to time to the Supplier;
- (h) unless it is unable to do so, assign to the Authority on the Authority's written request and at the cost of the Supplier any such warranties and/or indemnities as are referred to in Clause 5.5(g);
- (i) provide the Authority with such assistance as the Authority may reasonably require during the Term in respect of the supply of the Services;
- (j) gather, collate and provide such information and co-operation as the Authority may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Agreement;
- (k) notify the Authority in writing as soon as reasonably possible and in any event within 1 month of any change of Control taking place;
- (l) notify the Authority in writing within 10 Working Days of their occurrence, of any actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Agreement;
- (m) ensure that neither it, nor any of its Affiliates, embarrasses the Authority or otherwise brings the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Supplier's obligations under this Agreement; and
- (n) manage closure or termination of Services and end of life of Goods to take account of the Authority's disposal requirements, including recycling and scope for re-use, and all applicable Standards.

- 5.6 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.
- 5.7 Without prejudice to Clauses 20.2 and 20.3 (*IPRs Indemnity*) and any other rights and remedies of the Authority howsoever arising, the Supplier shall:
- (a) remedy any breach of its obligations in Clauses 5.5(b) to 5.5(d) inclusive within 3 Working Days of becoming aware of the breach or being notified of the breach by the Authority where practicable or within such other time period as may be agreed with the Authority (taking into account the nature of the breach that has occurred);
  - (b) remedy any breach of its obligations in Clause 5.5(a) and Clauses 5.5(e) to 5.5(j) inclusive within 20 Working Days of becoming aware of the breach or being notified of the breach by the Authority; and
  - (c) meet all the costs of, and incidental to, the performance of such remedial work, and any failure of the Supplier to comply with its obligations under Clause 5.7(a) or Clause 5.7(b) within the specified or agreed timeframe shall constitute a Notifiable Default.

#### **Specially Written Software warranty**

- 5.8 Without prejudice to Clauses 5.5 (*Supplier Covenants*) and 5.7 (*Services*) and any other rights and remedies of the Authority howsoever arising, the Supplier warrants to the Authority that all components of the 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 contained in the Supplier Solution and Documentation; and
  - (c) not infringe any Intellectual Property Rights.

#### **Continuing obligation to provide the Services**

- 5.9 The Supplier shall continue to perform all of its obligations under this Agreement and shall not suspend the supply of the Services, notwithstanding:
- (a) any withholding of the Service Payment / Credit Note (SP) by the Authority pursuant to Clause 7.2(d)(ii) (*Performance Failures*);
  - (b) the existence of an unresolved Dispute; and/or
  - (c) any failure by the Authority to pay any Charges,
- unless the Supplier is entitled to terminate this Agreement under Clause 34.3(a) (*Termination by the Supplier*) for failure to pay undisputed Charges.

#### **Potential Services**

- 5.10 The Authority may require the Supplier to provide any or all of the Potential Services at any time by giving notice to the Supplier in writing.

- 5.11 If a Change Request is submitted, the Supplier shall, as part of the Impact Assessment provided by the Supplier in relation to such Change Request, provide details of the impact (if any) that the proposed Change will have on the relevant Optional Services.
- 5.12 Following receipt of the Authority's notice pursuant to Clause 5.10:
- (a) the Parties shall document the inclusion of the relevant Potential Services within the Services in accordance with the Change Control Procedure, modified to reflect the fact that the terms and conditions on which the Supplier shall provide the relevant Potential Services have already been agreed;
  - (b) the Supplier shall implement and Test the relevant Potential Services in accordance with the Services Implementation Plan;
  - (c) any additional charges for the Potential Services shall be incorporated in the Charges as specified in Schedule 6 (**Pricing, Payments and Invoicing**); and
  - (d) the Supplier shall, from the date agreed in the Potential Services Implementation Plan (or, if later, the date of Achievement of any Milestones associated with the commencement of the relevant Optional Services (if any)), provide the relevant Potential Services to meet or exceed the applicable Target Performance Level in respect of all Performance Indicators applicable to the Potential Services as set out in Annex 7-1 of Schedule 7(**Performance Levels (KPIs)**).

#### **Power of attorney**

- 5.13 By way of security for the performance of its obligations under Clauses 5.5(g) and 5.5(h) (*Supplier covenants*) the Supplier hereby irrevocably appoints the Authority as its agent and attorney to act with full power and authority in the Supplier's name and on its behalf to do all such acts and execute all such documents as may be necessary or desirable to enforce any such warranties and/or effect any such assignment as are referred to in such Clauses and to delegate one or more of the powers conferred on it by this Clause 5.13 (other than the power to delegate) to officer(s) appointed for that purpose by the Authority and may vary or revoke such delegation at any time.
- 5.14 The Agreement does not give, or purport to give, the Supplier any rights of exclusivity in relation to the Services Requirements, Potential Services or services or requirements that are similar to the Services Requirements. The Authority, at any time, may perform, or retain third parties to perform, any Service Package or an element of a Service Package which forms part of the Services Requirements. Notwithstanding the foregoing, the Authority acknowledges that removal of a Service Package from the scope of this Agreement shall be treated as a termination for convenience pursuant to clause 34.1(a).

#### **Authority Responsibilities**

- 5.15 The Authority shall comply with its responsibilities set out in Schedule 20 (**Authority Responsibilities**).

## 6. IMPLEMENTATION

### Quality Plans

- 6.1 The Supplier shall develop, within 30 Working Days of the Effective Date, quality plans that ensure that all aspects of the Services are the subject of quality management systems and are consistent with BS EN ISO 9001 or any equivalent standard which is generally recognised as having replaced it ("Quality Plans").
- 6.2 The Supplier shall obtain the Authority Representative's written approval of the Quality Plans before implementing them, which approval shall not be unreasonably withheld or delayed. The Supplier acknowledges and accepts that the Authority's approval shall not act as an endorsement of the Quality Plans and shall not relieve the Supplier of its responsibility for ensuring that the Services are provided to the standard required by this Agreement.
- 6.3 Following the approval by the Authority of the Quality Plans:
- (a) the Supplier shall design and deliver all Deliverables in accordance with the Quality Plans; and
  - (b) any Changes to the Quality Plans shall be agreed in accordance with the Change Control Procedure.

### Implementation Plan and Delays

- 6.4 The Parties shall comply with the provisions of Schedule 5 (**Implementation (Mobilisation and Transition)**) in relation to the agreement and maintenance of the Detailed Implementation Plan.
- 6.5 The Supplier shall:
- (a) comply with the Implementation Plan; and
  - (b) ensure that each Milestone is Achieved on or before its Milestone Date.
- 6.6 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay:
- (a) it shall:
    - (i) notify the Authority in accordance with Clause 28.1 (*Rectification Plan Process*); and
    - (ii) comply with the Rectification Plan Process in order to address the impact of the Delay or anticipated Delay; and
    - (iii) 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 Milestone 4 Transition Fully Complete, the provisions of Clause 29 (Delay Payments) shall apply.



### **Achievement of Milestones**

- 6.7 The Parties shall comply with the provisions of Schedule 5 (**Implementation (Mobilisation and Transition)**) in relation to the procedures to determine whether a Milestone or Test has been Achieved.

### **Issue of Milestone Achievement Certificate**

- 6.8 The Authority shall issue a Milestone Achievement Certificate in respect of a given Milestone as soon as is reasonably practicable following:
- (a) agreement by Authority of successful in respect of all Deliverables related to that Milestone which are due to be Tested in accordance with this Schedule;
  - (b) a Rectification Plan for any deferred Test Issues agreed by the Authority; and
  - (c) performance by the Supplier to the reasonable satisfaction of the Authority of any other tasks identified in the Detailed Implementation Plan or Milestone Definition Document as associated with that Milestone (which may include the submission of a Deliverable that is not due to be Tested, such as the production of Documentation).
- 6.9 Where relevant the grant of a Milestone Achievement Certificate shall entitle the Supplier to the receipt of a payment in respect of that Milestone in accordance with the provisions of Schedule 6 (**Pricing, Payments and Invoicing**).
- 6.10 If a Milestone is not Achieved, the Authority shall promptly issue a report to the Supplier setting out:
- (a) the applicable Test Issues; and
  - (b) any other reasons for the relevant Milestone not being Achieved.
- 6.11 If there are Test Issues but these do not exceed the Test Issue Threshold, then provided there are no Material Test Issues and a Rectification Plan has been agreed by the Authority for any deferred Test Issues, the Authority shall issue a Milestone Achievement Certificate.
- 6.12 If there is one or more Material Test Issue(s), the Authority shall refuse to issue a Milestone Achievement Certificate and, without prejudice to the Authority's other rights and remedies, such failure shall constitute a Notifiable Default for the purposes of Clause 27 (*Rectification Plan Process*).
- 6.13 If there are Test Issues which exceed the Test Issue Threshold but there are no Material Test Issues, the Authority may at its discretion (without waiving any rights in relation to the other options) choose to issue a Milestone Achievement Certificate conditional on the remediation of the Test Issues in accordance with an agreed Rectification Plan provided that:
- (a) any Rectification Plan shall be agreed before the issue of a conditional Milestone Achievement Certificate unless the Authority agrees otherwise (in

which case the Supplier shall submit a Rectification Plan for approval by the Authority within ten (10) Working Days of receipt of the Authority's report; and

- (b) where the Authority issues a conditional Milestone Achievement Certificate, it may (but shall not be obliged to) revise the failed Milestone Date and any subsequent Milestone Date.

6.14 Milestones are detailed in Schedule 5 (**Implementation (Mobilisation and Transition)**).

### **Suspension**

6.15 Where the Authority believes that the Supplier has failed or is likely to fail to meet its obligations under a Test Plan, the Authority may treat the failure as a Step-In Trigger Event and the provisions of Clause 30 will apply.

## **7. PERFORMANCE INDICATORS**

7.1 The Supplier shall:

- (a) provide the Services in such a manner so as to meet or exceed the Target Performance Level for each Performance Indicator from the Milestone Date for each relevant Milestone; and
- (b) comply with the provisions of Schedule 7 (**Performance Levels (KPIs)**) in relation to the monitoring and reporting on its performance against the Performance Indicators.

### **Performance Failures**

7.2 If in any Service Period:

- (a) a KPI Failure occurs, Service Credits shall be deducted from the Service Payment / Credit Note (SP) in accordance with Paragraph 5 of Schedule 6 (**Pricing, Payments and Invoicing**);
- (b) a Material KPI Failure occurs, the Supplier shall comply with the Rectification Plan Process (in addition to Service Credits accruing in accordance with Clause 7.2(a));
- (c) a KPI Failure occurs, the Supplier shall notify the Authority of the action (if any) it will take to rectify the KPI Failure and/or to prevent the KPI Failure from recurring; and/or
- (d) a Material KPI Failure occurs:
  - (i) the Supplier shall comply with the Rectification Plan Process; and
  - (ii) the Authority may withhold a proportionate amount of the Service Payment / Credit Note (SP) in accordance with the process set out in Clause 10.7 (*Set Off and Withholding*) until the relevant Material KPI Failure is rectified to the reasonable satisfaction of the Authority, at which point the Authority shall pay the amount withheld.

- 7.3 Service Credits shall be the Authority's exclusive financial remedy for a KPI Failure except where:
- (a) the KPI Failure:
    - (i) breaches the relevant KPI Service Threshold;
    - (ii) has arisen due to the wilful default by the Supplier or any Supplier Personnel; or
    - (iii) results in:
      - (A) the corruption or loss of any Authority Data (in which case the remedies under Clause 21.7 (*Authority Data and Security Requirements*) shall also be available); and/or
      - (B) the Authority being required to make a compensation payment to one or more third parties;
  - (b) the Supplier has fraudulently misreported its performance against any Performance Indicator; and/or
  - (c) the Authority is otherwise entitled to or does terminate the relevant Services or this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*).

#### **Total Service Failure**

- 7.4 If in any Service Period a Total Service Failure occurs:
- (a) the Authority shall be entitled to withhold and retain as compensation for the Total Service Failure a sum equal to any Service Payment / Credit Note (SP) which would otherwise have been due to the Supplier in respect of that Service Period (such sum being "Compensation for Total Service Failure"); and
  - (b) if the Authority withholds and retains such Compensation for Total Service Failure, any KPI Points and Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue,

provided that the operation of this Clause 7.4 shall be without prejudice to any right which the Authority may have to terminate this Agreement and/or to claim damages from the Supplier as a result of such Total Service Failure.

- 7.5 The Supplier:
- (a) agrees that the application of Clause 7.4 is commercially justifiable where an Total Service Failure occurs; and
  - (b) acknowledges that it has taken legal advice on the application of Clause 7.4 and has had the opportunity to price for that risk when calculating the Service Payment / Credit Note (SP).

---

**Critical Performance Failure**

- 7.6 If a Critical Performance Failure occurs, the Authority may exercise its rights to terminate this Agreement in whole or in part pursuant to Clause 34.1 or 34.2 (*Termination by the Authority*).

**Changes to Performance Indicators and Service Credits**

- (a) Not more than once in each Contract Year the Authority may, on giving the Supplier at least 3 months' notice, change the weighting that applies in respect of one or more specific Key Performance Indicators.
- 7.7 The Supplier shall not be entitled to object to any changes made by the Authority under Clause 7.7, or increase the Service Payment / Credit Note (SP) as a result of such changes provided that:
- (a) the total number of Key Performance Indicators does not exceed 20; and
- (b) the principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards.

**8. SERVICES IMPROVEMENT**

- 8.1 The Supplier shall have an ongoing obligation throughout the Term to identify new or potential improvements to the Services in accordance with this Clause 8. As part of this obligation the Supplier shall identify and report to the Contract Board once every 12 months on:
- (a) the emergence of new and evolving relevant technologies which could improve the IT Environment and/or the Services, and those technological advances potentially available to the Supplier and the Authority which the Parties may wish to adopt;
- (b) new or potential improvements to the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Services;
- (c) new or potential improvements to the interfaces or integration of the Services with other services provided by third parties or the Authority which might result in efficiency or productivity gains or in reduction of operational risk;
- (d) changes in business processes and ways of working that would enable the Services to be delivered at lower cost and/or with greater benefits to the Authority; and/or
- (e) changes to the IT Environment, business processes and ways of working that would enable reductions in the total energy consumed in the delivery of Services.

**Efficiency Reviews**

- 
- 8.2 The Supplier shall adopt a continuous improvement approach to the provision of all Services, and shall work with the Authority to identify opportunities for improving the performance, efficiency and effectiveness of the Services.
- 8.3 Any improvements identified by the Supplier shall in no event negatively affect the performance of the Supplier of its obligations under this Agreement, the resilience or quality of the Service provision or the wider operational duties of the Authority or other beneficiaries or intended beneficiaries of the Service.
- 8.4 Every year, on the annual anniversary of the Effective Date the Supplier and the Authority shall conduct a contract efficiency review ("Contract Efficiency Review") in order to ensure that the Services are providing a suitable and cost effective solution for the Authority. All savings arising from any Contract Efficiency Review shall be shared between the Authority and Supplier in proportions agreed between the parties at a meeting of the Programme Board.
- 8.5 The Contract Efficiency Review shall include a minuted meeting held between the Authority and Supplier, where both parties shall present their overview of the effectiveness of the Agreement and discuss potential improvements.
- 8.6 The Supplier shall produce a contract improvement report ("Contract Improvement Report") and submit this for review by the Authority no less than thirty (30) days prior to the relevant Contract Review Date. The Contract Improvement Report shall be signed by the Supplier. Each Party shall have the right to propose improvements, although the Authority will retain the right to decide whether a change should be implemented or not in accordance with the Change Control Procedure.
- 8.7 The Contract Improvement Report shall identify any activities undertaken by the Supplier to improve the effectiveness of the Services, and any further opportunities for improvement of the Agreement through prospective changes in the Services, and/or behaviour or ways in which the Services are used or operated; and shall include as a minimum:
- (a) a trend analysis of performance against performance and availability standards (including without limitation relevant KPIs, SPIs) over the immediately preceding 12 (twelve) months to identify areas of performance that can be improved, and steps taken by the Supplier to address performance issues. Where the performance trend analysis identifies a deteriorating trend in performance, repeat failures, or significant failures that impact on the Authority, the Contract Improvement Report shall contain a root cause analysis of the failures and an action plan to identify how these failures are to be addressed;
  - (b) a summary of any annual User satisfaction surveys undertaken as part of the Services or otherwise; identifying trends and including an action plan to address any areas of dissatisfaction;
  - (c) a summary of energy consumption over the period since the last Contract Efficiency Review identifying the effectiveness of energy consumption reduction initiatives previously undertaken and identifying areas where energy consumption can be further reduced;
  - (d) a financial summary identifying the cost impact of all the efficiency improvement opportunities identified separated into:
    - (i) cost savings that can be achieved without instigating a Change (for

example for illustration purposes only due to Supplier's internal improvement of business process or reduction in overheads) including changes which could be made by the Authority;

- (ii) gain-share and spend to save opportunities where the Authority could benefit from savings generated through investment or changes in the Services; and
- (iii) other changes to the Services, or Items that can improve efficiency.

8.8 The Supplier shall ensure that the information that it provides to the Authority in the Contract Improvement Report shall be sufficient for the Authority to decide whether any improvement should be implemented and include without limitation:

- (a) the item or element of the Services, assets, or equipment, subject to the improvement and details of the proposed improvements/changes;
- (b) the expected benefits of the improvement;
- (c) the expected costs and saving resulting from the improvement;
- (d) the impact upon other elements of the Agreement including, but not limited to:
  - (i) cost savings that can be achieved without instigating a Change;
  - (ii) any adjustments to the Financial Model,
  - (iii) any adjustments to the Achieved Supplier Cash Margin Percentage;
  - (iv) gain share proposals, amounts and divisions (including the sharing of any increase to the Achieved Supplier Cash Margin Percentage),
  - (v) spend-to-save proposals including amounts,
  - (vi) any suggested Subsidiary Performance Indicators linked to the improvements;
  - (vii) any potential indirect or unintended impacts;
  - (viii) relevant testing or assurance procedures in accordance with Schedule 5 (**Implementation (Mobilisation and Transition)**);
  - (ix) the proposed time period for implementation of any activities identified in the Contract Improvement Report; and
  - (x) any other information as reasonably required by the Authority.

8.9 The Authority shall prioritise actions in the Contract Improvement Report and determine which of the actions, if any, will be monitored as Subsidiary Performance Indicators. It is the intention of the Parties that:

- (a) there should be six (6) actions with the priority of the actions determined by the impact of such actions;
- (b) where there are fewer than six (6) actions then this should be on the basis that the identified actions achieve commensurately more in terms of improvement

than having additional actions; and

- (c) where there are more than six (6), additional actions above this number will be for information purposes only and not included as Subsidiary Performance Indicators.

8.10 Where the Authority decides not to approve the Contract Improvement Report, the Supplier shall make such amendments to the Contract Improvement Report as may reasonably be requested by the Authority. The Supplier shall within ten (10) Working Days of such a request re-submit the Contract Improvement Report to the Authority seeking its approval of the amended Contract Improvement Report. The Authority may then determine to either:

- (a) approve the Contract Improvement Report; or
- (b) reject the Contract Improvement report; and/or
- (c) create a working team made up of the Authority and Contract Staff to create a Contract Improvement Report to the reasonable satisfaction of the Authority as soon as practicable.

### **Independent Review of Contract Efficiency**

8.11 Where the Supplier:

- (a) fails to provide the Contract Improvement Report; or
- (b) is notified by the Authority that the Authority rejects any amended Contract Improvement Report; or
- (c) does not provide the Contract Improvement Report to a standard reasonably acceptable to the Authority; or
- (d) the Authority has reasonable ground for questioning the data or accuracy of the analysis undertaken by the Supplier as contained within the Contract Improvement Report,

this shall be deemed an Intervention Trigger Event and the Authority may require the appointment of a Remedial Adviser.

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

8.13 If the Authority wishes to incorporate any improvement identified by the Supplier the Authority shall send the Supplier a Change Request in accordance with the Change Control Procedure.

## **9. EQUIPMENT AND MAINTENANCE**

### **Supplier Equipment**

9.1 The Supplier shall be solely responsible for the cost of carriage of Supplier Equipment to the Sites and to the Authority Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on termination or expiry of this

Agreement the Supplier shall be responsible for the removal and safe disposal of all relevant Supplier Equipment from the Sites and the Authority Premises, including the cost of packing, carriage and making good the Sites and/or the Authority Premises following removal, and taking account of any sustainability requirements, including safe removal of data and recycling requirements.

- 9.2 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Authority shall be liable for loss of or damage to any of the Supplier's property located on Authority Premises which is due to the negligent act or omission of the Authority.
- 9.3 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 Services in accordance with this Agreement, including the Target Key Performance Indicators.

## SECTION C - PAYMENT, TAXATION AND VALUE FOR MONEY PROVISIONS

### 10. FINANCIAL AND TAXATION MATTERS

#### Charges and Invoicing

- 10.1 In consideration of the Supplier carrying out its obligations under this Agreement, including the provision of the Services, the Authority shall pay the Charges to the Supplier in accordance with the pricing and payment profile and the invoicing procedure specified in Schedule 6 (**Pricing, Payments and Invoicing**).
- 10.2 Except as otherwise provided, each Party shall each bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 6.7 (*Testing and Achievement of Milestones*), 12 (*Records, Reports, Audits and Open Book Data*), 22 (*Freedom of Information*), 23 (*Protection of Personal Data*) and, to the extent specified therein, Clause 30 (*Remedial Adviser*) and Clause 31 (*Step-In Rights*).
- 10.3 If the Authority fails to pay any undisputed Charges properly invoiced under this Agreement, 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.

#### VAT

- 10.4 The Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a valid VAT invoice.
- 10.5 The Supplier shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, that is levied, demanded or assessed on the Authority at any time in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Agreement. Any amounts due under this Clause 10.5 shall be paid in cleared funds by the Supplier to the Authority not less than five Working Days before the date upon which the tax or other liability is payable by the Authority.



**Set-off and Withholding**

- 10.6 The Authority may set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier under this Agreement or under any other agreement between the Supplier and the Authority.
- 10.7 If the Authority wishes to:
- (a) set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier pursuant to Clause 10.6; or
  - (b) exercise its right pursuant to Clause 7.2(d)(ii) (*Performance Failures*) to withhold payment of a proportion of the Service Payment / Credit Note (SP),
- it shall give notice to the Supplier within 30 days of receipt of the relevant invoice, setting out the Authority's reasons for withholding or retaining the relevant Charges.

**Financial Distress**

- 10.8 The Parties shall comply with the provisions of Schedule 19 (**Financial Distress**) in relation to the assessment of the financial standing of the Supplier and the consequences of a change to that financial standing.

**Promoting Tax Compliance**

- 10.9 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:
- (a) notify the Authority in writing of such fact within 5 Working Days of its occurrence; and
  - (b) promptly provide to the Authority:
    - (i) details of the steps which 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
    - (ii) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

---

## SECTION D - CONTRACT GOVERNANCE

### 11. GOVERNANCE

- 11.1 The Parties shall comply with the provisions of Schedule 8 (**Governance and Contract Management**) in relation to the management and governance of this Agreement.

#### Representatives

- 11.2 Each Party shall have a representative for the duration of this Agreement who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Agreement.
- 11.3 The initial Supplier Representative shall be the person named as such in Schedule 11 (**Representatives and Key Personnel**). Any change to the Supplier Representative shall be agreed in accordance with Clause 14 (*Supplier Personnel*).
- 11.4 The Authority shall notify the Supplier of the identity of the initial Authority Representative within 5 Working Days of the Effective Date. The Authority may, by written notice to the Supplier, revoke or amend the authority of the Authority Representative or appoint a new Authority Representative.

### 12. RECORDS, REPORTS, AUDITS & OPEN BOOK DATA

- 12.1 The Supplier shall comply with the provisions of:
- (a) Schedule 15 (**Financial Reports and Audit Rights**) in relation to the maintenance and retention of Records; and
  - (b) Part A of Schedule 15 (**Financial Reports and Audit Rights**) in relation to the maintenance of Open Book Data.
- 12.2 The Parties shall comply with the provisions of:
- (a) Part B of Schedule 15 (**Financial Reports and Audit Rights**) in relation to the provision of the Financial Reports; and
  - (b) Part C of Schedule 15 (**Financial Reports and Audit Rights**) in relation to the exercise of the Audit Rights by the Authority or any Audit Agents.

### 13. CHANGE

#### Change Control Procedure

- 13.1 Any requirement for a Change shall be subject to the Schedule 10 (**Change Control Procedures**).

#### Change in Law

- 13.2 The Supplier shall neither be relieved of its obligations to supply the Services in accordance with the terms and conditions of this Agreement nor be entitled to an increase in the Charges as the result of:
- (a) a General Change in Law; or

- 
- (b) a Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Effective Date.
- 13.3 If a Specific Change in Law occurs or will occur during the Term (other than as referred to in Clause 13.2(b)), the Supplier shall:
- (a) notify the Authority as soon as reasonably practicable of the likely effects of that change, including:
- (i) whether any Change is required to the Services, the Charges or this Agreement; 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 Target Key Performance Indicators; and
- (b) provide the Authority 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, for example which would have been required under the provisions of Clause 8 (*Services Improvement*), has been taken into account in amending the Charges.
- 13.4 Any variation in the Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as referred to in Clause 13.2(b)) shall be implemented in accordance with the Change Control Procedure.

---

**SECTION E – SUPPLIER PERSONNEL AND SUPPLY CHAIN****14. SUPPLIER PERSONNEL****14.1 The Supplier shall:**

- (a) Provide in advance of any admission to Authority Premises a list of the names of all Supplier Personnel requiring such admission, specifying the capacity in which they require admission and giving such other particulars as the Authority may reasonably require;
- (b) ensure that all Supplier Personnel:
  - (i) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;
  - (ii) are vetted in accordance with Good Industry Practice and, where applicable, the security requirements set out in Schedule 2 (**Statement of Requirements**) and Schedule 4 (**Security**); and
  - (iii) comply with all reasonable requirements of the Authority concerning conduct at the Authority Premises, including the security requirements as set out in Schedule 4 (**Security**);
- (c) subject to Schedule 24 (**Staff Transfer**), 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 Authority;
- (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 Agreement 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 Authority Premises immediately upon the termination or expiry of this Agreement.

**14.2 If the Authority reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Agreement, it may:**

- (a) refuse admission to the relevant person(s) to the Authority Premises; and/or
- (b) direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).

---

**Representatives and Key Personnel**

- 14.3 The Supplier shall ensure that the Representatives and Key Personnel fulfil the Key Roles at all times during the Term. Schedule 11 (**Representatives and Key Personnel**) lists the Key Roles and names of the persons who the Supplier shall appoint to fill those Key Roles at the Effective Date.
- 14.4 The Authority may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Representatives and Key Personnel.
- 14.5 The Supplier shall not remove or replace any Representatives and Key Personnel (including when carrying out Exit Management) unless:
- (a) requested to do so by the Authority;
  - (b) the person concerned resigns, retires or dies or is on maternity or long-term sick leave;
  - (c) the person's employment or contractual arrangement with the Supplier or a Sub-contractor is terminated for material breach of contract by the employee; or
  - (d) the Supplier obtains the Authority's prior written consent (such consent not to be unreasonably withheld or delayed).
- 14.6 The Supplier shall:
- (a) notify the Authority promptly of the absence of any Representatives and Key Personnel (other than for short-term sickness or holidays of 2 weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);
  - (b) ensure that any Key Role is not vacant for any longer than 10 Working Days;
  - (c) give as much notice as is reasonably practicable of its intention to remove or replace any member of Representatives and Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Representatives and Key Personnel's employment contract, this will mean at least 60 Working Days' notice;
  - (d) ensure that all arrangements for planned changes in Representatives and Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the performance of the Services; and
  - (e) ensure that any replacement for a Key Role:
    - (i) has a level of qualifications and experience appropriate to the relevant Key Role; and
    - (ii) is fully competent to carry out the tasks assigned to the Representatives and Key Personnel whom he or she has replaced.

## Employment Indemnity

14.7 The Parties agree that:

- (a) the Supplier shall both during and after the Term indemnify the Authority against all Employee Liabilities that may arise as a result of any claims brought against the Authority by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel; and
- (b) the Authority shall both during and after the Term indemnify the Supplier against all Employee Liabilities that may arise as a result of any claims brought against the Supplier by any person where such claim arises from any act or omission of the Authority or any of the Authority's employees, agents, consultants and contractors.

## Income Tax and National Insurance Contributions

14.8 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 Agreement, 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 Authority against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the provision of the Services by the Supplier or any Supplier Personnel.

## Staff Transfer

14.9 The Parties agree that:

- (a) where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Schedule 24 (**Staff Transfer**) shall apply as follows:
  - (i) where the Relevant Transfer involves the transfer of Transferring Authority Employees, Part A of Schedule 24 (**Staff Transfer**) shall apply;
  - (ii) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B of Schedule 24 (**Staff Transfer**) shall apply;
  - (iii) where the Relevant Transfer involves the transfer of Transferring Authority Employees and Transferring Former Supplier Employees, Parts A and B of Schedule 24 (**Staff Transfer**) shall apply; and
  - (iv) Part C of Schedule 24 (**Staff Transfer**) shall not apply;
- (b) where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Part C of Schedule 24 (**Staff Transfer**)

shall apply and Parts A and B of Schedule 24 (**Staff Transfer**) shall not apply; and

- (c) Part D of Schedule 24 (**Staff Transfer**) shall apply on the expiry or termination of the Services or any part of the Services.

## 15. SUPPLY CHAIN RIGHTS AND PROTECTIONS

### Appointment of Sub-contractors

- 15.1 The Supplier shall exercise due skill and care in the selection and appointment 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 Agreement in the delivery of the Services; and
  - (c) assign, novate or otherwise transfer to the Authority or any Replacement Supplier any of its rights and/or obligations under each Sub-contract that relates exclusively to this Agreement.
- 15.2 Prior to sub-contracting any of its obligations under this Agreement, the Supplier shall notify the Authority in writing of:
- (a) the proposed Sub-contractor's name, registered office and company registration number;
  - (b) the scope of any Services to be provided by the proposed Sub-contractor; and
  - (c) where the proposed Sub-contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Authority that the proposed Sub-contract has been agreed on "arm's-length" terms.
- 15.3 If requested by the Authority within 10 Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.2, the Supplier shall also provide:
- (a) a copy of the proposed Sub-contract; and
  - (b) any further information reasonably requested by the Authority.
- 15.4 The Authority may, within 10 Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.2 (or, if later, receipt of any further information requested pursuant to Clause 15.3), object to the appointment of the relevant Sub-contractor if it considers that:
- (a) the appointment of a proposed Sub-contractor may prejudice the provision of the Services and/or may be contrary to the interests of the Authority;
  - (b) the proposed Sub-contractor is unreliable and/or has not provided reasonable services to its other customers;
  - (c) the proposed Sub-contractor employs unfit persons; and/or
  - (d) the proposed Sub-contractor should be excluded in accordance with Clause 15.18;

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

15.5 If:

- (a) the Authority has not notified the Supplier that it objects to the proposed Sub-contractor's appointment by the later of 10 Working Days of receipt of:
  - (i) the Supplier's notice issued pursuant to Clause 15.1; and
  - (ii) any further information requested by the Authority pursuant to Clause 15.3; and
- (b) the proposed Sub-contract is not a Key Sub-contract (which shall require the written consent of the Authority in accordance with Clause 15.6 (*Appointment of Key Sub-contractors*),

the Supplier may proceed with the proposed appointment and, where the Sub-contract is entered into exclusively for the purpose of delivery of the Services, may notify the Authority that the relevant Sub-contract shall constitute a Third Party Contract.

### **Appointment of Key Sub-contractors**

15.6 Where the Supplier wishes to enter into a Key Sub-contract or replace a Key Sub-contractor, it must obtain the prior written consent of the Authority, such consent not to be unreasonably withheld or delayed. For these purposes, the Authority may withhold its consent to the appointment of a Key Sub-contractor if it reasonably considers that:

- (a) the appointment of a proposed Key Sub-contractor may prejudice the provision of the Services or may be contrary to the interests of the Authority;
- (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; and/or
- (d) the proposed Key Sub-contractor should be excluded in accordance with Clause 15.18.

15.7 The Authority consents to the appointment of the Key Sub-contractors listed in Schedule 12 (**Notified Key Sub-contractors**).

15.8 Except where the Authority has given its prior written consent, the Supplier shall ensure that each Key Sub-contract shall include:

- (a) provisions which will enable the Supplier to discharge its obligations under this Agreement;
- (b) a right under CRTPA for the Authority to enforce any provisions under the Key Sub-contract which are capable of conferring a benefit upon the Authority;
- (c) a provision enabling the Authority 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 Authority or any



Replacement Supplier without restriction (including any need to obtain any consent or approval) or payment by the Authority;

- (e) obligations no less onerous on the Key Sub-contractor than those imposed on the Supplier under this Agreement in respect of:
  - (i) data protection requirements set out in Clauses 21 (*Authority Data and Security Requirements*) and 24 (*Protection of Personal Data*);
  - (ii) FOIA requirements set out in Clause 23 (*Freedom of Information*);
  - (iii) the obligation not to embarrass the Authority or otherwise bring the Authority into disrepute set out in Clause 5.5(m) (*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 Part C of Schedule 15 (**Financial Reports and Audit Rights**);
- (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 Authority under Clauses 34.1(a) (*Termination by the Authority*) and 34.4 (*Payments by the Authority*) and Schedule 28 (**Payments on Termination**) of this Agreement;
- (g) a provision restricting the ability of the Key Sub-contractor to sub-contract all or any part of the services provided to the Supplier under the Key Sub-contract without first seeking the written consent of the Authority;
- (h) a provision enabling the Supplier or the Authority to appoint a Remedial Adviser on substantially the same terms as are set out in Clause 30 (*Remedial Adviser*);
- (i) a provision enabling the Supplier, the Authority or any other person on behalf of the Authority to step-in on substantially the same terms as are set out in Clause 31 (*Step-in Rights*);
- (j) a provision requiring the Key Sub-contractor to participate in, and if required by the Authority in the relevant Multi-Party Procedure Initiation Notice to procure the participation of all or any of its Sub-contractors in, the Multi-Party Dispute Resolution Procedure; and
- (k) a provision requiring the Key Sub-contractor to:
  - (i) promptly notify the Supplier and the Authority in writing of any of the following of which it is, or ought to be, aware:
    - (A) the occurrence of a Financial Distress Event in relation to the Key Sub-contractor; or
    - (B) any fact, circumstance or matter of which it is aware which could cause the occurrence of a Financial Distress Event in relation to the Key Sub-contractor,

and in any event, provide such notification within 10 Working Days of the

date on which the Key Sub-contractor first becomes aware of such); and

- (ii) co-operate with the Supplier and the Authority in order to give full effect to the provisions of Schedule 19 (**Financial Distress**), including meeting with the Supplier and the Authority to discuss and review the effect of the Financial Distress Event on the continued performance and delivery of the Services, and contributing to and complying with the Financial Distress Service Continuity Plan.

15.9 The Supplier shall not terminate or materially amend the terms of any Key Sub-contract without the Authority's prior written consent, which shall not be unreasonably withheld or delayed.

### Supply chain protection

15.10 The Supplier shall ensure that all Sub-contracts (which in this sub-clause includes any contract in the Supplier's supply chain made wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Agreement) contain provisions:

- (a) giving the Supplier a right to terminate the Sub-contract if the Sub-contractor fails to comply in the performance of the Sub-contract with legal obligations in the fields of environmental, social or labour law;
- (b) requiring the Supplier or other party receiving goods or services under the contract to consider and verify invoices under that contract in a timely fashion;
- (c) that if the Supplier or other party fails to consider and verify an invoice in accordance with sub-paragraph (a), the invoice shall be regarded as valid and undisputed for the purpose of sub-paragraph (c) after a reasonable time has passed;
- (d) requiring the Supplier or other party to pay any undisputed sums which are due from it to the Sub-contractor within a specified period not exceeding 30 days of verifying that the invoice is valid and undisputed; and
- (e) giving the Authority a right to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period; and
- (f) requiring the Sub-contractor to include a clause to the same effect as this clause 15.10 in any contracts it enters into wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Agreement.

15.11 The Supplier shall:

- (a) pay any undisputed sums which are due from it to a Sub-contractor within 30 days of verifying that the invoice is valid and undisputed;
- (b) include within the Balanced Scorecard Report produced by it pursuant to Schedule 7 (**Performance Levels (KPIs)**) a summary of its compliance with Clause 15.11(a), such data to be certified each Quarter by a director of the Supplier as being accurate and not misleading.

- 15.12 Notwithstanding any provision of Clauses 22 (*Confidentiality*) and 25 (*Publicity and Branding*), if the Supplier notifies the Authority (whether in a Balanced Scorecard Report or otherwise) that the Supplier has failed to pay a Sub-contractor's undisputed invoice within 30 days of receipt, or the Authority otherwise discovers the same, the Authority shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

### **Termination of Sub-contracts**

- 15.13 The Authority 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 Authority's right of termination pursuant to Clause 34.1(b) (*Termination by the Authority*);
  - (ii) the relevant Sub-contractor or any of its Affiliates have embarrassed the Authority or otherwise brought the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Sub-contractor's obligations in relation to the Services or otherwise;
  - (iii) the relevant Sub-contractor has failed to comply in the performance of its Sub-contract with legal obligations in the fields of environmental, social or labour law; and/or
  - (iv) the Authority has found grounds for exclusion of the Sub-contractor in accordance with clause 15.18; and
- (b) a Key Sub-contract where there is a Change of Control of the relevant Key Sub-contractor, unless:
  - (i) the Authority has given its prior written consent to the particular Change of Control, which subsequently takes place as proposed; or
  - (ii) the Authority has not served its notice of objection within 6 months of the later of the date the Change of Control took place or the date on which the Authority was given notice of the Change of Control.

### **Competitive Terms**

- 15.14 If the Authority is able to obtain from any Sub-contractor or any other third party (on a like-for-like basis) more favourable commercial terms with respect to the supply of any goods, software or services used by the Supplier or the Supplier Personnel in the supply of the Services, then the Authority may:
- (a) require the Supplier to replace its existing commercial terms with that person with the more favourable commercial terms obtained by the Authority in respect of the relevant item; or
  - (b) subject to Clause 15.13, enter into a direct agreement with that Sub-contractor or third party in respect of the relevant item.

- 15.15 If the Authority exercises either of its options pursuant to Clause 15.14, then the Charges shall be reduced by an amount that is agreed in accordance with the Change Control Procedure.
- 15.16 The Authority's right to enter into a direct agreement for the supply of the relevant items is subject to:
- (a) the Authority 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 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.

### **Retention of Legal Obligations**

- 15.17 Notwithstanding the Supplier's right to sub-contract pursuant to this Clause 15, 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.

### **Exclusion of Sub-contractors**

- 15.18 Where the Authority considers whether there are grounds for the exclusion of a Sub-contractor under Regulation 57 of the Public Contracts Regulations 2015, then:
- (a) if the Authority finds there are compulsory grounds for exclusion, the Supplier shall replace or shall not appoint the Sub-contractor;
  - (b) if the Authority finds there are non-compulsory grounds for exclusion, the Authority may require the Supplier to replace or not to appoint the Sub-contractor and the Supplier shall comply with such a requirement.

### **Apprenticeships**

- 15.19 Where applicable (and if expressly stated in the Supplier Solution), the Supplier shall procure apprentices. These apprenticeships shall be monitored by the Authority throughout the term of this Agreement.

## **16. COMPLIANCE WITH ANTI-SLAVERY AND HUMAN TRAFFICKING LAWS AND POLICIES**

- 16.1 In performing its obligations under the Agreement, the Supplier shall:
- (a) comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015; and
  - (b) comply with the Anti-slavery Policy OR have and maintain throughout the term of this Agreement its own policies and procedures to ensure its compliance; and
  - (c) not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; and

- (d) include in its contracts with its Sub-contractors and suppliers anti-slavery and human trafficking provisions that are at least as onerous as those set out in this clause 16 OR ensure that each of its Sub-contractors and suppliers shall comply with the Anti-slavery Policy and with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including but not limited to the Modern Slavery Act 2015.

## **Due Diligence**

16.2 The Supplier represents and warrants that at the date of this Agreement:

- (a) its responses to the Authority's slavery and human trafficking due diligence questionnaire are complete and accurate; and
- (b) neither the Supplier nor any of its officers, employees or other persons associated with it:
  - (i) has been convicted of any offence involving slavery and human trafficking; and
  - (ii) having made reasonable enquiries, so far as it is aware OR to the best of its knowledge, has been or is the subject of any investigation, inquiry or enforcement proceedings by any governmental, administrative or regulatory body regarding any offence or alleged offence of or in connection with slavery and human trafficking.

16.3 The Supplier shall implement due diligence procedures for its Sub-contractors, and suppliers and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.

16.4 The Supplier shall implement due diligence procedures for its Sub-contractors, and suppliers and other participants in its supply chains, to ensure that there is no slavery or human trafficking in its supply chains.

16.5 The Supplier undertakes not to purchase any resource, raw materials, livestock or products from any country that has been sourced from producers, farmers or manufacturers using forced labour in its operations or farming practices.

## **Reports**

16.6 The Supplier shall notify the Authority as soon as it becomes aware of:

- (a) any breach, or potential breach, of the Anti-slavery Policy; or
- (b) any actual or suspected slavery or human trafficking in a supply chain which has a connection with this Agreement.

16.7 The Supplier shall prepare and deliver to the Authority, by September each year, an annual slavery and human trafficking report setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business.

16.8 If the Supplier makes a notification to the Authority pursuant to this Clause 16, the Supplier shall respond promptly to the Authority's enquiries, co-operate with any

investigation, and allow the Authority to audit any books, records and/or any other relevant documentation in accordance with Clause 12 (*Records, Reports, Audit and Open Book Data*) and Schedule 15 (**Financial Reports and Audit Rights**);

16.9 If the Supplier breaches this Clause 16 the Authority may:

- (a) give notice requiring the Supplier to remove from performance of this Agreement any Supplier Party whose acts or omissions caused the Supplier to breach this Clause 16 and requiring the Supplier to pay any costs, expenses, losses or other financial liabilities incurred by the Authority as a result of the breach; and/or
- (b) immediately terminate this Agreement for Default;

16.10 Any notice served by the Authority under Clause 16 shall specify the nature of the breach of any anti-slavery or human trafficking law, the identity of the Party who the Authority believes has committed the breach and the action that the Authority has elected to take (including, where relevant, the date on which this Agreement shall terminate).

## **SECTION F - INTELLECTUAL PROPERTY, DATA AND CONFIDENTIALITY**

### **17. INTELLECTUAL PROPERTY RIGHTS**

17.1 Except as expressly set out in this Agreement:

- (a) the Authority shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, namely:
  - (i) the Supplier Software;
  - (ii) the Third Party Software;
  - (iii) the Third Party IPRs; and
  - (iv) the Supplier Background IPRs;
- (b) the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Authority or its licensors, including:
  - (i) the Authority Software;
  - (ii) the Authority Data; and
  - (iii) the Authority Background IPRs.

17.2 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 17.1, 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).

17.3 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.

17.4 Unless the Authority otherwise agrees in advance in writing:

- (a) all Specially Written Software and Project Specific IPRs shall be created in a format, or able to be converted into a format, which is suitable for publication by the Authority as open source software; and
- (b) where the Specially Written Software and Project Specific IPRs are written in a format that requires conversion before publication as open source software, the Supplier shall also provide the converted format to the Authority.

## **18. TRANSFER AND LICENCES GRANTED BY THE SUPPLIER**

### **Specially Written Software and Project Specific IPRs**

18.1 Subject to Clause 18.16 (*Patents*) the Supplier hereby agrees to transfer to the Authority, or shall procure the transfer to the Authority of, all rights in the Specially Written Software and the Project Specific IPRs including:

- (a) the Documentation, Source Code and the Object Code of the 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 IPRs.

18.2 The Supplier:

- (a) shall:
  - (i) inform the Authority of all Specially Written Software that constitutes a modification or enhancement to Supplier Software or Third Party Software; and
  - (ii) deliver to the Authority 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 the issue of a Milestone Achievement Certificate in respect of the relevant Deliverable 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 Authority; and
- (b) acknowledges and agrees that the ownership of the media referred to in Clause 18.2(a)(ii) shall vest in the Authority upon their receipt by the Authority; and
- (c) shall execute all such assignments as are required to ensure that any rights in the Specially Written Software and Project Specific IPRs are properly transferred to the Authority.

### **Supplier Software and Supplier Background IPRs**

18.3 The Supplier hereby grants to the Authority:

- (a) subject to the provisions of Clause 18.16 (*Patents*) and

Clause 35.11(b) (*Consequences of expiry or termination*), perpetual, royalty-free and non-exclusive licences to use (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)):

- (i) the Supplier Non-COTS Software for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function ;
    - (ii) the Supplier Non-COTS Background IPRs for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and
  - (b) a licence to use the Supplier COTS Software and Supplier COTS Background IPRs on the licence terms identified in a letter in or substantially in the form set out in Annex 1 to Schedule 5 (*Software*) and signed by or on behalf of the Parties on or before the Effective Date provided always that the Authority shall remain entitled to sub-license and to assign and novate the Supplier COTS Software and Supplier COTS Background IPRs on equivalent terms to those set out in Clauses 18.7 and 18.8(b) in relation to the Supplier Non-COTS Software and Supplier Non-COTS Background IPRs.
- 18.4 At any time during the Term or following termination or expiry of this Agreement, the Supplier may terminate the licence granted in respect of the Supplier Non-COTS Software under Clause 18.3(a)(i) or in respect of the Supplier Non-COTS Background IPRs under Clause 18.3(a)(ii) by giving 30 days' notice in writing (or such other period as agreed by the Parties) if the Authority or any person to whom the Authority grants a sub-licence pursuant to Clause 18.6 (*Authority's right to sub-license*) commits any material breach of the terms of Clause 18.3(a)(i) or 18.3(a)(ii) or 18.7(a)(ii) (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 Authority written notice specifying the breach and requiring its remedy.
- 18.5 In the event the licence of the Supplier Non-COTS Software or the Supplier Non-COTS Background IPRs is terminated pursuant to Clause 18.4, the Authority shall:
- (a) immediately cease all use of the Supplier Non-COTS Software or the Supplier Non-COTS Background IPRs (as the case may be);
  - (b) at the discretion of the Supplier, return or destroy documents and other tangible materials to the extent that they contain any of the Supplier Non-COTS Software and/or the Supplier Non-COTS Background IPRs, provided that if the Supplier has not made an election within 6 months of the termination of the licence, the Authority may destroy the documents and other tangible materials that contain any of the Supplier Non-COTS Software and/or the Supplier Non-COTS Background IPRs (as the case may be); and
  - (c) ensure, so far as reasonably practicable, that any Supplier Non-COTS Software and/or Supplier Non-COTS Background IPRs 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 Authority) from any computer, word processor, voicemail system or any other device containing such Supplier



Non-COTS Software and/or Supplier Non-COTS Background IPRs.

**Authority's right to sub-license**

18.6 Subject to Clause 18.16 (*Patents*) the Authority may sub-license:

- (a) the rights granted under Clause 18.3(a) (*Supplier Software and Supplier Background IPRs*) 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 Authority;
  - (ii) the sub-licence authorises the third party to use the rights licensed in Clause 18.3(a) (*Supplier Software and Supplier Background IPRs*) only for purposes relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and
  - (iii) the sub-licensee shall have executed a confidentiality undertaking in favour of the Supplier in or substantially in the form set out in Annex 2 to Schedule 5 (*Software*); and
- (b) the rights granted under Clause 18.3(a) (*Supplier Software and Supplier Background IPRs*) 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 IPRs provided that:
  - (i) the sub-licence is on terms no broader than those granted to the Authority; and
  - (ii) the Supplier has received a confidentiality undertaking in its favour in or substantially in the form set out in Annex 2 to Schedule 5 (*Software*) duly executed by the Approved Sub-Licensee.

**Authority's right to assign/novate licences**

18.7 The Authority may assign, novate or otherwise transfer its rights and obligations under the licences granted pursuant to Clause 18.3(a) (*Supplier Software and Supplier Background IPRs*) to:

- (a) A Central Government Body; or
- (b) 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 Authority.

18.8 Any change in the legal status of the Authority which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 18.3 (*Supplier Software and Supplier Background IPRs*). If the Authority ceases to be a Central Government Body, the successor body to the Authority shall still be entitled to the benefit of the licence granted in Clause 18.3 (*Supplier Software and Supplier Background IPRs*).

- 18.9 If a licence granted in Clause 18.3 (*Supplier Software and Supplier Background IPRs*) is novated under Clause 18.7 (*Authority's right to assign/novate licences*) or there is a change of the Authority's status pursuant to Clause 18.8, the rights acquired on that novation or change of status shall not extend beyond those previously enjoyed by the Authority.

### **Third Party Software and Third Party IPRs**

- 18.10 The Supplier shall not use in the provision of the Services any Third Party Non-COTS Software or Third Party Non-COTS IPRs unless in each case it has:

- (a) first procured that the owner or an authorised licensor of the relevant Third Party Non-COTS IPRs or Third Party Non-COTS Software (as the case may be) has granted a direct licence to the Authority on a royalty-free basis to the Authority and on terms no less favourable to the Authority than those set out in Clauses 18.3(a) and 18.4 (*Supplier Software and Supplier Background IPRs*) and Clause 18.7 (*Authority's right to assign/novate licences*); or
- (b) complied with the provisions of Clause 18.11.

- 18.11 If the Supplier cannot obtain for the Authority a licence in respect of any Third Party Non-COTS Software and/or Third Party Non-COTS IPRs in accordance with the licence terms set out in Clause 18.10(a), the Supplier shall:

- (a) notify the Authority 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) use the relevant Third Party Non-COTS Software and/or Third Party Non-COTS IPRs only if the Authority has first approved in writing the terms of the licence from the relevant third party.

- 18.12 The Supplier shall:

- (a) notify the Authority in writing of all Third Party COTS Software and Third Party COTS IPRs that it uses and the terms on which it uses them; and
- (b) unless instructed otherwise in writing by the Authority in any case within 20 Working Days of notification pursuant to Clause 18.11(a), use all reasonable endeavours to procure in each case that the owner or an authorised licensor of the relevant Third Party COTS Software and Third Party COTS IPRs grants a direct licence to the Authority on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the relevant third party.

- 18.13 Should the Supplier become aware at any time, including after termination, that the Specially Written Software and/or the Project Specific IPRs contain any Intellectual Property Rights for which the Authority does not have a licence, then the Supplier must

notify the Authority within 10 days of what those rights are and which parts of the Specially Written Software and the Project Specific IPRs they are found in.

### **Termination and Replacement Suppliers**

18.14 For the avoidance of doubt, the termination or expiry of this Agreement shall not of itself result in any termination of any of the licences granted by the Supplier or relevant third party pursuant to or as contemplated by this Clause 18.

18.15 The Supplier shall, if requested by the Authority in accordance with Schedule 9 (**Exit Management**) and at the Supplier's cost:

- (a) grant (or procure the grant) to any Replacement Supplier of:
  - (i) a licence to use any Supplier Non-COTS Software, Supplier Non-COTS Background IPRs, Third Party Non-COTS IPRs and/or Third Party Non-COTS Software on a royalty-free basis to the Replacement Supplier and on terms no less favourable than those granted to the Authority in respect of the relevant Software and/or IPRs pursuant to or as contemplated by this Clause 18 subject to receipt by the Supplier of a confidentiality undertaking in its favour duly executed by the Replacement Supplier;
  - (ii) a licence to use any Supplier COTS Software and/or Supplier COTS Background IPRs, on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the Supplier; and/or
- (b) use all reasonable endeavours to procure the grant to any Replacement Supplier of a licence to use any Third Party COTS Software and/or Third Party COTS IPRs on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the relevant third party.

### **Patents**

18.16 Where a patent owned by the Supplier is necessarily infringed by the use of the Specially Written Software or Project Specific IPRs by the Authority or any Replacement Supplier, the Supplier hereby grants to the Authority and the Replacement Supplier a non-exclusive, irrevocable, royalty-free, worldwide patent licence to use the infringing methods, materials or software solely for the purpose for which they were delivered under this Agreement.

## **19. LICENCES GRANTED BY THE AUTHORITY**

19.1 The Authority hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Term to use the Authority Software, the Authority Background IPRs, the Specially Written Software, the Project Specific IPRs and the Authority Data solely to the extent necessary for performing the Services in accordance with this Agreement, 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 22 (*Confidentiality*); and

- (b) the Supplier shall not, without the Authority's prior written consent, use the licensed materials for any other purpose or for the benefit of any person other than the Authority.
- 19.2 In the event of the termination or expiry of this Agreement, the licence granted pursuant to Clause 19.1 and any sub-licence granted by the Supplier in accordance with Clause 19.1 shall terminate automatically on the date of such termination or expiry and the Supplier shall:
  - (a) immediately cease all use of the Authority Software, the Authority Background IPRs and the Authority Data (as the case may be);
  - (b) at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the Authority Software, the Authority Background IPRs and the Authority Data, provided that if the Authority has not made an election within 6 months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Authority Software, the Authority Background IPRs and the Authority Data (as the case may be); and
  - (c) ensure, so far as reasonably practicable, that any Authority Software, Authority Background IPRs and Authority Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any Supplier computer, word processor, voicemail system or any other Supplier device containing such Authority Software, Authority Background IPRs and/or Authority Data.

## **20. IPRs INDEMNITY**

- 20.1 The Supplier shall at all times, during and after the Term, on written demand indemnify the Authority and each other Indemnified Person, and keep the Authority and each other Indemnified Person indemnified, against all Losses incurred by, awarded against or agreed to be paid by an Indemnified Person arising from an IPRs Claim.
- 20.2 If an IPRs Claim is made, or the Supplier anticipates that an IPRs Claim might be made, the Supplier may, at its own expense and sole option, either:
  - (a) procure for the Authority or other relevant Indemnified Person the right to continue using the relevant item which is subject to the IPRs 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 services or the IT Environment;
    - (iii) there is no additional cost to the Authority or relevant Indemnified Person (as the case may be); and
    - (iv) the terms and conditions of this Agreement shall apply to the replaced or modified Services.

20.3 If the Supplier elects to procure a licence in accordance with Clause 20.2(a) or to modify or replace an item pursuant to Clause 20.2(b), but this has not avoided or resolved the IPRs Claim, then:

- (a) the Authority may terminate this Agreement (if subsisting) with immediate effect by written notice to the Supplier; and
- (b) without prejudice to the indemnity set out in Clause 20.1, 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.

## **20A. OPEN SOURCE PUBLICATION**

20A.1 The Supplier agrees that the Authority may at its sole discretion publish as Open Source Software all or part of the Specially Written Software and the Project Specific IPRs after the Services Commencement Date.

20A.2 The Supplier hereby warrants that the Specially Written Software and the Project Specific IPRs:

- (a) are suitable for release as Open Source and that any release will not allow a third party to use the Open Source software to in any way compromise the operation, running or security of the Specially Written Software, the Project Specific IPRs or the Authority System;
- (b) shall not cause any harm or damage to any party using anything published as Open Source and that the Specially Written Software and the Project Specific IPRs do not contain any Malicious Software;
- (c) do not contain any material which would bring the Authority into disrepute upon publication as Open Source;
- (d) do not contain any Non-Party IPRs which are not licensed to the Authority under Clause 18.11 (*Third Party Software and Third Party IPRs*); and
- (e) will be supplied in a format suitable for publication as Open source ("the Open Source Publication Material") no later than the date in sub-clause 20A.1.

20A.3 The Supplier shall ensure that the Open Source Publication Material provided to the Authority does not include any Supplier Background IPRs save that any Supplier Background IPRs that the Supplier is willing to allow to be included in any Open Source publication can remain in the Open Source Publication Material supplied to the Authority. In such a case, the Supplier hereby acknowledges that any such Supplier Background IPRs will become Open Source and will be licensed and treated as such following publication by the Authority and any third party that uses the Open Source Publication Materials on the terms of the Open Source licence used by the Authority when publishing as Open Source.

20A.4 The Supplier hereby indemnifies the Authority against all claims in which the Authority is, or is threatened to be, a party for any alleged infringement of any Non-Party IPRs arising from publication of the Specially Written Software and the Project Specific IPRs as Open Source under sub-clause 20A.1.

20A.5 In this Clause “Non-Party IPRs” means any Intellectual Property Right owned or claimed to be owned by any third party which is found, or alleged to be found, in the Specially Written Software and the Project Specific IPRs.

## 21. AUTHORITY DATA AND SECURITY REQUIREMENTS

- 21.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Authority Data.
- 21.2 The Supplier shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Supplier of its obligations under this Agreement or as otherwise expressly authorised in writing by the Authority.
- 21.3 To the extent that Authority Data is held and/or processed by the Supplier, the Supplier shall supply that Authority Data to the Authority as requested by the Authority in the format specified in Schedule 2.1 (*Services Description*).
- 21.4 The Supplier shall preserve the integrity of Authority Data and prevent the corruption or loss of Authority Data at all times that the relevant Authority Data is under its control or the control of any Sub-contractor.
- 21.5 The Supplier shall perform secure back-ups of all Authority Data and shall ensure that up-to-date back-ups are stored off-site in accordance with the BCDR Plan. The Supplier shall ensure that such back-ups are available to the Authority (or to such other person as the Authority may direct) at all times upon request and are delivered to the Authority at no less than 6 monthly intervals (or such other intervals as may be agreed in writing between the Parties).
- 21.6 The Supplier shall ensure that any system on which the Supplier holds any Authority Data, including back-up data, is a secure system that complies with the Security Requirements.
- 21.7 If the Authority Data is corrupted, lost or sufficiently degraded as a result of the Supplier's Default so as to be unusable, the Authority may:
- (a) require the Supplier (at the Supplier's expense) to restore or procure the restoration of Authority Data to the extent and in accordance with the requirements specified in Schedule 21 (**Business Continuity and Disaster Recovery (BCDR) Plan**) and the Supplier shall do so as soon as practicable but not later than 5 Working Days from the date of receipt of the Authority's notice; and/or
  - (b) itself restore or procure the restoration of Authority Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in Schedule 21 (**Business Continuity and Disaster Recovery (BCDR) Plan**).
- 21.8 If at any time the Supplier suspects or has reason to believe that Authority Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Authority immediately and inform the Authority of the remedial action the Supplier proposes to take.
- 21.9 The Supplier shall comply with the requirements of Schedule 4 (**Security**).

- 
- 21.10 The Authority shall notify the Supplier of any changes or proposed changes to the Baseline Security Requirements.
- 21.11 If the Supplier believes that a change or proposed change to the Baseline Security Requirements will have a material and unavoidable cost implication to the Services it may submit a Change Request. 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 Charges shall then be agreed in accordance with the Change Control Procedure.
- 21.12 Until and/or unless a change to the Charges is agreed by the Authority pursuant to Clause 21.11 the Supplier shall continue to perform the Services in accordance with its existing obligations.
- 21.13 The Supplier shall conduct an annual self-assessment of its compliance with the Security Management Plan and the Baseline Security Requirements, reporting such findings to the Authority's Representative in the manner requested by the Authority's Representative.
- 21.14 The Authority may make available a particular self-assessment tool to assist its suppliers (including the Supplier) in conducting the self-assessment referred to in clause 21.13 and if the Authority does so, the Supplier shall use that self-assessment tool.
- 21.15 The Supplier shall comply, and shall procure the compliance of the Staff, with the Security Management Plan and the Baseline Security Requirements and the Supplier shall ensure that the Security Management Plan produced by the Supplier fully complies with the Baseline Security Requirements.
- 21.16 The Authority shall notify the Supplier of any changes or proposed changes to the Security Management Plan.
- 21.17 If the Supplier believes that a change or a proposed change to the Security Management Plan will have a material and unavoidable cost implication to the Services it may submit a request for a Change in accordance with clause 13. In doing so, the Supplier must support its request by providing evidence of the cause of any increased costs and the steps it has taken to mitigate those costs. Any change to the Charges shall be subject to agreement by the Parties.
- 21.18 Until and/or unless a change to Charges is agreed by the Authority pursuant to clause 21.17 the Supplier shall continue to perform the Services in accordance with its existing obligations.

### **Malicious Software**

- 21.19 The Supplier shall, as an enduring obligation throughout the Term, 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 in the IT Environment (or as otherwise agreed by the Parties).
- 21.20 Notwithstanding Clause 21.13, 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 Authority Data,

assist each other to mitigate any Losses and to restore the Services to their desired operating efficiency.

21.21 Any cost arising out of the actions of the Parties taken in compliance with the provisions of Clause 21.14 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 Authority has waived the obligation set out in Clause 21.13) or the Authority Data (whilst the Authority 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 Authority when provided to the Supplier; and
- (b) otherwise by the Authority.

## 22. CONFIDENTIALITY

22.1 For the purposes of this Clause 22, 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.

22.2 Except to the extent set out in this Clause 22 or where disclosure is expressly permitted elsewhere in this Agreement, 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);
- (b) not disclose the Disclosing Party’s Confidential Information to any other person except as expressly set out in this Agreement 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 Agreement; 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.

22.3 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 23 (*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 Authority arising out of or in connection with this Agreement;



- (ii) the examination and certification of the Authority'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 Authority is making use of any Services provided under this Agreement; or
    - (iii) the conduct of a Central Government Body review in respect of this Agreement; 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.
- 22.4 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.
- 22.5 The Supplier may disclose the Confidential Information of the Authority on a confidential basis only to:
- (a) Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Agreement;
  - (b) its auditors; and
  - (c) its professional advisers for the purposes of obtaining advice in relation to this Agreement.
- Where the Supplier discloses Confidential Information of the Authority pursuant to this Clause 22.5, it shall remain responsible at all times for compliance with the confidentiality obligations set out in this Agreement by the persons to whom disclosure has been made.
- 22.6 The Authority may disclose the Confidential Information of the Supplier:
- (a) on a confidential basis to any Central Government Body for any proper purpose of the Authority or of the relevant Central Government Body;
  - (b) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
  - (c) to the extent that the Authority (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 22.6(a) (including any benchmarking organisation) for any purpose relating to or connected with this Agreement;
  - (e) on a confidential basis for the purpose of the exercise of its rights under this Agreement, including the Audit Rights, its step-in rights pursuant to

Clause 31 (*Step-In Rights*), its rights to appoint a Remedial Adviser pursuant to Clause 30 (*Remedial Adviser*) and Exit Management rights; or

- (f) on a confidential basis to a proposed Successor Body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Agreement,

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 Authority under this Clause 22.

- 22.7 Nothing in this Clause 22 shall prevent a Recipient from using any techniques, ideas or know-how gained during the performance of this Agreement 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.

## **23. TRANSPARENCY AND FREEDOM OF INFORMATION**

- 23.1 The Parties acknowledge that

- (a) the Transparency Reports; and
- (b) the content of this Agreement, including any changes to this Agreement agreed from time to time, except for –
  - (i) any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Authority; and
  - (ii) Commercially Sensitive Information;

(together the "Transparency Information") are not Confidential Information.

- 23.2 Notwithstanding any other provision of this Agreement, the Supplier hereby gives its consent for the Authority to publish to the general public the Transparency Information in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted). The Authority shall, prior to publication, consult with the Supplier on the manner and format of publication and to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.
- 23.3 The Supplier shall assist and co-operate with the Authority to enable the Authority to publish the Transparency Information, including the preparation of the Transparency Reports in accordance with Paragraph 1 of Schedule 8.4 (Reports and Records Provisions).
- 23.4 If the Authority believes that publication of any element of the Transparency Information would be contrary to the public interest, the Authority shall be entitled to exclude such information from publication. The Authority acknowledges that it would expect the public interest by default to be best served by publication of the Transparency Information in its entirety. Accordingly, the Authority acknowledges that it will only exclude Transparency Information from publication in exceptional circumstances and agrees that where it decides to exclude information from publication

it will provide a clear explanation to the Supplier.

- 23.5 The Authority shall publish the Transparency Information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how the Agreement is being performed, having regard to the context of the wider commercial relationship with the Supplier.
- 23.6 The Supplier agrees that any Information it holds that is not included in the Transparency Reports but is reasonably relevant to or that arises from the provision of the Services shall be provided to the Authority on request unless the cost of doing so would exceed the appropriate limit prescribed under section 12 of the FOIA. The Authority may disclose such information under the FOIA and the EIRs and may (except for Commercially Sensitive Information, Confidential Information (subject to clause 22.6(c)) and Open Book Data) publish such Information. The Supplier shall provide to the Authority within 5 working days (or such other period as the Authority may reasonably specify) any such Information requested by the Authority.
- 23.7 The Supplier acknowledges that the Authority 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 Authority to enable the Authority to comply with its obligations under the FOIA and EIRs;
  - (b) transfer to the Authority all Requests for Information relating to this Agreement that it receives as soon as practicable and in any event within 2 Working Days of receipt;
  - (c) provide the Authority with a copy of all Information held on behalf of the Authority which is requested in a Request For Information and which is in its possession or control in the form that the Authority requires within 5 Working Days (or such other period as the Authority may reasonably specify) of the Authority's request for such Information; and
  - (d) not respond directly to a Request For Information addressed to the Authority unless authorised in writing to do so by the Authority.
- 23.8 The Supplier acknowledges that the Authority may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Authority 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 Agreement) the Authority 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 EIRs.

## **24. PROTECTION OF PERSONAL DATA**

### **24A Data Protection**

24A.1 The Parties agree that as of 25 May 2018:

24A.1.1 clause 24 shall be substituted in its entirety by the text contained within Part A of Schedule 29 (General Data Protection Regulation); and

24A.1.2 the terms and corresponding definitions in Part B of Schedule 29 (General Data Protection Regulation) shall be either inserted into or substitute equivalent terms (as the case may be) in Schedule 1 (Definitions).

24.1 With respect to the Parties' rights and obligations under this Agreement, the Parties acknowledge that the Authority is a Data Controller and that the Supplier is a Data Processor.

24.2 The Supplier shall:

- (a) Process the Personal Data only in accordance with instructions from the Authority to perform its obligations under this Agreement;
- (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 Clause 21 (*Authority Data and Security Requirements*);
- (c) not disclose or transfer the Personal Data to any third party or Supplier Personnel unless necessary for the provision of the Services and, for any disclosure or transfer of Personal Data to any third party, obtain the prior written consent of the Authority (save where such disclosure or transfer is specifically authorised under this Agreement);
- (d) take all 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 and Clauses 22 (*Confidentiality*) and 21 (*Authority Data and Security Requirements*);
  - (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 Authority or as otherwise permitted by this Agreement; and
  - (iii) have undergone adequate training in the use, care, protection and handling of personal data (as defined in the Data Protection Act 1998 (DPA));
- (e) notify the Authority within 5 Working Days if it receives:
  - (i) from a Data Subject (or third party on their behalf):
    - (A) a Data Subject Access Request (or purported Data Subject Access Request);

- 
- (B) a request to rectify, block or erase any Personal Data; or
    - (C) any other request, complaint or communication relating to the Authority'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 Authority with full cooperation and assistance (within the timescales reasonably required by the Authority) in relation to any complaint, communication or request made as referred to in Clause 24.2(e), including by promptly providing:
    - (i) the Authority with full details and copies of the complaint, communication or request;
    - (ii) where applicable, such assistance as is reasonably requested by the Authority to enable the Authority to comply with the Data Subject Access Request within the relevant timescales set out in the DPA; and
    - (iii) the Authority, on request by the Authority, with any Personal Data it holds in relation to a Data Subject; and
  - (g) if requested by the Authority, provide a written description of the measures that it has taken and technical and organisational security measures in place, for the purpose of compliance with its obligations pursuant to this Clause 24 and provide to the Authority copies of all documentation relevant to such compliance including, protocols, procedures, guidance, training and manuals.
- 24.3 The Supplier shall not Process or otherwise transfer any Personal Data in or to any Restricted Country. If, after the Effective Date, the Supplier or any Sub-contractor wishes to Process and/or transfer any Personal Data in or to any Restricted Country, the following provisions shall apply:
- (a) the Supplier shall submit a Change Request to the Authority which, if the Authority agrees to such Change Request, shall be dealt with in accordance with the Change Control Procedure and Clauses 24.3(b) to 24.3(d);
  - (b) the Supplier shall set out in its Change Request and/or Impact Assessment details of the following:
    - (i) the Personal Data which will be transferred to and/or Processed in any Restricted Country;
    - (ii) the Restricted Country or Countries which the Personal Data will be transferred to and/or Processed in; and
    - (iii) any Sub-contractors or other third parties who will be Processing and/or receiving Personal Data in Restricted Countries;
    - (iv) 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 Authority's compliance with the DPA;

- (c) in providing and evaluating the Change Request and Impact Assessment, the Parties shall ensure that they have regard to and comply with then-current Authority, 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 Country; and
- (d) the Supplier shall comply with such other instructions and shall carry out such other actions as the Authority 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 Agreement 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 Country either enters into:
    - (A) a direct data processing agreement with the Authority on such terms as may be required by the Authority; or
    - (B) a data processing agreement with the Supplier on terms which are equivalent to those agreed between the Authority and the Sub-contractor relating to the relevant Personal Data transfer,

and 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 Authority deems necessary for the purpose of protecting Personal Data.

- 24.4 The Supplier shall use its reasonable endeavours to assist the Authority to comply with any obligations under the DPA and shall not perform its obligations under this Agreement in such a way as to cause the Authority to breach any of the Authority'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:

- (a) make any press announcements or publicise this Agreement or its contents in any way; or
- (b) use the Authority's name or brand in any promotion or marketing or announcement of orders;

without the prior written consent of the Authority, which shall not be unreasonably withheld or delayed.

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

## SECTION G - LIABILITY, INDEMNITIES AND INSURANCE

### 26. LIMITATIONS ON LIABILITY

#### Unlimited liability

26.1 Neither Party limits its liability for:

- (a) death or personal injury caused by its negligence, or that of its employees, agents or Sub-contractors (as applicable);
- (b) fraud or fraudulent misrepresentation by it or its employees;
- (c) 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
- (d) any liability to the extent it cannot be limited or excluded by Law.

26.2 The Supplier's liability in respect of the indemnities in Clause 10.5 (VAT), Clause 14.7 (*Employment Indemnity*), Clause 14.8 (*Income Tax and National Insurance Contributions*), Clause 20 (*IPRs Indemnity*), Schedule 24 (**Staff Transfer**) and the Annexes to Schedule 24 (**Staff Transfer**) shall be unlimited.

26.3 The Authority's liability in respect of the indemnities in Clause 14.7 (*Employment Indemnity*), Schedule 24 (**Staff Transfer**) and the Annexes to Schedule 24 (**Staff Transfer**) shall be unlimited.

#### Financial and other limits

26.4 Subject to Clauses 26.1 and 26.2 (*Unlimited Liability*) and Clauses 26.7 and 26.8 (*Consequential losses*):

- (a) the Supplier's aggregate liability in respect of loss of or damage to the Authority Premises or other property or assets of the Authority (including technical infrastructure, assets or equipment but excluding any loss or damage to the Authority's Data or any other data) that is caused by Defaults of the Supplier occurring in each and any Contract Year shall in no event exceed [Redacted due to commercial sensitivity];
- (b) the Supplier's aggregate liability in respect of all:
  - (i) Service Credits; and
  - (ii) Compensation for Total Service Failure;incurred in any rolling period of 12 months shall in no event exceed [Redacted due to commercial sensitivity]; and
- (c) the Supplier's aggregate liability in respect of all other Losses incurred by the Authority under or in connection with this Agreement as a result of Defaults by the Supplier shall in no event exceed:
  - (i) in relation to Defaults occurring in the first Contract Year, an amount equal to 150% of the Estimated Year 1 Charges;
  - (ii) in relation to Defaults occurring during any subsequent Contract Year,



an amount equal to 150% of the Charges paid and/or due to be paid to the Supplier under this Agreement in the Contract Year immediately preceding the occurrence of the Default; and

- (iii) in relation to Defaults occurring after the end of the Term, an amount equal to 150% of the Charges paid and/or due to be paid to the Supplier in the 12 month period immediately prior to the last day of the Term,

provided that where any Losses referred to in Clause 26.4(c) have been incurred by the Authority as a result of the Supplier's abandonment of this Agreement or the Supplier's wilful default, wilful breach of a fundamental term of this Agreement or wilful repudiatory breach of this Agreement, the references in such Clause to 150% shall be deemed to be references to 200%.

26.5 Deductions from Charges shall not be taken into consideration when calculating the Supplier's liability under Clause 26.4(c).

26.6 Subject to Clauses 26.1 and 26.3 (*Unlimited Liability*) and Clause 26.7(*Consequential Losses*) and without prejudice to the Authority's obligation to pay the Charges as and when they fall due for payment:

- (a) the Authority's total aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Agreement as a result of early termination of this Agreement by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*) or by the Supplier pursuant to Clause 34.3(a) (*Termination by the Supplier*) shall in no event exceed the following amounts:
  - (i) in relation to the Unrecovered Payment, the amount set out in Paragraph 4 of Schedule 28 (**Payments on Termination**);
  - (ii) in relation to the Breakage Costs Payment, the amount set out in Paragraph 3.2 of Schedule 28 (**Payments on Termination**); and
  - (iii) in relation to the Compensation Payment, the amount set out in Paragraph 6 of Schedule 28 (**Payments on Termination**); and
- (b) the Authority's aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Agreement as a result of Defaults of the Authority shall in no event exceed:
  - (i) in relation to Defaults occurring in the first Contract Year, an amount equal to the Estimated Year 1 Charges;
  - (ii) in relation to Defaults occurring during any subsequent Contract Year, an amount equal to the total Charges paid and/or due to be paid under this Agreement in the Contract Year immediately preceding the occurrence of the Default; and
  - (iii) in relation to Defaults occurring after the end of the Term, an amount equal to the total Charges paid and/or due to be paid to the Supplier in the 12 month period immediately prior to the last day of the Term.

---

**Consequential Losses**

- 26.7 Subject to Clauses 26.1, 26.2 and 26.3 (*Unlimited Liability*) and Clause 26.8, neither Party shall be liable to the other Party for:
- (a) any indirect, special or consequential Loss; or
  - (b) any loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect).
- 26.8 Notwithstanding Clause 26.7 but subject to Clause 26.4, the Supplier acknowledges that the Authority may, amongst other things, recover from the Supplier the following Losses incurred by the Authority to the extent that they arise as a result of a Default by the Supplier:
- (a) any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
  - (b) any wasted expenditure or charges;
  - (c) the additional cost of procuring Replacement Services for the remainder of the Term and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Agreement;
  - (d) any compensation or interest paid to a third party by the Authority;
  - (e) any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; and

**Conduct of indemnity claims**

- 26.9 Where under this Agreement one Party indemnifies the other Party, the Parties shall comply with the provisions of UK Law in relation to the conduct of claims made by a third person against the Party having (or claiming to have) the benefit of the indemnity.

**Mitigation**

- 26.10 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Agreement, including any Losses for which the relevant Party is entitled to bring a claim against the other Party pursuant to the indemnities in this Agreement.

**27. INSURANCE**

- 27.1 The Supplier shall comply with the provisions of Schedule 17 (**Insurance Requirements**) in relation to obtaining and maintaining insurance.

---

## SECTION H – REMEDIES AND RELIEF

### 28. RECTIFICATION PLAN PROCESS

28.1 In the event that:

- (a) there is, or is reasonably likely to be, a Delay;
- (b) in any Service Period there has been:
  - (i) a Material KPI Failure; and/or
  - (ii) a Material PI Failure; and/or
- (c) the Supplier commits 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),

(each a “Notifiable Default”), the Supplier shall notify the Authority of the Notifiable Default as soon as practicable but in any event within 3 Working Days of becoming aware of the Notifiable Default, detailing the actual or anticipated effect of the Notifiable Default and, unless the Notifiable Default also constitutes a Rectification Plan Failure or other Supplier Termination Event, the Authority may not terminate this Agreement in whole or in part on the grounds of the Notifiable Default without first following the Rectification Plan Process.

#### Notification

28.2 If:

- (a) the Supplier notifies the Authority pursuant to Clause 28.1 that a Notifiable Default has occurred; or
- (b) the Authority notifies the Supplier that it considers that a Notifiable Default has occurred (setting out sufficient detail so that it is reasonably clear what the Supplier has to rectify),

then, unless the Notifiable Default also constitutes a Supplier Termination Event and the Authority serves a Termination Notice, the Supplier shall comply with the Rectification Plan Process.

28.3 The “Rectification Plan Process” shall be as set out in Clauses 28.4 (*Submission of the draft Rectification Plan*) to 27.9 (*Agreement of the Rectification Plan*).

#### Submission of the draft Rectification Plan

28.4 The Supplier shall submit a draft Rectification Plan to the Authority for it to review as soon as possible and in any event within 10 Working Days (or such other period as may be agreed between the Parties) after the original notification pursuant to Clause 28.2 (*Notification*). The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Notifiable Default.

28.5 The draft Rectification Plan shall set out:

- (a) full details of the Notifiable Default that has occurred, including a root cause analysis;
- (b) the actual or anticipated effect of the Notifiable Default; and
- (c) the steps which the Supplier proposes to take to rectify the Notifiable Default (if applicable) and to prevent such Notifiable Default from recurring, including timescales for such steps and for the rectification of the Notifiable Default (where applicable).

28.6 The Supplier shall promptly provide to the Authority any further documentation that the Authority reasonably 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 Schedule 25 (**Dispute Resolution Procedure**).

### **Agreement of the Rectification Plan**

28.7 The Authority 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 Notifiable Default; and/or
- (d) will rectify the Notifiable Default but in a manner which is unacceptable to the Authority.

28.8 The Authority shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Authority rejects the draft Rectification Plan, the Authority 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 Authority for review within 5 Working Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft.

28.9 If the Authority consents to the Rectification Plan:

- (a) the Supplier shall immediately start work on the actions set out in the Rectification Plan; and
- (b) the Authority may no longer terminate this Agreement in whole or in part on the grounds of the relevant Notifiable Event.

## **29. DELAY PAYMENTS**

29.1 If Milestone 4 has not been Achieved by its relevant Milestone Date, the provisions of Paragraph 9 Schedule 6 (**Pricing, Payments and Invoicing**) shall apply in relation to the payment of Delay Payments.

29.2 Delay Payments shall be the Authority's exclusive financial remedy for the Supplier's failure to Achieve a Key Milestone by its Milestone Date except where:

- (a) the Authority is entitled to or does terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*); or
- (b) the Delay exceeds the Delay Deduction Period.

### 30. REMEDIAL ADVISER

30.1 If:

- (a) any of the Intervention Trigger Events occur; or
- (b) the Authority reasonably believes that any of the Intervention Trigger Events are likely to occur,

(each an "Intervention Cause"), the Authority may give notice to the Supplier (an "Intervention Notice") giving reasonable details of the Intervention Cause and requiring:

- (i) a meeting between the Authority Representative and the Supplier Representative to discuss the Intervention Cause; and/or
- (ii) the appointment as soon as practicable by the Supplier of a Remedial Adviser, as further described in this Clause 30.

For the avoidance of doubt, if the Intervention Cause is also a Supplier Termination Event, the Authority has no obligation to exercise its rights under this Clause 30.1 prior to or instead of exercising its right to terminate this Agreement.

30.2 If the Authority gives notice that it requires the appointment of a Remedial Adviser:

- (a) the Remedial Adviser shall be:
  - (i) a person selected by the Supplier and approved by the Authority; or
  - (ii) if none of the persons selected by the Supplier have been approved by the Authority (or no person has been selected by the Supplier) within 10 Working Days following the date on which the Intervention Notice is given, a person identified by the Authority;
- (b) the terms of engagement and start date agreed with the Remedial Adviser must be approved by the Authority; and
- (c) any right of the Authority to terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*) for the occurrence of that Intervention Cause shall be suspended for 60 Working Days from (and including) the date of the Intervention Notice (or such other period as may be agreed between the Parties)(the "Intervention Period").

30.3 The Remedial Adviser's overall objective shall be to mitigate the effects of, and (to the extent capable of being remedied) to remedy, the Intervention Cause and to avoid the occurrence of similar circumstances in the future. In furtherance of this objective (but without diminishing the Supplier's responsibilities under this Agreement), the Parties

agree that the Remedial Adviser may undertake any one or more of the following actions:

- (a) observe the conduct of and work alongside the Supplier Personnel to the extent that the Remedial Adviser considers reasonable and proportionate having regard to the Intervention Cause;
- (b) gather any information the Remedial Adviser considers relevant in the furtherance of its objective;
- (c) write reports and provide information to the Authority in connection with the steps being taken by the Supplier to remedy the Intervention Cause;
- (d) make recommendations to the Authority and/or the Supplier as to how the Intervention Cause might be mitigated or avoided in the future; and/or
- (e) take any other steps that the Authority and/or the Remedial Adviser reasonably considers necessary or expedient in order to mitigate or rectify the Intervention Cause.

30.4 The Supplier shall:

- (a) work alongside, provide information to, co-operate in good faith with and adopt any reasonable methodology in providing the Services recommended by the Remedial Adviser;
- (b) ensure that the Remedial Adviser has all the access it may require in order to carry out its objective, including access to the Assets;
- (c) submit to such monitoring as the Authority and/or the Remedial Adviser considers reasonable and proportionate in respect of the Intervention Cause;
- (d) implement any reasonable recommendations made by the Remedial Adviser that have been approved by the Authority within the timescales given by the Remedial Adviser; and
- (e) not terminate the appointment of the Remedial Adviser prior to the end of the Intervention Period without the prior consent of the Authority (such consent not to be unreasonably withheld).

30.5 The Supplier shall be responsible for:

- (a) the costs of appointing, and the fees charged by, the Remedial Adviser; and
- (b) its own costs in connection with any action required by the Authority and/or the Remedial Adviser pursuant to this Clause 30.

30.6 If:

- (a) the Supplier:
  - (i) fails to perform any of the steps required by the Authority in an Intervention Notice; and/or
  - (ii) is in Default of any of its obligations under Clause 30.4; and/or

- (b) the relevant Intervention Trigger Event is not rectified by the end of the Intervention Period,

(each a “Remedial Adviser Failure”), the Authority shall be entitled to terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*).

### 31. STEP-IN RIGHTS

31.1 On the occurrence of a Step-In Trigger Event, the Authority may serve notice on the Supplier (a “Step-In Notice”) that it will be taking action under this Clause 31 (*Step-in Rights*), either itself or with the assistance of a third party (provided that the Supplier may require any third parties to comply with a confidentiality undertaking equivalent to Clause 22 (*Confidentiality*)). The Step-In Notice shall set out the following:

- (a) the action the Authority wishes to take and in particular the Services that it wishes to control (the “Required Action”);
- (b) the Step-In Trigger Event that has occurred and whether the Authority believes that the Required Action is due to the Supplier's Default;
- (c) the date on which it wishes to commence the Required Action;
- (d) the time period which it believes will be necessary for the Required Action;
- (e) whether the Authority will require access to the Supplier's premises and/or the Sites; and
- (f) to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Supplier's obligations to provide the Services during the period that the Required Action is being taken.

31.2 Following service of a Step-In Notice, the Authority shall:

- (a) take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;
- (b) keep records of the Required Action taken and provide information about the Required Action to the Supplier;
- (c) co-operate wherever reasonable with the Supplier in order to enable the Supplier to continue to provide the Services in relation to which the Authority is not assuming control; and
- (d) act reasonably in mitigating the cost that the Supplier will incur as a result of the exercise of the Authority's rights under this Clause 31.

31.3 For so long as and to the extent that the Required Action is continuing, then:

- (a) the Supplier shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;
- (b) no Deductions shall be applicable in relation to Charges in respect of Services that are the subject of the Required Action and the provisions of Clause 31.4 shall apply to Deductions from Charges in respect of other Services; and

- (c) the Authority shall pay to the Supplier the Charges after subtracting any applicable Deductions and the Authority's costs of taking the Required Action.
- 31.4 If the Supplier demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in:
- (a) the degradation of any Services not subject to the Required Action; or
  - (b) the non-Achievement of a Milestone,
- beyond that which would have been the case had the Authority not taken the Required Action, then the Supplier shall be entitled to an agreed adjustment of the Charges.
- 31.5 Before ceasing to exercise its step in rights under this Clause 31 the Authority shall deliver a written notice to the Supplier (a "Step-Out Notice"), specifying:
- (a) the Required Action it has actually taken; and
  - (b) the date on which the Authority plans to end the Required Action (the "Step-Out Date") subject to the Authority being satisfied with the Supplier's ability to resume the provision of the Services and the Supplier's plan developed in accordance with Clause 31.6.
- 31.6 The Supplier shall, following receipt of a Step-Out Notice and not less than 20 Working Days prior to the Step-Out Date, develop for the Authority's approval a draft plan (a "Step-Out Plan") relating to the resumption by the Supplier of the Services, including any action the Supplier proposes to take to ensure that the affected Services satisfy the requirements of this Agreement.
- 31.7 If the Authority does not approve the draft Step-Out Plan, the Authority shall inform the Supplier of its reasons for not approving it. The Supplier shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's approval. The Authority shall not withhold or delay its approval of the draft Step-Out Plan unnecessarily.
- 31.8 The Supplier shall bear its own costs in connection with any step-in by the Authority under this Clause 31, provided that the Authority shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority under:
- (a) limbs (c) or (d) of the definition of a Step-In Trigger Event; or
  - (b) limbs (e), (f) and (g) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Supplier's Default).

## **32. AUTHORITY CAUSE**

- 32.1 Notwithstanding any other provision of this Agreement, if the Supplier has failed to:
- (a) Achieve a Milestone by its Milestone Date;
  - (b) provide the Services in accordance with the Target Key Performance Indicators; and/or



(c) comply with its obligations under this Agreement,

(each a "Supplier Non-Performance"),

and can demonstrate that the Supplier Non-Performance would not have occurred but for an Authority Cause, then (subject to the Supplier fulfilling its obligations in this Clause 32):

- (i) the Supplier shall not be treated as being in breach of this Agreement to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Authority Cause;
- (ii) the Authority shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance:
  - (A) to terminate this Agreement pursuant to Clause 34.1(b) (*Termination by the Authority*); or
  - (B) to take action pursuant Clauses 30 (*Remedial Adviser*) or 31 (*Step-In*);
- (iii) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:
  - (A) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Authority Cause;
  - (B) if the Authority, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Authority Cause;
  - (C) if the Milestone is a Key Milestone, the Supplier shall have no liability to pay any Delay Payments associated with the Key Milestone to the extent that the Supplier can demonstrate that such failure was caused by the Authority Cause; and
  - (D) the Supplier shall be entitled to claim compensation subject to and in accordance with the principles set out in Schedule 6 (**Pricing, Payments and Invoicing**); and/or
- (iv) where the Supplier Non-Performance constitutes a Performance Failure:
  - (A) the Supplier shall not be liable to accrue Service Credits;
  - (B) the Authority shall not be entitled to withhold any of the Service Payment / Credit Note (SP) pursuant to Clause 7.2(d)(ii) (*Performance Failures*);
  - (C) the Authority shall not be entitled to withhold and retain any Compensation for Total Service Failure pursuant to Clause 7.4(a) (*Total Service Failure*); and

- (D) the Supplier shall be entitled to invoice for the Service Payment / Credit Note (SP) for the relevant Services affected by the Authority Cause,

in each case, to the extent that the Supplier can demonstrate that the Performance Failure was caused by the Authority Cause.

32.2 In order to claim any of the rights and/or relief referred to in Clause 32.1, the Supplier shall as soon as reasonably practicable (and in any event within 10 Working Days) after becoming aware that an Authority Cause has caused, or is reasonably likely to cause, a Supplier Non-Performance, give the Authority notice (a "Relief Notice") setting out details of:

- (a) the Supplier Non-Performance;
- (b) the Authority Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Agreement;
- (c) any steps which the Authority can take to eliminate or mitigate the consequences and impact of such Authority Cause; and
- (d) the relief and/or compensation claimed by the Supplier.

32.3 Following the receipt of a Relief Notice, the Authority shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Authority Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Authority Cause and its entitlement to relief and/or compensation, consulting with the Supplier where necessary.

32.4 The Supplier shall use all reasonable endeavours to eliminate or mitigate the consequences and impact of an Authority Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

32.5 Without prejudice to Clause 5.9 (*Continuing obligation to provide the Services*), if a Dispute arises as to:

- (a) whether a Supplier Non-Performance would not have occurred but for an Authority Cause; and/or
- (b) the nature and/or extent of the relief and/or compensation 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.

32.6 Any Change that is required to the Implementation Plan or to the Charges pursuant to this Clause 32 shall be implemented in accordance with the Change Control Procedure.

### 33. **FORCE MAJEURE**

33.1 Subject to the remaining provisions of this Clause 33 (and, in relation to the Supplier, subject to its compliance with its obligations in Schedule 21 (**Business Continuity and**

**Disaster Recovery (BCDR) Plan**), a Party may claim relief under this Clause 33 from liability for failure to meet its obligations under this Agreement 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 Agreement 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.

- 33.2 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.
- 33.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 33 to the extent that consequences of the relevant Force Majeure Event:
- (a) are capable of being mitigated by any of the Services including the BCDR Services, but the Supplier has failed to do so; and/or
  - (b) should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Agreement.
- 33.4 Subject to Clause 33.5, 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 Services affected by the Force Majeure Event.
- 33.5 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.
- 33.6 Where, as a result of a Force Majeure Event:
- (a) an Affected Party fails to perform its obligations in accordance with this Agreement, then during the continuance of the Force Majeure Event:
    - (i) the other Party shall not be entitled to exercise any rights to terminate this Agreement in whole or in part as a result of such failure other than pursuant to Clause 34.1(c) (*Termination by the Authority*) or Clause 34.3(b) (*Termination by the Supplier*); and
    - (ii) neither Party shall be liable for any Default arising as a result of such failure;
  - (b) the Supplier fails to perform its obligations in accordance with this Agreement:
    - (i) the Authority shall not be entitled:
      - (A) during the continuance of the Force Majeure Event to exercise its rights under Clause 30 (*Remedial Adviser*) and/or

Clause 31 (*Step-in Rights*) as a result of such failure;

(B) to receive Delay Payments pursuant to Clause 29 (*Delay Payments*) to the extent that the Achievement of any Milestone is affected by the Force Majeure Event; and

(C) to receive Service Credits, to withhold any of the Service Payment / Credit Note (SP) pursuant to Clause 7.2(d)(ii) (*Performance Failures*) or withhold and retain any of the Service Payment / Credit Note (SP) as compensation pursuant to Clause 7.4(a) (*Total Service Failure*) to the extent that a Performance Failure has been caused by the Force Majeure Event; and

(ii) the Supplier shall be entitled to receive payment of the Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be performed in accordance with the terms of this Agreement during the occurrence of the Force Majeure Event.

33.7 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 Agreement.

33.8 Relief from liability for the Affected Party under this Clause 33 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 Agreement and shall not be dependent on the serving of notice under Clause 33.7.

---

## SECTION I – TERMINATION AND EXIT MANAGEMENT

### 34. TERMINATION RIGHTS

#### Termination by the Authority

34.1 The Authority may terminate this Agreement by issuing a Termination Notice to the Supplier:

- (a) for convenience at any time, including where the Agreement should not have been entered into in view of a serious infringement of obligations under European Law declared by the Court of Justice of the European Union under Article 258 of the Treaty on the Functioning of the EU;
- (b) if a Supplier Termination Event occurs;
- (c) if a Force Majeure Event endures for a continuous period of more than 90 days; or
- (d) if the Agreement has been substantially amended to the extent that the Public Contracts Regulations 2015 require a new procurement procedure,

and this Agreement shall terminate on the date specified in the Termination Notice.

34.2 Where the Authority:

- (a) is terminating this Agreement under Clause 34.1(b) due to the occurrence of either limb (b) and/or (g) of the definition of Supplier Termination Event, it may rely on a single material Default or on a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are cured) which taken together constitute a material Default; and/or
- (b) has the right to terminate this Agreement under Clause 34.1(b) or Clause 34.1(c), it may, prior to or instead of terminating the whole of this Agreement, serve a Termination Notice requiring the partial termination of this Agreement to the extent that it relates to any part of the Services which are materially affected by the relevant circumstances.

#### Termination by the Supplier

34.3 The Supplier may, by issuing a Termination Notice to the Authority, terminate:

- (a) this Agreement if the Authority fails to pay an undisputed sum due to the Supplier under this Agreement which in aggregate exceeds £555,556 and such amount remains outstanding 40 Working Days after the receipt by the Authority of a notice of non-payment from the Supplier; or
- (b) any Services that are materially impacted by a Force Majeure Event that endures for a continuous period of more than 90 days,

and this Agreement or the relevant Services (as the case may be) shall then terminate on the date specified in the Termination Notice (which shall not be less than 20 Working Days from the date of the issue of the Termination Notice). If the operation of Clause 34.3(b) would result in a Partial Termination, the provisions of Clause 34.4 (*Partial Termination*) shall apply.

## Partial Termination

- 34.4 If the Supplier notifies the Authority pursuant to Clause 34.3(b) (*Termination by the Supplier*) that it intends to terminate this Agreement in part and the Authority, acting reasonably, believes that the effect of such Partial Termination is to render the remaining Services incapable of meeting a significant part of the Authority Requirements, then the Authority shall be entitled to terminate the remaining part of this Agreement by serving a Termination Notice to the Supplier within 1 month of receiving the Supplier's Termination Notice. For the purpose of this Clause 34.4, in assessing the significance of any part of the Authority Requirements, regard shall be had not only to the proportion of that part to the Authority Requirements as a whole, but also to the importance of the relevant part to the Authority.
- 34.5 The Parties shall agree the effect of any Change necessitated by a Partial Termination in accordance with the Change Control Procedure, including the effect the Partial Termination may have on any other Services and the Charges, provided that:
- (a) the Supplier shall not be entitled to an increase in the Charges in respect of the Services that have not been terminated if the Partial Termination arises due to the occurrence of a Supplier Termination Event;
  - (b) any adjustment to the Charges (if any) shall be calculated in accordance with the Financial Model and must be reasonable; and
  - (c) the Supplier shall not be entitled to reject the Change.

## 35. CONSEQUENCES OF EXPIRY OR TERMINATION

### General Provisions on Expiry or Termination

- 35.1 The provisions of Clauses 5.8 (*Specially Written Software warranty*), 10.4 and 10.5 (VAT), 10.6 and 10.7 (*Set-off and Withholding*), 12 (*Records, Reports, Audits and Open Book Data*), 14.7 (*Employment Indemnity*), 14.8 (*Income Tax and National Insurance Contributions*), 17 (*Intellectual Property Rights*), 18 (*Licences Granted by the Supplier*), 20.1 (*IPRs Indemnity*), 22 (*Confidentiality*), 23 (*Freedom of Information*), 24 (*Protection of Personal Data*), 26 (*Limitations on Liability*), 35 (*Consequences of Expiry or Termination*), 42 (*Severance*), 44 (*Entire Agreement*), 45 (*Third Party Rights*), 47 (*Disputes*) and 48 (*Governing Law and Jurisdiction*), and the provisions of Schedules 1 (Definitions), 6 (**Pricing, Payments and Invoicing**), 28 (**Payments on Termination**), 15 (**Financial Reports and Audit Rights**), 25 (**Dispute Resolution Procedure**), 9 (**Exit Management**), and 24 (**Staff Transfer**), shall survive the termination or expiry of this Agreement.

### Exit Management

- 35.2 The Parties shall comply with the provisions of Schedule 9 (**Exit Management**) and any current Exit Plan in relation to orderly transition of the Services to the Authority or a Replacement Supplier.

### Payments by the Authority

- 35.3 If this Agreement is terminated by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*) or by the Supplier pursuant to Clause 34.3(a) (*Termination by the Supplier*), the Authority shall pay the Supplier the following payments (which shall be the Supplier's sole remedy for the termination of

this Agreement):

- (a) the Termination Payment; and
- (b) the Compensation Payment, if either of the following periods is less than 365 days:
  - (i) the period from (but excluding) the date that the Termination Notice is given, deemed given) by the Authority pursuant to Clause 34.1(a) (*Termination by the Authority*) to (and including) the Termination Date; or
  - (ii) the period from (and including) the date of the non-payment by the Authority referred to in Clause 34.3(a) (*Termination by the Supplier*) to (and including) the Termination Date.

35.4 If this Agreement is terminated (in part or in whole) by the Authority pursuant to Clauses 34.1(b), 34.1(c) and/or 34.2 (*Termination by the Authority*), or the Term expires, the only payments that the Authority shall be required to make as a result of such termination (whether by way of compensation or otherwise) are:

- (a) payments in respect of any Assets or apportionments in accordance with Schedule 9 (**Exit Management**); and
- (b) payments in respect of unpaid Charges for Services received up until the Termination Date.

35.5 The costs of termination incurred by the Parties shall lie where they fall if:

- (a) either Party terminates or partially terminates this Agreement for a continuing Force Majeure Event pursuant to Clauses 34.1(c) or 33.2(b) (*Termination by the Authority*) or 33.3(b) (*Termination by the Supplier*); or
- (b) the Authority terminates this Agreement under Clause 34.1(d).

### **Payments by the Supplier**

35.6 In the event of termination or expiry of this Agreement, the Supplier shall repay to the Authority all Charges it has been paid in advance in respect of Services not provided by the Supplier as at the date of expiry or termination.

35.7 If this Agreement is terminated (in whole or in part) by the Authority pursuant to Clause 34.1(b) (*Termination by the Authority*) prior to Achievement of one or more CPP Milestones, the Authority may at any time on or within 12 months of the issue of the relevant Termination Notice by issue to the Supplier of written notice (a "Milestone Adjustment Payment Notice") require the Supplier to repay to the Authority an amount equal to the aggregate Milestone Adjustment Payment Amounts in respect of each CPP Milestone to which the Milestone Adjustment Payment Notice relates.

35.8 A Milestone Adjustment Payment Notice shall specify:

- (a) each CPP Milestone to which it relates;

- (b) in relation to each such CPP Milestone, each Deliverable relating to that CPP Milestone that the Authority wishes to retain, if any (each such Deliverable being a "Retained Deliverable"); and
- (c) those Retained Deliverables, if any, the Allowable Price for which the Authority considers should be subject to deduction of an adjusting payment on the grounds that they do not or will not perform in all material respects in accordance with their specification (such adjusting payment being an "Allowable Price Adjustment"),

and may form part of a Termination Notice.

35.9 The Supplier shall within 10 Working Days of receipt of a Milestone Adjustment Payment Notice, in each case as applicable:

- (a) notify the Authority whether it agrees that the Retained Deliverables which the Authority considers should be subject to an Allowable Price Adjustment as specified in the relevant Milestone Adjustment Payment Notice should be so subject; and
- (b) in relation to each such Retained Deliverable that the Supplier agrees should be subject to an Allowable Price Adjustment, notify the Authority of the Supplier's proposed amount of the Allowable Price Adjustment and the basis for its approval;
- (c) provide the Authority with its calculation of the Milestone Adjustment Payment Amount in respect of each CPP Milestone the subject of the relevant Milestone Adjustment Payment Notice using its proposed Allowable Price Adjustment, including details of:
  - (i) all relevant Milestone Payments; and
  - (ii) the Allowable Price of each Retained Deliverable; and
- (d) provide the Authority with such supporting information as the Authority may require.

35.10 If the Parties do not agree the calculation of a Milestone Adjustment Payment Amount within 20 Working Days of the Supplier's receipt of the relevant Milestone Adjustment Payment Notice, either Party may refer the Dispute to the Dispute Resolution Procedure.

35.11 If the Authority issues a Milestone Adjustment Payment Notice pursuant to Clause 35.7:

- (a) the Authority shall:
  - (i) securely destroy or return to the Supplier all Non-retained Deliverables that are in tangible form; and
  - (ii) ensure that all Non-retained Deliverables that are held in electronic, digital or other machine-readable form cease to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such all Non-retained Deliverables,



in each case as soon as reasonably practicable after repayment of the aggregate Milestone Adjustment Payment Amounts repayable pursuant to that Milestone Adjustment Payment Notice; and

- (b) all licences granted pursuant to Clause 18 (*Licences granted by the Supplier*) in respect of Specially Written Software and Project Specific IPRs and any Supplier Non-COTS Software and/or Supplier Background IPRs shall terminate upon such repayment to the extent that they relate to the Non-retained Deliverables.

---

**SECTION J - MISCELLANEOUS AND GOVERNING LAW****36. COMPLIANCE****Health and Safety**

- 36.1 The Supplier shall perform its obligations under this Agreement (including those in relation to the Services) in accordance with:
- (a) all applicable Law regarding health and safety; and
  - (b) the Health and Safety Policy whilst at the Authority Premises.
- 36.2 Each Party shall notify the other as soon as practicable of any health and safety incidents or material health and safety hazards at the Authority Premises of which it becomes aware and which relate to or arise in connection with the performance of this Agreement. The Supplier shall instruct the Supplier Personnel to adopt any necessary associated safety measures in order to manage any such material health and safety hazards.

**Equality and Diversity**

- 36.3 The Supplier shall:
- (a) perform its obligations under this Agreement (including those in relation to the Services) in accordance with:
    - (i) all applicable equality Law (whether in relation to race, sex, gender reassignment, age, disability, sexual orientation, religion or belief, pregnancy, maternity or otherwise);
    - (ii) the Authority's equality and diversity policy as provided to the Supplier from time to time; and
    - (iii) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law; and
  - (b) take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation).

**Official Secrets Act and Finance Act**

- 36.4 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.

**37. ASSIGNMENT AND NOVATION**

- 37.1 The Supplier shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Authority.

37.2 The Authority may at its discretion assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:

- (a) any Central Government Body; or
- (b) to a body other than a Central Government Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority,

and the Supplier shall, at the Authority's request, enter into a novation agreement in such form as the Authority shall reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 37.2.

37.3 A change in the legal status of the Authority such that it ceases to be a Central Government Body shall not (subject to Clause 37.4) affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Authority.

37.4 If the Authority assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Agreement to a body which is not a Central Government Body or if a body which is not a Central Government Body succeeds the Authority (any such body a "Successor Body"), the Supplier shall have the right to terminate for an Insolvency Event affecting the Successor Body identical to the right of termination of the Authority under limb (i) of the definition of Supplier Termination Event (as if references in that limb (i) to the Supplier and the Guarantor and references to a Party in the definition of Insolvency Event were references to the Successor Body).

## **38. WAIVER AND CUMULATIVE REMEDIES**

38.1 The rights and remedies under this Agreement may be waived only by notice 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 Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

38.2 Unless otherwise provided in this Agreement, rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

## **39. RELATIONSHIP OF THE PARTIES**

Except as expressly provided otherwise in this Agreement, nothing in this Agreement, nor any actions taken by the Parties pursuant to this Agreement, 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 Effective Date:
- (a) 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
  - (b) 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 term of this Agreement:
- (a) commit a Prohibited Act; and/or
  - (b) do or suffer anything to be done which would cause the Authority or any of the Authority'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 term of this Agreement:
- (a) 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; and
  - (b) keep appropriate records of its compliance with its obligations under Clause 40.3(a) and make such records available to the Authority on request.
- 40.4 The Supplier shall immediately notify the Authority in writing if it becomes aware of any breach of Clause 40.1 and/or 40.2, or has reason to believe that it has or any of the Supplier Personnel have:
- (a) been subject to an investigation or prosecution which relates to an alleged Prohibited Act;
  - (b) 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
  - (c) received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Agreement or otherwise suspects that any person or Party directly or indirectly connected with this Agreement has committed or attempted to commit a Prohibited Act.
- 40.5 If the Supplier makes a notification to the Authority pursuant to Clause 40.4, the Supplier shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to Audit any books, Records and/or any other relevant documentation in accordance with Clause 12 (*Records, Reports, Audits and Open Book Data*).

- 40.6 If the Supplier is in Default under Clauses 40.1 and/or 40.2, the Authority may by notice:
- (a) require the Supplier to remove from performance of this Agreement any Supplier Personnel whose acts or omissions have caused the Default; or
  - (b) immediately terminate this Agreement.
- 40.7 Any notice served by the Authority under Clause 40.6 shall specify the nature of the Prohibited Act, the identity of the Party who the Authority believes has committed the Prohibited Act and the action that the Authority has elected to take (including, where relevant, the date on which this Agreement shall terminate).

#### **41. ENVIRONMENTAL REQUIREMENTS**

- 41.1 The Supplier shall perform its obligations under the Agreement in accordance with the Authority's environmental policy, which includes requirements 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.
- 41.2 Where the Supplier has not been provided with details of the Authority's environmental policy, the Supplier should request a copy of the same within 10 Working Days after the Commencement Date.
- 41.3 The Supplier shall conduct an annual self-assessment of its corporate social responsibility policy to include equality & diversity and environmental and socio-economic practices. The Supplier shall report such findings to the Authority's Representative in such format as the Authority's Representative may request.
- 41.4 The Authority may make available a particular self-assessment tool to assist its suppliers (including the Supplier) in conducting the self-assessment referred to in Clause 41.3 above and if the Authority does so, the Supplier shall use that self-assessment tool.
- 41.5 The Supplier shall comply with current Government Buying Standards for the provision of commodity goods and services. These are available at: <http://sd.defra.gov.uk/advice/public/buying/>

#### **42. SEVERANCE**

- 42.1 If any provision of this Agreement (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 this Agreement are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Agreement shall not be affected.
- 42.2 In the event that any deemed deletion under Clause 42.1 is so fundamental as to prevent the accomplishment of the purpose of this Agreement or materially alters the balance of risks and rewards in this Agreement, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Agreement so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Agreement and, to the extent that is reasonably possible, achieves the Parties' original commercial intention.

- 42.3 If the Parties are unable to agree on the revisions to this Agreement within 5 Working Days of the date of the notice given pursuant to Clause 42.2, the matter shall be dealt with in accordance with paragraph 3 (*Commercial Negotiation*) of Schedule 25 (**Dispute Resolution Procedure**) except that if the representatives are unable to resolve the dispute within 30 Working Days of the matter being referred to them, this Agreement shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Agreement is terminated pursuant to this Clause 42.3.

#### 43. FURTHER ASSURANCES

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 reasonably necessary to give effect to the meaning of this Agreement.

#### 44. ENTIRE AGREEMENT

- 44.1 This Agreement constitutes the entire agreement between the Parties in respect of its subject matter and supersedes and extinguishes all prior negotiations, arrangements, understanding, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.
- 44.2 Neither Party has been given, nor entered into this Agreement in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Agreement.
- 44.3 Nothing in this Clause 44 shall exclude any liability in respect of misrepresentations made fraudulently.

#### 45. THIRD PARTY RIGHTS

- 45.1 The provisions of Clause 20.1 (*IPRs Indemnity*), Paragraphs 2.1 and 2.6 of Part A, and Paragraphs 1.4, 2.3 and 2.8 of Part D and the Pension Annex to Part A of Schedule 24 (*Staff Transfer*) and the provisions of Schedule 9 (*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 are intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.
- 45.2 Subject to Clause 45.1, a person who is not a Party to this Agreement has no right under the CRTPA to enforce any term of this Agreement but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
- 45.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Authority, which may, if given, be given on and subject to such terms as the Authority may determine.
- 45.4 Any amendments or modifications to this Agreement may be made, and any rights created under Clause 45.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

#### 46. NOTICES

- 46.1 Any notices sent under this Agreement must be in writing.

- 46.2 Subject to Clause 46.4, the following table sets out the method by which notices may be served under this Agreement and the respective deemed time and proof of service:

| <b>Manner of Delivery</b>  | <b>Deemed time of service</b>  | <b>Proof of service</b>  |
|--|--|--|
| Email  | 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 a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day.  | Properly addressed and delivered as evidenced by signature of a delivery receipt                     |
| Prepaid, Royal Mail Signed For <sup>TM</sup> 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             |

- 46.3 Notices shall be sent to the addresses set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under this Agreement:

|                | <b>Supplier</b>   | <b>Authority</b>                                   |
|----------------|---|--|
| <b>Contact</b> | Mr Peter Cashmore   | Mr Simon Peachey                                   |
| <b>Address</b> | Three, Cherry Trees Lane,<br>Hemel Hempstead,<br>Hertfordshire, HP2 7AH | Home Office, 2 Marsham Street,<br>London, SW1P 4DF |
| <b>Email</b>   | legal.services@soprasteria.com  | simon.peachey@homeoffice.gsi.gov.uk                |

- 46.4 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 recorded delivery in the manner set out in the table in Clause 46.2:

- (a) Step-In Notices;
- (b) Force Majeure Notices;

- (c) notices issued by the Supplier pursuant to Clause 34.3 (*Termination by the Supplier*);
  - (d) Termination Notices; and
  - (e) Dispute Notices.
- 46.5 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 46.4 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™ 1st Class delivery (as set out in the table in Clause 46.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.
- 46.6 This Clause 46 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 Schedule 25 (**Dispute Resolution Procedure**)).

#### 47. DISPUTES

- 47.1 The Parties shall resolve Disputes arising out of or in connection with this Agreement in accordance with the Dispute Resolution Procedure.
- 47.2 The Supplier shall continue to provide the Services in accordance with the terms of this Agreement until a Dispute has been resolved.

#### 48. GOVERNING LAW AND JURISDICTION

- 48.1 This Agreement 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.
- 48.2 Subject to Clause 47 (*Disputes*) and Schedule 25 (**Dispute Resolution Procedure**) (including the Authority'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 Agreement or its subject matter or formation.

**IN WITNESS** of which this Agreement has been duly executed by the Parties on the date which appears at the head of its page 1.

**EXECUTED AS A DEED**, but not delivered until the date specified on this deed, by **Sopra Steria Limited** by a director in the presence of a witness:

|                        |  |
|------------------------|--|
| Signature:             |  |
| Name (block capitals): |  |



|           |                 |
|-----------|-----------------|
| Position: | <b>Director</b> |
| Date:     |                 |

|                                   |  |
|-----------------------------------|--|
| Witness Signature:                |  |
| Witness Name (block capitals):    |  |
| Witness Address (block capitals): |  |
| Date:                             |  |

**SIGNED** for and on behalf of The Secretary of State for the Home Department

|                        |  |
|------------------------|--|
| Signature:             |  |
| Name (block capitals): |  |
| Position:              |  |
| Date:                  |  |