

SCHEDULE 6

SERVICE LEVELS AND SERVICE CREDITS

1. SCOPE

- 1.1 This Schedule 6 sets out the Service Levels which the Supplier is required to achieve when delivering the Services, the mechanism by which Service Failures will be managed and the method by which the Supplier's performance of the Services by the Supplier will be monitored. This schedule comprises:
 - 1.1.1 Part A: Service Levels;
 - 1.1.2 Appendix to Part A - Service Levels and Service Credits; and
 - 1.1.3 Part B: Performance Monitoring.
- 1.2 If a capitalised term or phrase used in this Schedule is not defined in this Schedule, it shall have the meaning as set out in the Call-Off Terms.

PART A

Service Levels

2. PRINCIPAL POINTS

- 2.1 The objectives of the Service Levels and Service Credits are to:
 - 2.1.1 ensure that the Services are of a consistently high quality and meet the Service Level Targets and the other requirements of the Customer;
 - 2.1.2 use Service Credits as a method of price adjustment to reflect poor performance and non-achievement of the required Service Level Targets;
 - 2.1.3 provide a mechanism whereby the Customer can attain meaningful recognition of inconvenience and/or loss resulting from the Supplier's failure to deliver the level of Service for which the Supplier has contracted to deliver; and
 - 2.1.4 incentivise the Supplier to meet the Service Levels and to remedy any failure to meet the Service Levels expeditiously.
- 2.2 The Parties acknowledge that:
 - 2.2.1 The Customer will, in all cases, prefer to receive the Services at the Service Level Target in preference to receiving the Service

Credits; and

2.2.2 The Supplier shall, in all cases, seek to deliver the Services at the Service Level Target in preference to accepting a liability for Service Credits.

3. SERVICE LEVELS

3.1 The Appendix to this Part A of this Schedule sets out:

3.1.1 the Service Levels that the parties have agreed to measure to verify the standard of the performance of the Services; and

3.1.2 the Service Level Targets relating to the Services to be provided by the Supplier

3.2 The Supplier shall ensure that the Services meet or exceed the Service Levels at all times from the Operational Services Commencement Date.

3.3 The Supplier shall monitor its performance of each of the Services referred to in Appendix A by reference to the Service Level(s) for that part of the Service and shall send the Customer a report in respect of each Service Measurement Period detailing the level of service which was achieved in accordance with the provisions of paragraph 4.2 below and part B of this Schedule 6.

3.4 If the level of performance of the Supplier of any element of the Services during the Contract Period:

3.4.1 fails to achieve a Service Level Target in respect of each element of the Service, then the Customer shall make a deduction from the Contract Charges to reflect the Service Credits calculated in accordance with the Appendix to this Part A; or

3.4.2 constitutes a Critical Service Failure, the Customer shall be entitled to terminate this Contract pursuant to clause 5.8.

4. Service Level calculation

4.1 The Services shall be subject to one or more of the Service Criteria set out below. These are:

4.1.1 Availability;

4.1.2 Incident Resolution;

4.2 The Supplier shall monitor its performance of each of the Service Criteria set out in Paragraph 4.1 by reference to the applicable Service Level Targets and shall send the Customer a Performance Monitoring Report in respect of each Service Measurement Period.

Details to be included within the Performance Monitoring Report, shall be agreed between the Supplier, the Agency Manager and the Customer during Transition.

5. Availability

- 5.1 Availability shall be calculated as a percentage of the total time in a Service Measurement Period in accordance with the following formula:

$$\text{Service Availability} = \frac{(\text{MP} - \text{SD}) \times 100}{\text{MP}}$$

where:

MP = Total time within the Working Hours , excluding any agreed Planned Downtime, within the relevant Service Measurement Period; and

SD = Total Service Downtime within the Working Hours in the relevant Service Measurement Period during which the Supplier System, a Service and/or Service Element is not Available, excluding any agreed Planned Downtime.

- 5.2 If the Supplier System, Service and/or Service Element are Unavailable and such Unavailability causes a Dependent Service to become Unavailable then the Downtime experienced by such Dependent Service shall not count towards the Service Downtime of that Dependent Service.
- 5.3 The measurement of Unavailability will commence at the point an Incident ticket is raised, or any monitoring device detects a problem, irrespective of whether an Incident ticket has been raised, whichever is sooner.
- 5.4 For the avoidance of doubt, Working Hours shall mean:
- from 07:00 – 19:00, Monday – Friday (excluding any public holidays in England and Wales), and from 07:00 – 17:00 on a Saturday for logging service calls and for provision of remote help; and
- from 08.30 - 17.00, Monday - Friday (excluding any public holidays in England and Wales) for fixes requiring engineer attendance on site.
- 5.5 If the Supplier has failed to provide the Services in accordance with the Service Levels and can demonstrate that this failure would not have occurred but for a Customer Cause, the delay attributed to the Customer Cause shall not be considered for the purpose of calculating the Achieved Service Level. Supplier shall not be liable to accrue Service Credits and the Customer shall not be entitled to withhold any

of the Contract Charges pursuant to Schedule 6 (Service Levels and Service Credits);

5.6 To the extent that:

5.6.1 any contributory or related breach of this Schedule 6 by the Supplier caused or resulted in a Customer Cause; and/or

5.6.2 the Customer gives any advance notification that the Customer Cause is or is likely to occur and the Supplier fails to comply with Paragraph 5.8 below,

then the Service Credits otherwise due under this Contract but for Paragraph 5.6 above shall be reduced by a fair and equitable amount.

5.7 The Supplier shall, and shall procure that each Sub-contractor shall, take and continue to take all reasonable steps to eliminate or mitigate the effects of a Customer Cause.

6. Incident Resolution: Incidents and Problems

6.1 Incident and Problem Management shall be conducted in accordance with:

6.1.1 the latest version of ITIL; and

6.1.2 the Policies, Procedures and Processes provided by the Agency Manager.

7. Repeat Failure to meet Service Level Targets

7.1 If the Supplier fails to achieve a Service Level Target for a particular Supplier System, Service and/or Service Element in a Service Measurement Period and then fails to achieve the same Service Level Target in a subsequent Service Measurement Period, the failure in the subsequent Service Measurement Period shall be a **"Repeat Failure"**. The Repeat Failure count shall increment by one (1) for each additional failure.

7.2 If:

7.2.1 the Supplier fails to achieve a Service Level Target for a particular Supplier System, Service and/or [Service Element] in a Service Measurement Period more than once; and

7.2.2 Root Cause Analysis conducted by the Agency Manager provides evidence demonstrating that the Root Cause for failing to achieve the Service Level Target is the same in both instances,

then the second failure shall be a **"Repeat Failure"**. Root Cause Analysis shall be conducted at the Configuration Item level. E.g. If a router is considered a Configuration Item within the Contract's CMDB, and Root Cause Analysis will need to provide evidence that a Service Level target could not be met due to

issues with the router. (i.e. Root Cause Analysis will not need to delve further into the router components, e.g. firmware, chassis, memory, power, etc.)

7.3 The Repeat Failure count shall be reset to zero (0) once there have been two (2) consecutive Service Measurement Periods in which the Service Level Target has been met.

7.4 Worked examples of the Repeated Failure regime are set out below.

7.4.1 In-month Repeat Failure example

Service Measurement Period				
	Week1	Week2	Week3	Week4
Failure to meet Service Level Target for a Service (F)	F	F	✓	F
No. of Repeat Failures	0	1		2

7.4.2 Month-on-Month Repeat Failure example

	Service Measurement Period											
	1	2	3	4	5	6	7	8	9	10	11	12
Failure to meet Service Level Target for a Service (F)	F	F	✓	F	✓	✓	F	✓	F	F	✓	F
No. of Repeat Failures	0	1		2			0		1	2		3

7.5 For any failure to meet Service Level Targets which is a Repeat Failure, the Service Credit applicable shall be increased as follows (the “**Repeat Failure Multiplier**”):

Repeat Failure count applicable to the Service Measurement Period	Repeat Failure Multiplier
0	1
1	1.25
2	1.5
3	1.75
4 and above	2

APPENDIX TO PART A

Service Levels and Severity Levels

Part 1 – Service Levels

1. Print Service Availability

The Service level Target and the Service Failure Threshold for Availability of the Print services provided by the Supplier to the Customer at all Customer Sites shall be as set out in the table below.

Service Criteria	Service Level Target	Service Failure Threshold
The Availability of the Print services during Working Hours.	97%	75%

2. Multi Function Device Availability

The Service Level Target and the Service Failure Threshold for the availability of an individual Multi Functional Device provided by the Supplier to the Customer at all Customer Sites shall be as set out in the table below. The Availability for each Print Device shall be calculated and reported on separately.

Service Criteria	Service Level Target	Service Failure Threshold
The Availability of each individual Multi Functional Device during Working Hours	90%	75%

A Multi Functional device shall be considered Available if the device can be used with all of the functions as specified in the Supplier Solution (e.g. printing, scanning, copying, faxing, scan to email, monitoring of consumables, etc.)

3. Print Device Capacity

Service Criteria	Service Level Target	Service Failure Threshold
The number of networked Print Devices exceeding print capacity during the Service Management Period. (where print capacity is based on the manufacturers' recommendation)	Less than 5%	20%

4. Print Room copying

Service Criteria	Service Level Target	Service Failure Threshold
Print requests received before 13:00 to be fulfilled during the same Working Day.	80%	75%
Print requests to be fulfilled within 8 working hours (except where a single print request is larger than 25% of the daily average throughput).	99.99%	75%
Print Room requests to completed during the next Working Day (except where a single print request is larger than 25% of the average daily print room capacity)	99.99%	75%

5. Print related Incident Resolution

5.1 Incident and Problem Management shall be conducted in accordance with the latest version of ITIL. The Service Level Targets for Incident Resolution shall apply to all the Services provided to the Customer under the Call-Off Contract.

5.2 The Service Level Target shall be expressed as a percentage of Incidents to be resolved within the Maximum Incident Resolution Times

5.3 The definition of each Severity Level is as follows:

5.3.1 Incident Severity Level 1:

- loss of whole Service to at least one Site (not including Remote Home Workers); or
- has a critical adverse impact on the activities of the Customer;

5.3.2 Incident Severity Level 2

- ; complete loss of multiple print device's for at least one site (this includes the complete loss of functionality of a Remote Home Worker device); or
- some impairment of Service but not complete disablement; or
- has a major (but not critical) adverse impact on the activities of the Customer;

5.3.3 Incident Severity Level 3

- a single Print Device is unavailable (where the device is not the only device of its kind at the Customer Site); or
- has a moderate adverse impact on the activities of the Customer;

5.3.4 Incident Severity Level 4

- one or more requests for consumables or Print devices have not been satisfied

5.4 The Maximum Incident Resolution Time, the Service level Target and the Service Failure Threshold for Incidents across all of the Services provided by the Supplier to the Customer shall be as set out in the table below.

5.5 For incidents requiring an engineer on site, the definition of On-Site Working Hours will be measured from the time the Supplier receives the call but will measure only the hours: Monday to Friday from 08:30 to 17:00 (excluding any public holidays in England and Wales).

Incident Severity Level	Maximum Incident Resolution Times	Service Level Target	Service Failure Threshold
Level 1	Four (4) Working Hours where no on site engineer is required	100%	75%
	For incidents requiring an engineer on site this shall be four (4) On-Site Working Hours	99%	75%
Level 2	Four (4) Working Hours where no on site engineer is required	99%	75%
	For incidents requiring an engineer on site this shall be eight (8) On-Site Working Hours	97%	75%
Level 3	Four (4) Working Hours where no on site engineer is required	97%	75%
	For incidents requiring an engineer on site this shall be eight (8) On-Site Working Hours	95%	75%
	Incidents to be Resolved by end of the third Working Day	100%	75%
Level 4	By the end of the third 3 Working Days	99.50%	75%

6. Quality

Service Criteria	Service Level Target	Service Failure Threshold
Print Request must be satisfied in accordance with Customer original request for paper type, pagination, indexing, binding, output to other media format (DVD, CD, Etc.)	99.90%	75%
A service Performance Monitoring Report (format and content to be agreed during Transition) shall be delivered within 5 Working Days of the month's end.	100%	75%
A finance report (format and content to be agreed during Transition) to be delivered within 5 Working Days of the month's end.	100%	75%

Part 2 – Service Credits

1. Service Credits

1.1 Service Credits shall be payable by Supplier in respect of any Service Level Target that is not achieved.

1.2 Any Service Credits payable by Supplier shall be subject to the minimum and maximum limits set out below:

1.2.1 Minimum Service Credit: 2.5% of the monthly Service Charge;

1.2.2 Maximum Service Credit: 10% of the monthly Service Charge

2. Service Credit calculation

2.1 Service Credits shall be paid by the Supplier to the Customer in the event that the Achieved Service Level falls below the Service Level Target in a Service Measurement Period.

2.2 The amount of any Service Credit shall be determined by the Achieved Service Level, the Service Level Target and the Service Failure Threshold and is calculated by using the straight line formula:

$$\text{Service Credit \%} = (m \cdot (a - x) + c) \cdot \text{Repeat Failure Multiplier}$$

where:

“**m**” is a coefficient defined for the Supplier System, Service and/or Service Element which is calculated from the formula $m = (d - c) / (a - b)$, that is the slope of the straight line;

“**d**” is the maximum Service Credit (%) payable if the Achieved Service Level reaches the Service Failure Threshold;

“**c**” is the minimum Service Credit (%) payable if the Achieved Service Level falls below the Service Level Target;

“**a**” is the Service Level Target (%) below which Service Credits shall become payable;

“**b**” is the Service Failure Threshold (%);

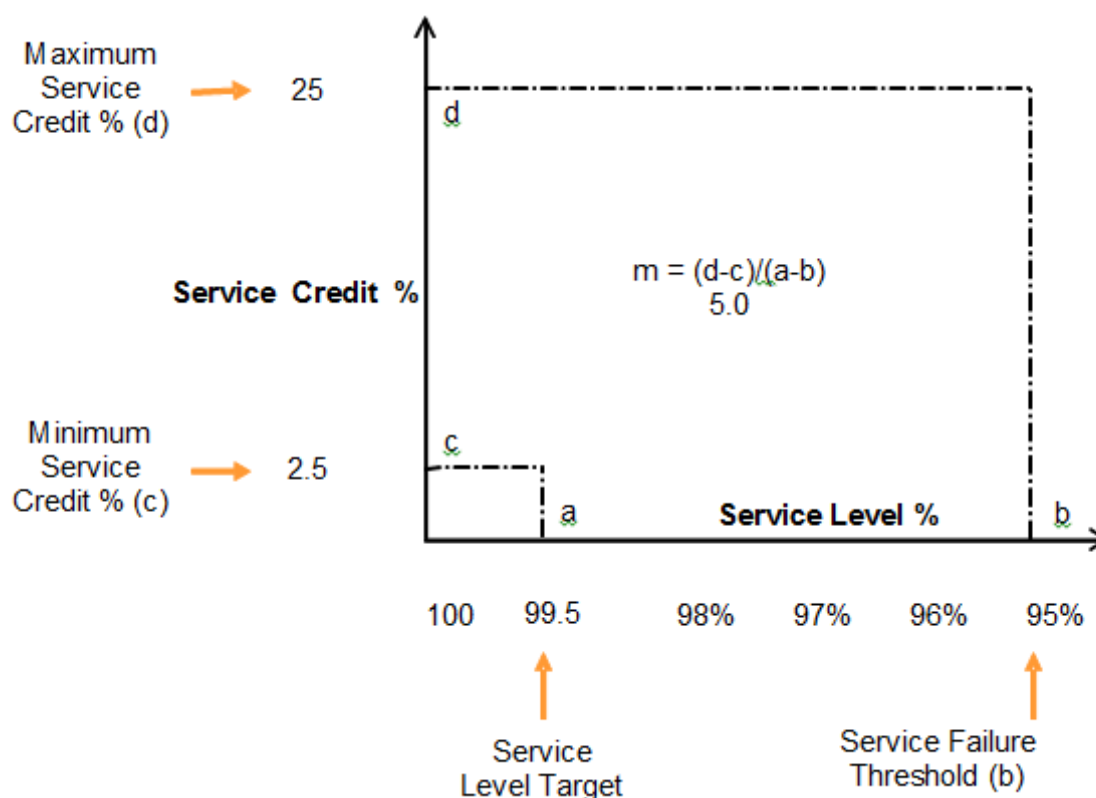
“**x**” is the Achieved Service Level (%) for a Service Measurement Period; and

“**Repeat Failure Multiplier**” shall have the meaning set out in Paragraph 7 of Part A this Schedule 6.

- 2.3 For the avoidance of doubt “**Service Failure Threshold**” shall have the meaning ascribed to it in the Call-Off Terms.
- 2.4 Where applicable, any Service Credits payable by the Supplier shall be subject to the minimum and maximum Service Credits set out in paragraph 1.2 of this Part 2 to this Appendix.
- 2.5 Examples of the application of Service Credits have been provided in Attachment 6-1 to this Appendix.
- 2.6 Unless stated otherwise in this Schedule, the amount of the Service Credit (in pounds Sterling) shall be calculated according to the formula:

Service Credit (£) = Service Credit (%) x Service Charge for the Service Measurement Period.

- 2.7 The Service Credit calculation is shown diagrammatically below (Note: the numbers and percentages shown in the diagram are examples only and do not reflect the actual service levels) :



- 2.8 For the purposes of paragraph 2.6 above, the Service Charge shall be the Charge for the Service Measurement Period.

- 2.9 Service Credits for a particular Service shall be cumulative. For the avoidance of doubt, this means that Service Credits for all four (4) Service Criteria (if specified) will be added together to make the total Service Credit payable by the Supplier in relation to that Service.
- 2.10 Aggregate Service Credits for all Services delivered by the Supplier to the Customer shall be limited in each Service Measurement Period to fifty per cent (50%) of the aggregate Service Charge payable to the Supplier within the same Service Measurement Period. However, Service Credits (and Delay Payments) shall be limited in each Contract Year to twenty five percent (25%) of the aggregate annual Service Charges payable to the Supplier under this Call-Off Contract.
- 2.11 The Customer shall use the Performance Monitoring Reports and the Systems Measurement Document (to be agreed between the Supplier, the Customer and the Agency Manager during Transition) to verify the calculation and accuracy of the Service Credits (if any) applicable to each relevant Service Measurement Period.
- 2.12 Service Credits are a reduction of the amounts payable in respect of the Services and shall not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with Schedule 11 (Charging and Invoicing) of the Call-Off Terms.
- 2.13 Nothing in this Schedule prevents or restricts a Critical Service Failure from arising and affording the Customer the remedies available to it in the Call-Off Terms.

3. NATURE OF SERVICE CREDITS

- 3.1 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Charges. The Supplier agrees that the Service Credits are a reasonable method of price adjustment to reflect poor performance in breach of the required Service Level Target.

Attachment 6-1

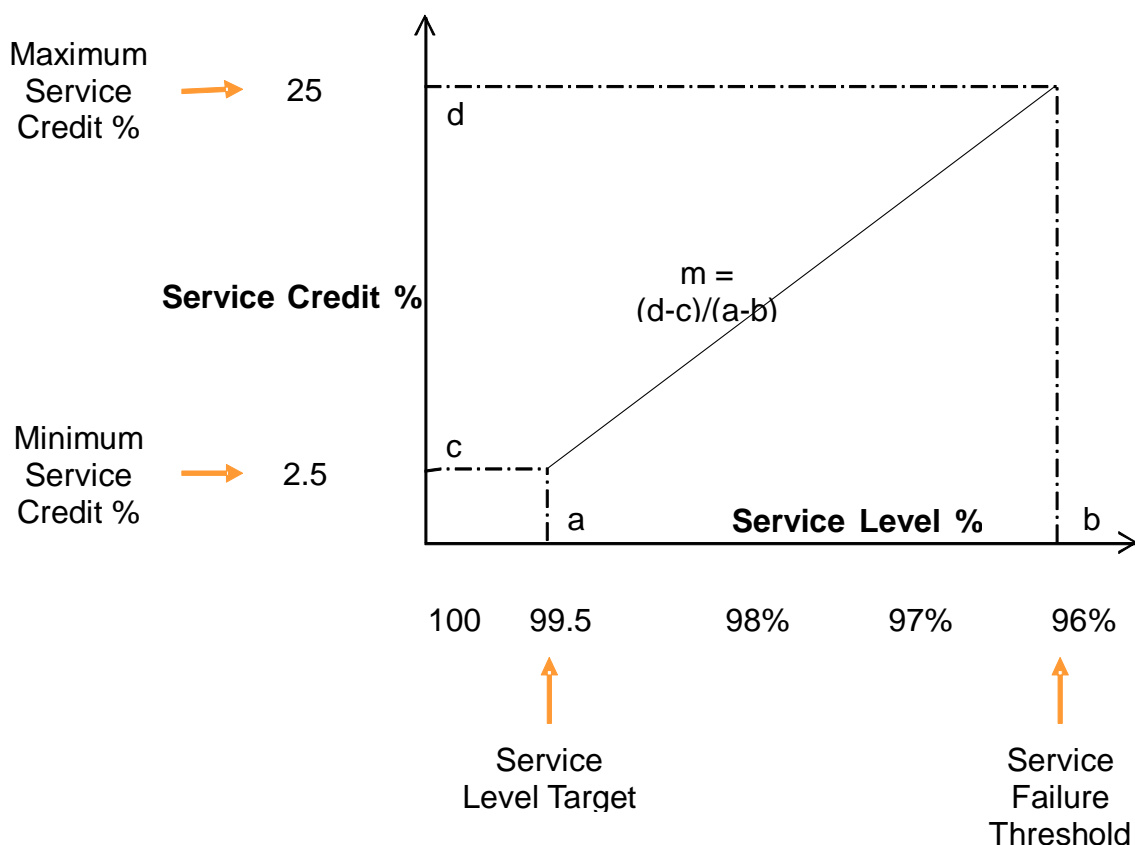
WORKED EXAMPLES OF CALCULATION OF SERVICE CREDITS

1 Availability – Example Service Credit Calculation

1.1 An example Service Credit regime for the Availability of a service is as follows:

Service	Coefficient (m)	Service Level Target % (a)	Service Failure Threshold % (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
Availability	5.0	99.5%	95.00%	2.5%	25%

1.2 The Service Credit regime is shown diagrammatically as follows:



1.3 In accordance with paragraph 2 of this Schedule 6, the amount of any Service Credit shall be determined by the Achieved Service Level, the Service Level Target and the Service Failure Threshold and is calculated by using the straight line formula below:

$$\text{Service Credit \%} = (m \cdot (a - x) + c) \cdot \text{Repeat Failure Multiplier}$$

where:

“m” is a coefficient defined for the Supplier System, Service and/or Service Element which is calculated from the formula $m = (d - c) / (a - b)$, that is the slope of the straight line;

“d” is the maximum Service Credit (%) payable if the Achieved Service Level reaches the Service Failure Threshold;

“c” is the minimum Service Credit (%) payable if the Achieved Service Level falls below the Service Level Target;

“a” is the Service Level Target (%) below which Service Credits shall become payable;

“b” is the Service Failure Threshold (%);

“x” is the Achieved Service Level (%) for a Service Measurement Period; and

“Repeat Failure Multiplier” shall have the meaning set out in Paragraph **Error! Reference source not found.** of this Part A.

1.4 Therefore, the example Service Credit calculation is as follows:

1.4.1 The Availability was recorded as ninety seven percent (97%) for a Service Measurement Period. For this Service, the Service Level Target is ninety nine point five percent (99.5%) and the Service Failure Threshold is ninety five percent (95%). The Service Charge for the Service Measurement Period is three thousand pounds (£3,000). Previous performance had exceeded the Service Level Target for Availability.

1.4.2 Therefore, in this example:

$$\text{Service Credit \%} = 5.0 \times (99.5 - 97.0) + 2.5 = 15\%$$

1.4.3 Therefore, this Service Credit calculation is:

$$\text{Service Credit (£)} = \text{Service Charge} \times \text{Service Credit (\%)}$$

$$\text{Service Credit (£)} = £3,000 \times 15\% = £450$$

2 Incident Resolution – Example Service Credit Calculation

An example of the Service Credit calculation for Incident Resolution is as follows:

2.1 Assume that the Customer has selected a Service Measure with the following parameters:

Service	Coefficient (m)	Service Level Target % (a)	Service Failure Threshold % (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
All services	0.25	95.0%	85.00%	2.5%	5%

2.2 The Service Level Target is ninety five percent (95%) of all Incidents to be Resolved within a specified time, with the Service Failure Threshold being eighty five percent (85%). Assume also that the Customer has eighty (80) Incidents within a Service Measurement Period, ten (10) of which were not resolved within the specified time. Therefore, $(80-10 / 80) =$ eighty seven point five per cent (87.5%) of Incidents were resolved within the Service Level Target. The Service Charge for all the Services that the Customer is consuming is fifty thousand pounds (£50,000) per Service Measurement Period. Previous performance had exceeded the Service Level Target for Incident Resolution Times.

2.3 The Service Credit calculation is:

$$\text{Service Credit (£)} = \text{Service Charge} \times \text{Service Credit (\%)}$$

Therefore,

$$\text{Service Credit (£)} = £50,000 \times 4.375\% = £2,187.5$$

3 Service Credit – calculation

Service Credit % = $(m(a-x) + c) \times \text{Repeat Failure Multiplier}$

Where:

- a - Service Level Target (%) below which Service Credits become payable;
- b - Service Failure Threshold (%);
- x - Achieved Service Level (%) for a Service Measurement Period;
- c - Minimum Service Credit (%) payable if the Achieved Service Level falls below the Service Level Target;
- m - Coefficient defined for the Supplier System, Service and/or Service Element which is calculated from the formula $m = (d-c)/(a-b)$, that is the slope of the straight line;
- d - Maximum Service Credit (%) payable if the Achieved Service Level reaches the Service Failure Threshold. Aggregate Service Credits for all Services delivered by the Supplier to the Customer shall be limited in each Service Measurement Period to fifty percent (50%) of the aggregate Charges payable to the Supplier within the same Service Measurement Period.

However:

- Service Credits (and Delay Payments) shall be limited in each Contract Year to twenty five percent (25%) of the aggregate annual Charges payable to the Supplier under a Call-Off Contract.
- Service Credits for a particular Service for the Service Criteria are cumulative (that is Service Credits for all four (4) Service Criteria (if specified) will be added together to make the total Service Credit payable for that Service).
- Aggregate Service Credits for all Services delivered by the Supplier to the Customer shall be limited in each Service Measurement Period to fifty percent (50%) of the aggregate Charges payable to the Supplier within the same Service Measurement Period.

Repeat Failure count	Repeat Failure Multiplier
0	1
1	1.25
2	1.5
3	1.75
4+	2

4 Service Credit – In month repeated breach example

Example monthly service charge	£166,667
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Max monthly aggregate remedy	£83,333
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Week	Service Level	Service Levels			Service Credit payable if Achieved falls below Target		Service Coefficient	Service Credit		Repeat Failure count	Value of Repeat Failure Multiplier	Total Remedy (£)
		Target (%)	Achieved (%)	Failure Threshold (%)	Min (%)	Max (%)		%	£			
		(a)	(x)	(b)	(c)	(d)	(m)					
1	Incident Resolution - P1	99.50%	98.00%	95.00%	2.50%	5.00%	0.56	3.33%	5,555.56	0	1	£5,555.56
2	Incident Resolution - P1	99.90%	98.00%	95.00%	2.50%	5.00%	0.51	3.47%	5,782.31	1	1.25	£7,227.89
3	Incident Resolution - P1	99.90%	95.00%	50.00%	2.50%	5.00%	0.05	2.75%	4,575.82	2	1.5	£6,863.73
												£19,647.17

5 Service Credit – month on month repeated breach example

Example monthly service charge	£166,667
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Max monthly aggregate remedy	£83,333
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Month	Service Level	Service Levels			Service Credit payable if Achieved falls below Target		Service Coefficient	Service Credit		Repeat Failure count	Value of Repeat Failure Multiplier	Total Remedy (£)
		Target (%)	Achieved (%)	Failure Threshold (%)	Min (%)	Max (%)		%	£			
		(a)	(x)	(b)	(c)	(d)	(m)					
1	Incident Resolution - P1	99.90 %	98.00%	95.00%	2.50 %	5.00 %	0.51	3.47 %	5,782.31	1	1.25	£7,227.89
2	Incident Resolution - P1	99.90 %	99.00%	95.00%	2.50 %	5.00 %	0.51	2.96 %	4,931.97	1	1.25	£6,164.97
3	Incident Resolution - P1	99.50 %	96.00%	95.00%	2.50 %	5.00 %	0.56	4.44 %	7,407.41	1	1.25	£9,259.26
4	Incident Resolution - P1	99.50 %	95.50%	95.00%	2.50 %	5.00 %	0.56	4.72 %	£7,870.37	1	1.25	£9,837.96
5	Incident Resolution - P1	99.50 %	95.50%	95.00%	2.50 %	5.00 %	0.56	4.72 %	7,870.37	1	1.25	£9,837.96
6	Incident	99.50	95.50%	95.00%	2.50	5.00	0.56	4.72	£7,870.3	1	1.25	

Month	Service Level	Service Levels			Service Credit payable if Achieved falls below Target		Service Coefficient	Service Credit		Repeat Failure count	Value of Repeat Failure Multiplier	Total Remedy (£)
		Target (%)	Achieved (%)	Failure Threshold (%)	Min (%)	Max (%)		%	£			
		(a)	(x)	(b)	(c)	(d)	(m)					
	Resolution - P1	%			%	%		%	7			£9,837.96
7	Incident Resolution - P1	99.50 %	95.50%	95.00%	2.50 %	5.00 %	0.56	4.72 %	7,870.37	1	1.25	£9,837.96
8	Incident Resolution - P1	99.50 %	95.50%	95.00%	2.50 %	5.00 %	0.56	4.72 %	7,870.37	1	1.25	£9,837.96
9	Incident Resolution - P1	99.50 %	95.50%	95.00%	2.50 %	5.00 %	0.56	4.72 %	7,870.37	1	1.25	£9,837.96
10	Incident Resolution - P1	99.50 %	95.50%	95.00%	2.50 %	5.00 %	0.56	4.72 %	7,870.37	1	1.25	£9,837.96
Total												£91,517.86

Payable (The lower of total or max monthly aggregate remedy (above))

£83,333.33

PART B

Performance Monitoring

1. PRINCIPAL POINTS

- 1.1 This Part B of Schedule 6 should be read in conjunction with the Service Requirements set out in Schedule 9 relating to Management Information. In the event
- 1.2 This Part B of Schedule 6 provides the methodology for monitoring the Services:
 - 1.2.1 to ensure that the Supplier is complying with the Service Levels; and
 - 1.2.2 for identifying any failures to achieve Service Levels in the performance of the Supplier and/or delivery of the Services,

(the "**Performance Monitoring System**").
- 1.3 During the Transition Phase, the Supplier shall provide the Customer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.

2. REPORTING OF SERVICE FAILURES

The Customer shall report all failures to achieve Service Levels and any Critical Service Failure to the Customer in accordance with the processes agreed in paragraph 1.2 above.

3. PERFORMANCE MONITORING AND PERFORMANCE REVIEW

- 3.1 The Supplier shall provide the Customer with reports in accordance with the process and timescales agreed pursuant to paragraph 1.2 above which shall contain, as a minimum, the following information in respect of the Service Measurement Period just ended:
 - 3.1.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Measurement Period;
 - 3.1.2 a summary of all failures to achieve Service Levels that occurred during that Service Measurement Period;
 - 3.1.3 any Critical Service Failures and details in relation thereto;
 - 3.1.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;
 - 3.1.5 the Service Credits to be applied in respect of the relevant Service Measurement Period indicating the failures and Service Levels to which the Service Credits relate; and

- 3.1.6 such other details as the Customer may reasonably require from time to time.
- 3.2 The parties shall attend the Service Board meetings to discuss Service Level reports in respect of each Service Measurement Period (unless otherwise agreed). The Service Board meetings will be the forum for the review by the Supplier and the Customer of the Performance Monitoring Reports. The Service Board meetings shall take place in accordance with the provisions of Schedule 12 (Governance) and shall (unless otherwise agreed):
 - 3.2.1 take place within one (1) week of the reports being issued by the Supplier;
 - 3.2.2 take place at such location and time (within normal business hours) as the Customer shall reasonably require unless otherwise agreed in advance;
 - 3.2.3 be attended by the Supplier's Representative and the Customer's Representative; and
 - 3.2.4 be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Customer's representative and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Service Board meetings will be agreed and signed by both the Supplier's representative and the Customer's Representative at each meeting.
- 3.3 The Customer shall be entitled to raise any additional questions and/or request any further information regarding any failure to achieve Service Levels.
- 3.4 The Supplier shall provide to the Customer such supporting documentation as the Customer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified period.

4. SATISFACTION SURVEYS

- 4.1 In order to assess the level of performance of the Supplier, the Customer may undertake satisfaction surveys in respect of the Supplier's provision of the Services.
- 4.2 The Customer shall be entitled to notify the Supplier of any aspects of their performance of the Services which the responses to the Satisfaction Surveys reasonably suggest are not in accordance with the Contract.
- 4.3 All other suggestions for improvements to the Services shall be dealt with as part of Continuous Service Improvement pursuant to clause 9.