

- 1.2.2.5. providing management information and Service reporting as set out in Appendix 3 (Service Reports); and
- 1.2.2.6. identifying and providing the agreed Services required to perform the Contract;
- 1.2.3. Where this Schedule sets out the requirements for the Service Provider to deliver the Services, these Services shall be provided by the Service Provider to the Authority with effect from the relevant Transition Milestone Dates as set out in the High-Level Transition Plan and/or the Detailed Transition Plan within Schedule 3 (Transition).

1.3. Service Management

- 1.3.1. The Service Provider's responsibilities for the management of the Contract System and the Services ("**Service Management**") shall include but are not limited to:
 - 1.3.1.1. meeting the Service Levels as specified in Appendix 1 (Service Levels);
 - 1.3.1.2. providing a Service Desk in accordance with paragraph 3 (Service Desk);
 - 1.3.1.3. proactively monitoring the Contract System to prevent, identify and resolve Alerts and Incidents with little or no impact to End-Users and Authority Personnel as set out in paragraph 4 (Trouble Ticketing System);
 - 1.3.1.4. Ensure that the Contract System operates in accordance with the requirements set out in Schedule 4 (Service Scope Specification) or otherwise in accordance with the Contract,
 - 1.3.1.5. Identify scenarios, plan, and test processes and procedures for Major Incidents and respond quickly and effectively in order to minimise or prevent impact to End-Users and Authority Personnel;
 - 1.3.1.6. providing near real-time display of all Incidents across the Services and Contract System on performance Dashboards in accordance with paragraph 5 (Monitoring of the Service);
 - 1.3.1.7. monitoring and the reporting of Contract System performance and conformance to the Service Levels;
 - 1.3.1.8. providing detailed reports and attending regular meetings on the performance of the Services against agreed performance targets and implementing corrective action and service improvement plans where necessary as set out in paragraphs 7 (Change Management) and 9 (Major Incidents and Service Recovery); and

2. General Requirements

2.1. Performance Measurement

- 2.1.1. Where an Incident prevents the Contract System from delivering its functionality, as defined in Schedule 4 (Service Scope Specification), this shall be deemed to be an Incident which affects the Availability of the Service.

- 2.1.2. Where a Service Level is specified in Appendix 1 (Service levels), the Service Provider's failure to meet such Service Level will result in the application of Service Credits as set out in the relevant part of that Appendix.
- 2.1.3. Where the Service Provider can demonstrate to the Authority's satisfaction that a single Incident has directly resulted in the Service Provider's failure to meet multiple Service Levels as a result of which multiple sets of Service Credits have been applied, the Parties agree that only the highest value single set of Service Credits shall be applied in that instance.
- 2.1.4. Where a performance level is specified in Appendix 1 (Service levels) as a "Target" and/or "For Reporting Purposes" these are measures which the Service Provider shall endeavour to achieve and is required to report actual performance against; however, Service Credits will not be applicable.
- 2.1.5. For the purposes of calculating Availability, an Incident shall be deemed to have commenced from when the Service Provider first became aware of the Incident or would have become aware of that Incident but for a failure of the Service Provider to comply with its obligations under this Contract.

2.2. Planned Maintenance Windows

- 2.2.1. The Service Provider shall prepare and maintain a schedule of planned maintenance planned for (at a minimum) the following two months (the "Planned Maintenance Schedule").
- 2.2.2. The Service Provider shall submit the Planned Maintenance Schedule to the Authority on or before the 15th day of each month.

3. Service Desk

3.1. Overview

- 3.1.1. The Service Provider shall provide a Service Desk which shall work with the Authority and where applicable a Third Party to develop processes and utilities to increase the effectiveness of the Service Desk such that more Alerts and Incidents are able to be detected, triaged and resolved without escalation to the Authority or Third Party.
- 3.1.2. The Service Desk will have a close working relationship with the Authority Service Operations Team, and where possible, have joint operational processes.
- 3.1.3. The Service Desk will be the single point of contact for the Authority Personnel for all Alerts, Incidents and Problems.

3.2. Requirements

- 3.2.1. The Service Desk shall:
 - 3.2.1.1. make use of tools and troubleshooting methodologies to diagnose and resolve Alerts and Incidents;
 - 3.2.1.2. provide suitably qualified personnel to monitor and proactively maintain the Contract System and the Services so as to reasonably

prevent unplanned Service outages from occurring, including but not limited to Contract System configuration, backups, threshold and Alert management, Incident resolution, security patching, implementation of new Services, application, operating system and database support, and development of new utilities to increase the Service Desk operation;

- 3.2.1.3. provide expertise and capability to research and develop solutions to new or unknown Incidents and develop tools and processes to prevent, or to enable the Service Provider to resolve such Incidents in the event of reoccurrence;
 - 3.2.1.4. provide qualified technical personnel that are capable of responding to queries, escalating Alerts and Incidents to the appropriate Resolver Group and ensuring updates on call progress and closure are reported to the Authority where necessary;
 - 3.2.1.5. have a close working relationship with the Authority Service Operations Team, and where possible, have joint operational processes; and
 - 3.2.1.6. in conjunction with the Authority develop the processes for appropriate escalations.
- 3.2.2. Where any Alert, Incident or Major Incident occurs, the Service Desk shall inform the Authority Service Desk within the Service Levels stated in Appendix 1 (Service Levels).
- 3.2.3. the Service Desk shall be able to receive and respond to queries primarily via telephone, but may otherwise where more appropriate resolve and respond to queries by:
- 3.2.3.1. email;
 - 3.2.3.2. [NOT USED]
 - 3.2.3.3. [NOT USED]
- 3.2.4. The Service Desk shall operate throughout the Support Service Day.
- 3.2.5. The Service Provider shall ensure that every communication into the Service Desk and threshold exception, Alert, Incident, and Problem identified by the Service Desk is recorded in a Trouble Ticketing System and a detailed record of all actions taken in relation to each is captured in the Trouble Ticketing System.

4. Trouble Ticketing System

4.1. Requirements

- 4.1.1. The Service Provider shall capture all Alerts, Changes, Incidents, and Problems as tickets into a Trouble Ticketing System.
- 4.1.2. [NOT USED]
- 4.1.3. [NOT USED]

5. Monitoring of the Services

5.1. Overview

5.1.1. The Service Provider shall be responsible for monitoring the Services and the Contract System(s). The Service Provider shall utilise monitoring tools in conjunction with the other monitoring capabilities to deliver the requirements set out below for the monitoring of the Contract System.

5.1.2. This section sets out the requirements of the Service Provider for the delivery and management of monitoring capabilities.

5.2. Requirements

5.2.1. The Service Provider shall identify, develop and implement tools, Alerts, thresholds and reports, and Assure the Authority that it is able to proactively monitor the Services to identify and respond to Incidents, insofar as is possible, prior to such Incident adversely affecting the End-User and without requiring reporting from, or intervention by, the Authority. The Service Provider shall be responsible for maintaining and updating such tools, Alerts, thresholds and reports for the Term of the Contract

5.2.2. all monitoring tools shall include event definition, event/Alert management processes, Incident management and Dashboard design capability to enable efficient automatic threshold exception event/Alert monitoring and Incident resolution.

5.2.3. The Service Provider shall be responsible for the operation and configuration of the monitoring tools. The Service Provider shall review the configuration of the monitoring tools, reconfigure it and Assure the Authority in response to all emerging issues and risks and to identify opportunities to improve the monitoring of the Contract System.

5.2.4. The Service Provider shall:

5.2.4.1. ensure that the Contract System and Services are continuously monitored during the Support Service Day;

5.2.4.2. proactively monitor the Contract System and Service to ensure that all issues are identified and resolved quickly and efficiently;

5.2.4.3. develop and configure remote monitoring and intervention capabilities for the hardware, network, software, interface, application, configuration items, environment or other elements that comprise the Contract System or Service;

5.2.4.4. ensure that thresholds (including all repeat failure thresholds) are defined;

5.2.4.5. develop systems and processes that generate Alerts with the appropriate priority and escalation which will then be logged automatically by the Service Provider's Trouble Ticketing System;

5.2.4.6. capture and record all Alerts and threshold exceptions;

5.2.4.7. monitor threshold exceptions as set out in paragraph 5.2.8.4 and where a trend exists shall apply paragraph 11 (Problem Management) to resolve the threshold exceptions;

5.2.4.8. provide near real-time Dashboards as set out in paragraph 6 (Dashboards).

6. [NOT USED]

7. Change Management

7.1. Overview

7.1.1. Change Management is required to ensure that any Changes made to the Contract System or Services have been appropriately communicated, assessed, tested and follows a standard process for delivery.

7.1.2. This section sets out the requirements of the Service Provider for the management of Changes.

7.2 Requirements

7.2.1. From the Service Commencement Date, the Service Provider shall implement and operate robust processes to facilitate, manage and successfully implement (as appropriate) Change ("**Change Management**").

7.2.2. [NOT USED]

7.2.3. The Service Provider shall nominate an appropriate individual to be responsible for such Change Management (the "**Change Manager**").

7.2.4. The Service Provider acknowledges that the Authority has operational and/or business requirements, including in relation to special events, which may influence the timing of Changes introduced into the live environment. The Authority Change Manager shall use reasonable endeavours to supply the Service Provider with a forward look ahead of events that may affect the Contract System or Services. The Service Provider shall use reasonable endeavours to accommodate the Authority's requirements in relation to the timing of Changes.

7.2.5. [NOT USED]

7.2.6 [NOT USED]

8. [NOT USED]

9. Major Incidents and Service Recovery

9.1. Overview

9.1.1. The objectives of Major Incident Management are to ensure that:

9.1.1.1. The Authority is Assured that a failure of any part of the Services will be recovered and all non-available parts of the Contract System will be brought back into service with the minimum disruption to end users;

9.1.1.2. the integrity of the Contract System and Services as far as possible during any Major Incident; and

9.1.1.3. where practical, the Service Levels will be maintained during any Major Incident.

9.1.2. This section sets out the requirements for the Service Provider to develop and maintain plans for the management of Major Incidents and recovery of the Services after such Major Incidents.

9.1.3. The Service Provider acknowledges and agrees that Major Incident management in respect of the Services is fully dependent upon the Major Incident Plan and that it is necessary for the Service Provider to ensure the continuity and the provision of the Services pursuant to the terms of the Contract in all circumstances, events and scenarios, including in respect of and following a Major Incident.

9.1.4. The Disaster Recovery Plan referred to in Clause 9 and Clause 34 shall be included within the Major Incident Plan produced as required in Section 9.4 below.

9.2. Requirements

9.2.1. The Service Provider shall prepare, submit and maintain the following documents in accordance with the provisions of this Schedule:

9.2.1.1. the Major Incident List;

9.2.1.2. the Major Incident Plan; and

9.2.1.3. the Major Incident Reports.

9.3. Major Incident List

9.3.1. An initial list of Major Incidents (the "**Major Incident List**") appears in Appendix 3 (Major Incident Categories). The Parties shall agree an updated Major Incident List prior to the Service Commencement Date.

9.3.2. The Parties shall jointly agree the suitable categorisation of Major Incidents according to their impact on the provisions of the Contract System(s) and Services and these will appear in Appendix 3 (Major Incident Categories).

9.3.3. The Parties shall meet at the request of either Party on ten (10) Business Days' prior written notice to review the Major Incident List and agree any necessary amendments. As a minimum, the Major Incident List shall be reviewed annually on the anniversary of the Service Commencement Date.

9.3.4. The Service Provider shall be responsible for reviewing and updating the Major Incident List following each Change and each Major Incident in accordance with this Schedule 8 and if the Service Provider fails to do so then a Corrective Action Notice may be issued to the Service Provider by the Authority.

9.4. Major Incident Plan

9.4.1. The Service Provider shall:

9.4.1.1. ensure that a draft Major Incident Plan is prepared and submitted to the Authority for Assurance in accordance with Schedule 3 (Transition); and

9.4.1.2. update the Major Incident Plan each month and after any Major Incident. If the Service Provider fails to update the Major Incident Plan accordingly then a Corrective Action Notice may be issued to the Service Provider by the Authority.

9.4.2. The Major Incident Plan shall, as a minimum, include:

- 9.4.2.1. an introduction describing the purpose and structure of the Major Incident Plan and how to use the Major Incident Plan;
- 9.4.2.2. a master plan describing the overall strategy for ensuring business and service continuity (and for responding to a Major Incident) in respect of the Services and the Contract System;
- 9.4.2.3. a risk and issues assessment in relation to all elements of the Contract System(s) and Services, including:
 - 9.4.2.3.1. failure or disruption scenarios and assessments and estimates of frequency of occurrence;
 - 9.4.2.3.2. identification of any single points of failure within the Contract System(s) and Services and associated risk management processes;
 - 9.4.2.3.3. identification of risks arising from the interfaces of the Contract System(s) and Services with the those provided by a Third Party; and
 - 9.4.2.3.4. a business impact analysis (detailing the impact on business processes and operations) of different anticipated failures or disruptions;
- 9.4.2.4. a description of all methods, processes and procedures and other actions and sequences to be followed in managing and responding to Major Incidents, such as:
 - 9.4.2.4.1. identifying the start and finish of Major Incidents;
 - 9.4.2.4.2. notifying and liaising with the Authority, end users, and Third Parties;
 - 9.4.2.4.3. agreeing with the Authority who should lead the management of a Major Incident and ensuring clarity of responsibility;
 - 9.4.2.4.4. the assignment of Service Provider Personnel and tasks;
 - 9.4.2.4.5. using or recalling backups or storage;
 - 9.4.2.4.6. recovering, re-entering or correcting Data; and
 - 9.4.2.4.7. deploying additional Service Provider Personnel, processes or procedures;
- 9.4.2.5. management and review activities including:
 - 9.4.2.5.1. the escalation process for each Major Incident as set out in Appendix 3 (Major Incident Categories);
 - 9.4.2.5.2. a communications plan (including declaration of the Major Incident and verification of recovery and restoration of the Contract System and/or Services); and
 - 9.4.2.5.3. the arrangements for preparing and training Service Provider Personnel to deal with Major Incidents;
- 9.4.2.6. details of contingency plans, including extending the Major Incident Plan for a Major Incident. ;

9.4.2.7. the Major Incident List; and

9.4.2.8. how the Service Provider shall manage Major Incidents involving Third Parties.

9.4.3. The Service Provider acknowledges that Priority 1 Major Incidents would have a greater impact upon end users and/or the operation of the Contract System and/or the Services and shall ensure that the Major Incident Plan reflects the materiality of such Major Incidents.

9.4.4. The Service Provider shall expand the Major Incident Plans as the Contract System is modified and new Services, new systems and other Variations and Changes are introduced.

9.4.5. The Service Provider shall ensure that the Major Incident Plan is designed in such a way to ensure that:

9.4.5.1. it does not depend on any other Third Party adjusting their hardware, software or systems as a result of any Major Incident unless this has been agreed in writing by the Authority;

9.4.5.2. appropriate measures are adopted to ensure that the security of the Services and the Contract System are not compromised where possible and, where this is not possible, that any associated risk is properly managed; and

9.4.5.3. its objective is to allow the Services to be provided by the Service Provider in accordance with the Service Levels and to mitigate the adverse impact of a Major Incident.

9.5. Review of Major Incident Plans

9.5.1. The Service Provider shall incorporate lessons learned from any Major Incident into the Major Incident Plan and shall issue to the Authority for approval.

9.5.2. The Service Provider shall regularly review the Major Incident Plan and shall issue the updated plan to the Authority for approval as new Major Incidents are identified and added to the Major Incident List.

9.6. Testing

9.6.1. The Major Incident Plan shall include the Service Provider's proposals for periodic testing to be undertaken to Assure the Authority that appropriate and sufficient arrangements have been put in place to manage those Major Incidents (the "**Preparedness Tests**"). Such Preparedness Tests shall include, as a minimum, desktop and/or simulation testing where it is demonstrated by the Service Provider that testing on the Contract System would have an adverse impact on the Services.

9.6.2. The Preparedness Tests shall include a planned 'fail over' test to be carried out on the Contract System on a date agreed by the Parties.

9.6.3. The Service Provider shall undertake and manage the Preparedness Tests in full consultation with the Authority and/or any Third Party nominated by the Authority and will liaise with the Authority in respect of the planning, performance and review of each Preparedness Test.

9.6.4. The Preparedness Tests shall apply the Change Management process in paragraph 7, as appropriate.

9.6.5. The scope and timing of the Preparedness Tests shall be developed with the Authority.

9.7. Reports and Meetings

9.7.1. Following the resolution of a Major Incident, the Service Provider shall prepare a report (a "**Major Incident Report**") which shall include but shall not be limited to:

9.7.1.1. details of the trigger(s) for the Major Incident;

9.7.1.2. details of the Major Incident (e.g. duration, scope of Services affected, impact on the Contract System, cause of the Incident etc.);

9.7.1.3. an explanation of the solution deployed by the Service Provider and a summary statement as to how well (or otherwise) the Service Provider handled the Major Incident;

9.7.1.4. the lessons learned by the Service Provider as a result of the Major Incident;

9.7.1.5. any proposed changes to the Service Provider's procedures and the Major Incident Plan; and if appropriate, the Major Incident List

9.7.1.6. proposed amendments to Third Party procedures, systems and plans in the event that the Service Provider's investigations into the trigger for the Major Incident reveal that the Major Incident was caused as the result of an act or omission of a Third Party.

9.7.2. A draft of the Major Incident Report shall be prepared and submitted to the Authority as soon as reasonably possible but no later than 15 Business Days of any Major Incident having been resolved.

9.7.3. [NOT USED]

9.7.4. The Service Provider shall include a summary of all occurrences of a Major Incident in the Service Performance Report prepared each month by the Service Provider which shall be discussed at the corresponding Service Review Meetings.

10. Incident Management

10.1. Overview

10.1.1. The aim of Incident management is to restore the Service to the end user as quickly as possible, often through a work around or temporary fixes, rather than through trying to find a permanent solution.

10.1.2. This section sets out the requirements of the Service Provider for the management of Incidents that are not classified as Major Incidents.

10.2 Requirements

10.2.1. The Parties shall agree a process for the management of Incidents prior to the Service Commencement Date.

10.2.2. The Service Provider shall:

- 10.2.2.1. use the monitoring capabilities as provided for in paragraph 5 (Monitoring of the Service) of this Schedule
 - 10.2.2.2. log the Incident as required by paragraph 4 (Trouble Ticketing System) of this Schedule
 - 10.2.2.3. categorise the Incident and if the Incident meets the criteria of a Major Incident from paragraph 9 (Major Incidents and Service Recovery) then the Service Provider shall manage the Major Incident in accordance with paragraph 9 (Major Incidents and Service Recovery);
 - 10.2.2.4. notify the Authority Service Operations Team of the Incident and should the Authority wish to provide a reference number to the Service Provider, which shall be attached to the Incident, the number will be provided by the Authority separately through the Service Desk, unless otherwise agreed;
 - 10.2.2.5. check the Trouble Ticketing System for occurrences of the same type of Incident to determine if there are any workarounds;
 - 10.2.2.6. perform an initial diagnosis to request technical support where required;
 - 10.2.2.7. investigate and diagnose the issue;
 - 10.2.2.8. identify a resolution to recover the Service;
 - 10.2.2.9. implement the resolution in accordance with the paragraph 7 (Change Management);
 - 10.2.2.10. perform tests and contact the Authority to confirm the Service and/or Contract System has been restored;
 - 10.2.2.11. update the ticket and close the Incident with agreement from the Authority; and
 - 10.2.2.12. progress any follow up action such as raising a Problem Ticket for investigation, as appropriate.
- 10.2.3. The Service Provider shall ensure that Incidents are handed over effectively from one Service Provider Personnel to another at the end of shift or when the original Service Provider Personnel has finished their shift.
- 10.2.4. The Service Provider shall, upon agreement with the Authority, schedule and implement the workaround required to restore the Service and/or Contract System and apply Change Management where required.

11. Problem Management

11.1. Overview

- 11.1.1. Problem Management is defined as the process used to determine the root cause of one or more Incidents and to develop workarounds and/or permanent fixes in order to minimise the frequency and/or impact of the Incidents

11.2. Requirements

- 11.2.1. Upon request from the Authority the Service Provider shall initiate a Problem investigation for a particular Incident or set of Incidents.
- 11.2.2. [NOT USED]
- 11.2.3. The Service Provider shall provide the Problem Report to the Authority within the Service Levels in Appendix 1 (Service Levels).
- 11.2.4. The Service Provider shall, schedule and implement the workaround and/or permanent fix and apply the Change Management process where required.

12. [NOT USED]

13. Service Performance Report

- 13.1.1. The Service Provider shall prepare and submit to the Authority a Service Performance Report. The Service Provider acknowledges that the timely submission of the Service Performance Report following the end of each month and properly addressing any comments made by the Authority is essential to the processing of the Cost Summary and Invoice for the month by the Authority. Any delay in the submission of the Service Performance Report shall extend the period set out in Clause 11.4.2 (Payment Procedures and Approvals) for review of any associated Cost Summary and associated Invoice by an equivalent period of time.
- 13.1.2. The Service Provider shall deliver a report which details the Service Provider's performance of the Services (the "**Service Performance Report**") each month within ten (10) Business Days following the end of that month. The structure and contents of the report is detailed in Appendix 2 (Service Reports). Additionally, the Service Provider shall provide information within fifteen (15) Business Days of the month end showing the performance against each Service Level in the Contract.
- 13.1.3. the Authority may, at the Service Review Meeting, advise the Service Provider of any items contained in the Service Performance Report that require correction. The Service Provider shall ensure that agreed corrections are communicated to the Authority. Where the Parties are unable to agree on such corrections they shall be referred to the Contract Manager.

14. Service Meetings

14.1. Overview

- 14.1.1. The purpose of the Service Review Meeting is to review the performance of the Service Provider over the previous month to ensure the best quality and standards of performance in the provision of the Services

14.2. Requirements

- 14.2.1. The Service Provider shall send suitably qualified Service Provider Personnel to attend a monthly Service Review Meeting with the Authority which shall be held at an Authority Premises in London unless otherwise agreed.

- 14.2.2. The agenda for the Service Review Meeting shall initially cover:
- 14.2.2.1. the previous minutes;
 - 14.2.2.2. a review of the Service Provider's Service Performance Report;
 - 14.2.2.3. other matters as jointly agreed;
 - 14.2.2.4. Contract System and Service operation, Contract performance and Contract compliance where appropriate; and
 - 14.2.2.5. Transition, where applicable.
- 14.2.3. The Authority shall be responsible for the creation and distribution of the agenda and meeting minutes.
- 14.2.4. The Service Provider shall attend scheduled and ad-hoc operational meetings as reasonably requested by the Authority

15. [NOT USED]

16. Continual Service Improvement

16.1. Overview

- 16.1.1. Continual service improvement uses methods from quality management in order to learn from past successes and failures with the aim of continually improving the effectiveness and efficiency of the Service Management processes, Contract System and Services.

16.2. Requirements

The Service Provider shall:

- 16.2.1. review the Services and the Contract Systems on a regular basis and identify opportunities to improve Service quality where necessary, and identify more economical ways of delivering the Service where possible;
- 16.2.2. evaluate the Service Management processes on a regular basis. This includes identifying opportunities for establishing process metrics, setting targets for process metrics, identify where targeted process metrics are not reached, and holding regular benchmarking, audits, maturity assessments and reviews;
- 16.2.3. define specific initiatives aimed at improving the Services and Contract Systems and Service Management processes, based on the results of service reviews and process evaluations;
- 16.2.4. Implement initiatives where appropriate to improve the Services and Contract Systems and the Service Management,
- 16.2.5. verify if improvement initiatives are proceeding according to plan, and to introduce corrective measures where necessary and
- 16.2.6. create and maintain a continual service Improvement register which addresses the requirements immediately above (16.2.1 – 16.2.5, inclusive) and present this to the Authority at the Service Review Meetings.

Appendix 1 - Service Levels

	Description	Service Level Requirement	Service Level / Target	Measure Period	Service Credits	Payment
1.1	Availability of the Contract System - Payment processing and transactions services	Payment processing and transaction services shall be available 24/7, 365 days a year (and 366 days a year during leap years) with uptime of 99.9% or higher	99.9%	Per Month	The Authority shall be entitled to receive a ten percent (10%) credit ("Service Credit") against the Charges for the month for which the Service Level has not been met.	The Service Credit shall be automatically applied to the subsequent month's invoice without intervention by the Authority.
1.2	Availability of the Contract System - Fraud Management services	Fraud management services shall be available 24/7, 365 days a year (and 366 days a year during leap years) with uptime of 99.9% or higher	99.9%	Per Month	This is a Target	N/A
1.3	Availability of the Contract System - Tokenisation services	Tokenisation services shall be available 24/7, 365 days a year (and 366 days a year during leap years) with uptime of 99.9% or higher	99.9%	Per Month	This is a Target	N/A
2.1	Processing Time	The Service Provider shall process 99.9% of all payment processing and transaction services requests (including of fraud management services and tokenisation services	99.9%	Per Month	This is a Target	N/A

	Description	Service Level Requirement	Service Level / Target	Measure Period	Service Credits	Payment
		requests) from the Sales Website within 5 seconds				
2.1	Processing Time	The Service Provider shall process 100% of all payment processing and transaction services requests (including of fraud management services and tokenisation services requests) from the Sales Website within 10 seconds	100%	Per Month	This is a Target	N/A
3	Availability of Support Tools	The Service Provider shall provide 99% availability for all of its support tools and services (including but not limited to its fraud management service and tokenisation service).	99%	Per Month	This is a Target	N/A
4	Priority 1 Incident - Notification	The Service Provider shall notify the Authority of a Priority 1 Incident within fifteen (15) minutes of the incident start time.	15 minutes	Per Incident	The Authority shall be entitled to receive a five percent (5%) credit ("Service Credit") against the Charges for the month for which the Service Level has not been met.	The Service Credit shall be automatically applied to the subsequent month's invoice without intervention by the Authority.

	Description	Service Level Requirement	Service Level / Target	Measure Period	Service Credits	Payment
5	Priority 1 Incident - Resolution	The Service Provider shall resolve Priority 1 Incidents within one (1) hour of the incident start time.	1 hour	Per Incident	This is a Target	N/A
6	Priority 2 Incident - Notification	The Service Provider shall notify the Authority of a Priority 2 Incident within one (1) hour of the incident start time.	1 hour	Per Incident	This is a Target	N/A
7	Priority 2 Incident - Resolution	The Service Provider shall resolve Priority 2 Incidents within four (4) hours of the incident start time.	4 hours	Per Incident	This is a Target	N/A
8	Priority 3 Incident Notification	The Service Provider shall notify the Authority of a Priority 3 Incident within one (1) hour of the incident start time.	1 hour	Per Incident	This is a Target.	N/A
9	Priority 3 Incident Resolution	The Service provider should resolve Priority 3 Incidents within eight (8) hours of the incident start time.	8 hours	Per Incident	This is a Target.	N/A
10.1	Draft Major Incident Report	The Service Provider shall provide a Draft Major Incident Report to the Authority within 15 Business Days following the closure of a Major Incident	15 Business Days	Per Incident	For Reporting Purposes	N/A
10.2	Draft Problem Report	The Service Provider shall provide a Draft Problem Report	5 Business Days	Per Incident	For Reporting Purposes	N/A

Description	Service Level Requirement	Service Level / Target	Measure Period	Service Credits	Payment
	to the Authority within 5 business days of a problem investigation being requested by the Authority	5 Days			
11 Service Performance Report	The Service Provider shall provide the Service Performance Report to the Authority within five (5) Business Days following the end of each month.	5 Business Days	Per Month	For Reporting Purposes	N/A

APPENDIX 2 – SERVICE PERFORMANCE REPORTS

The Service Performance Report will consist of the following:

Commentary	The Service Provider shall provide a commentary on the performance of the Contract System against the requirements defined in Schedule 4 (Service Scope Specification)
Incident Management Report	<p>A monthly report which details the following for each priority level:</p> <ul style="list-style-type: none"> ➤ The total number of Incidents raised: <ul style="list-style-type: none"> ▪ The number of Incidents by open/close status; ▪ Average time of resolution. ➤ Repeat failures ➤ For Incidents not resolved within Service Levels: <ul style="list-style-type: none"> ▪ Incident reference; ▪ Status; ▪ Date raised; ▪ Raised by name; ▪ Incident description; and ▪ Reason for resolution outside of Service Levels. ➤ A summary of Major Incidents
Service Levels performance	<p>The Service Provider shall provide a report showing the overall Service Level performance against each Service Level of the Contract detailing:</p> <ul style="list-style-type: none"> ➤ The degree of compliance against each and every Service Level specified in Appendix 1: ➤ The Service Levels that attract a Service Credit ➤ The Service Provider's performance against the Service Levels ➤ any claim for relief from performance at Service Level and/or the application of Service Level Credits to which the Service Provider is entitled
Other	Service specific reporting requirement will be detailed in Schedule 4 (Service Scope Specification) and the Authority, may from time to time, request additional reporting information to support the management of a systems and the Service.

APPENDIX 3 – MAJOR INCIDENT LIST

This Appendix contains:-

1. an initial list (in the table below) of Incidents which are considered as Major Incidents for the purposes of the Contract, and
2. the categorisation of those Incidents, in accordance with the following:
 - Priority 1 – a Major Incident which involves a material failure of any part, or all, of the Services or the material unavailability of any Service Provider Site for more than one (1) hour
 - Priority 2 – a Major Incident which is not a Priority 1 Major Incident but which involves a material failure of a part of the Services at a Service Provider Site or a prolonged customer-facing system failure for more than one (1) hour but less than four (4) hours. Where a Priority 2 Major Incident continues for more than four (4) hours, it shall be deemed a Priority 1 Major Incident.
 - Priority 3 – a Major Incident that is not classified as Priority 1 or 2; and

Priority 1	Priority 2	Priority 3
<ul style="list-style-type: none"> ❖ Complete loss of communications or power to a Service Provider Site ❖ Any security breach ❖ Any software change results in unavailability or degradation of all of the Service 	<ul style="list-style-type: none"> ❖ Any software change results in unavailability or degradation of part of the Service ❖ Intermittent communications availability at a Service Provider Site ❖ Loss of alternative back-up to a Service Provider Site 	<ul style="list-style-type: none"> ❖ Loss of log-in by Authority Personnel to the Dashboards provided by the Service Provider to the Authority for over 24 hours for all Authority Personnel. ❖ Loss of Service Provider's Trouble Ticketing facility for over 24 hours

3. a list of Disaster events below, which are considered to be Major Incidents for the purposes of the Contract (and which may, depending on the circumstances, give rise to a Priority 1, Priority 2 or Priority 3 Major Incident in accordance with paragraphs 1 and 2 above):-

- A Service Provider's Site closed for reason of fire, flood, natural disaster or other external event.
- Power loss to an area including and beyond just the Service Provider's Site
- Communications loss to an area including and beyond just the Service Provider's Site.
- A Service Provider's Site closed at the request of the Police or other emergency service.

APPENDIX 4 – [NOT USED]

SCHEDULE 9 – FORM OF VARIATION

1. General

In this Schedule:

- 1.1. The Authority's right to require the Service Provider to implement a Variation, or to propose that the Service Provider implements a Variation, is set out in paragraph 2.1;
- 1.2. the Service Provider's right to propose Variations is set out in paragraph 2.2;
- 1.3. the procedures for notifying the other Party of, and specifying, Variations required by the Authority or proposed by the Service Provider (as the case may be) are set out in paragraphs 3 and 4;
- 1.4. the procedures for implementing Variations are set out in paragraph 5;
- 1.5. the Service Provider's overriding obligations to minimise the cost and provide VfM in respect of any Variation are set out in paragraph 6.1; and
- 1.6. the contract management procedures for developing and implementing Variations are set out in paragraph 8.

2. Variation Rights

2.1. The Authority shall be entitled at any time to:

- 2.1.1. require the Service Provider to implement a Variation to the Services;
or
- 2.1.2. propose a Variation to the Services to the Service Provider, and the Service Provider shall implement each Variation required or authorised in accordance with this paragraph 2.

2.2. The Service Provider may propose a Variation to the Services. The Authority shall not be obliged to consider or authorise any such proposal.

3. Proposed Variation Notice and Required Variation Notice

For a Variation under paragraph 2.1:

- 3.1. The Authority shall give notice to the Service Provider of a Proposed Variation (by submitting a **"Proposed Variation Notice"**) or a Required Variation (by submitting a **"Required Variation Notice"**) substantially in the form set out in this Schedule 9 (Form of Variation) . The Authority may in its absolute discretion at any time issue a Required Variation Notice in respect of a Variation that has previously been the subject of a Proposed Variation Notice or a Service Provider's Proposal Notice (as the latter is defined in paragraph 4)
- 3.2. The Service Provider shall, within 15 Business Days from the date of delivery of any Proposed Variation Notice or Required Variation Notice (or within any additional period requested by the Service Provider and agreed to in writing by the Authority, the Authority acting reasonably), produce, sign and return a **"Service Provider Response"** substantially in the form set out in this Schedule 9 (Form of Variation) which shall set out the proposed method of implementing the relevant Variation, specifying inter alia:
 - 3.2.1. the time scale for doing so;

- 3.2.2. the effect (if any) on the timing of the performance of other obligations under the Contract (including the effect (if any) on any relevant milestone dates);
- 3.2.3. the impact of effecting the Variation on the provision of the Services;
- 3.2.4. the financial consequences of implementing the Variation (including, but not limited to, showing details of any pricing of the Variation including capital and operating costs);
- 3.2.5. anticipated Authority and/or Third Party dependencies; and
- 3.2.6. the risks associated with the Variation,

provided that any savings made by the Service Provider arising as a result of such Variation or payments to the Service Provider shall be taken into account. Where a Variation is to be charged by reference to the time spent by Service Provider Personnel in relation to the Variation, the rates for such Service Provider Personnel shall not exceed those detailed in Schedule 7 (Pricing Schedule).

- 3.3. In the case of a Required Variation Notice, the Authority shall specify in the Required Variation Notice any requirements in relation to the implementation of the Required Variation.

4. Service Providers Proposal Notice

- 4.1. For a Variation under paragraph 2.2, the Service Provider shall notify its proposals for a Variation to the Authority by a notice substantially in the form set out in this Schedule 9 (Form of Variation) (the "**Service Provider's Proposal Notice**"). The Service Provider shall set out the proposed method of implementing the Variation, specifying inter alia:

- 4.1.1. the time scale for doing so;
- 4.1.2. the effect (if any) on the timing of the performance of other obligations under the Contract (including the effect (if any) on any relevant milestone dates);
- 4.1.3. the impact of effecting the proposed Variation on the provision of the Services;
- 4.1.4. the financial consequences of implementing the proposed Variation (including, but not limited to, showing details of any pricing of the Variation including capital and operating costs);
- 4.1.5. anticipated Authority and/or Third Party dependencies; and
- 4.1.6. the risks associated with the Variation,

provided that any savings made by the Service Provider arising as a result of such proposed Variation or payments to the Service Provider shall be taken into account. Where a Variation is to be charged by reference to the time spent by Service Provider Personnel in relation to the Variation, the rates for such Service Provider Personnel shall not exceed those described in Schedule 7 (Pricing Schedule). Within 10 Business Days of the delivery by the Service Provider of a Service Provider's Proposal Notice, the Authority shall notify the Service Provider whether it wishes to consider the Variation set out in the Service Provider's Proposal Notice.

5. Implementation of the Variation

- 5.1. Following receipt of a Required Variation Notice and unless otherwise instructed by the Authority, the Service Provider shall forthwith implement the Variation required therein within the appropriate and achievable timescale specified in the Required Variation Notice. The Service Provider shall notify the Authority in writing within twenty four (24) hours of receipt of a Required Variation Notice if the Service Provider believes that it is not possible for the Service Provider to implement such Variation or to effect the Variation within the specified timescale. The Service Provider shall ensure that such notification includes a detailed explanation as to why it is not possible for the Service Provider to implement such Variation in the specified timescale.
- 5.2. Subject to paragraph 5.3, the Service Provider shall not implement any Variation set out in any Proposed Variation Notice or Service Provider's Proposal Notice until a notice substantially in the form set out in this Schedule 9 (the "**Authority to Proceed**") has been issued by the Authority for that Variation. For the avoidance of doubt, the Service Provider shall implement each Variation set out in a Required Variation Notice in accordance with paragraph 5.1 without any need for issuance of an Authority to Proceed. The Authority shall not at any time be obliged to issue an Authority to Proceed in respect of any Proposed Variation Notice or Service Provider's Proposal Notice.
- 5.3. The Authority may issue an Authority to Proceed at any time following issue of a Proposed Variation Notice even if the details for implementing that Variation have not yet been determined. In that event the provisions of paragraph 5.1 shall apply with effect from the date of the Authority to Proceed as if the Proposed Variation Notice had been a Required Variation Notice.
- 5.4. Any terms (including costs) of implementing a Variation the subject of an Authority to Proceed issued under paragraph 5.2 or 5.3 or of a Required Variation Notice signed and returned by the Service Provider pursuant to, and setting out the information specified in, paragraph 3.2 that are not agreed by the Parties within 14 days of the issue of the Authority to Proceed or of the return by the Service Provider of the Required Variation Notice (as applicable) may be referred by either Party for determination in accordance with the Dispute Resolution Procedure. On final resolution of the outstanding terms of the Variation pursuant to the Dispute Resolution Procedure or the written agreement of the Parties, The Authority shall either:
 - 5.4.1. issue a notice substantially in the form set out in this Schedule 9 (the "**Required Variation Settlement Notice**") setting out the terms of the Variation; or
 - 5.4.2. withdraw the Required Variation Notice or Authority to Proceed (as applicable) by issuing a notice substantially in the form set out in this Schedule 9 (the "**Withdrawal Notice**") in which case:
 - 5.4.2.1. the Service Provider shall immediately cease to implement the Variation; and
 - 5.4.2.2. the Service Provider shall be entitled to make a claim to recover from the Authority any costs that the Service Provider has reasonably and

properly incurred exclusively in connection with implementing the Variation prior to the Service Provider being sent the Withdrawal Notice.

- 5.4.3. The Authority may withdraw any Required Variation Settlement Notice or Authority to Proceed at any time by issuing a Withdrawal Notice in which case the provisions of paragraph 5.4.2 shall apply.

6. Cost Minimisation and Standards

- 6.1. The Service Provider shall make reasonable efforts to minimise the adverse and maximise the favourable impact on the Authority of any change in timetable or costs resulting from the implementation of a Variation. In particular the Service Provider shall, where appropriate, when submitting proposals in respect of any Proposed Variation Notice, Required Variation Notice or Service Provider's Proposal Notice or before referring any matter for determination pursuant to the Dispute Resolution Procedure and when implementing any Variation:

- 6.1.1. submit a statement to the Authority of its proposed method of implementing the Variation demonstrating the steps that it has taken to minimise the costs of doing so;

- 6.1.2. comply with its VfM obligations in paragraph 7; and

- 6.1.3. shall not in its proposal for the implementation of the Variation claim to be excused from any liability other than on the same grounds and to the same extent amended accordingly (*mutatis mutandis*) as it would have been excused from liability for performing its obligations under the Contract (before the proposed Variation took effect), provided that if the Service Provider considers that the risk inherent in the implementation of the Variation means that the Service Provider should be excused from any liability on other grounds or to a different extent, then the Service Provider shall be entitled to provide contemporaneously to the Authority alternative proposals for the implementation of the Variation. These alternative proposals shall not excuse the Service Provider from any liability other than on the same grounds and to the same extent *mutatis mutandis* as it would have been excused from liability for performing its obligations under the Contract (before the proposed Variation took effect). The alternative proposal(s) shall give details of the extent to which the Service Provider seeks to be excused from liability on other grounds or to a different extent in implementing the Variation and the corresponding change (if any) to the amount of the adjustment to the Charges which would otherwise be required in respect of implementing the Variation.

- 6.2. Unless the Authority requires otherwise, the Service Provider's proposal shall be a fixed price lump sum based on the allocation of risk specified in the Variation. However, the Service Provider may in addition include pricing for alternative options to be considered by the Authority.

- 6.3. The Authority may, from time to time, provide the Service Provider with information in relation to possible future Variations for the express purpose of providing the Service Provider with the means of taking such possible Variations into account in planning its operations and capital expenditure programmes and so as to reduce the costs of implementing such Variations in the future.

7. Value for Money

- 7.1. To enable the Authority to effectively determine whether VfM is being achieved in respect of any Variation, it will be necessary for the Service Provider to be transparent in the pricing of any proposed modification to the Charges arising from that Variation in accordance with this Schedule and its general accounting in so far as these are relevant to demonstrating VfM associated with that Variation.
- 7.2. Proposed modification to the Charges in accordance with a Variation shall be priced on a transparent and "open book" basis in accordance with paragraph 7.3 below.
- 7.3. Open Book Accounting
 - 7.3.1. The Service Provider shall calculate any modifications proposed to the Charges in accordance with this Schedule on a "bottom up" basis.
 - 7.3.2. All modifications to Charges shall represent the actual demonstrable costs to be incurred by the Service Provider or savings to be achieved by the Service Provider in each case with reasonable allowances for:
 - 7.3.2.1. a reasonable level of target profit (having regard to what the Service Provider has achieved and has been and is forecast to achieve under the Contract);
 - 7.3.2.2. overheads (with an explanation of the principles on which they have been appropriated to the Contract and to the Variation); and
 - 7.3.2.3. any additional risks being incurred or existing risks being reduced (as the case may be) having regard to the terms of paragraph 6.1.3.
 - 7.3.2.4. If requested by the Authority, the Service Provider shall evidence the breakdown in relevant costs including by reference to operating expenditure, capital expenditure, human resource costs, third party costs (including any sub-contractor mark-up and any intra-group charges).
- 7.4. The Authority's rights under Clause 24.3 (Records, Audit and Inspection) shall include the right of audit to ensure that the Service Provider has complied with its obligations under paragraph 6 above and this paragraph 7.

8. Contract Management of Variations

- 8.1. For a Variation under paragraph 2.1 and on receipt of a Service Provider's Proposal Notice under paragraph 4, the Authority shall allocate a unique number to the potential Variation and the Authority shall also maintain a sequentially numbered register of all potential and actual Variations. All subsequent correspondence between the Parties in connection with any potential or actual Variation shall bear the number allocated to such Variation.
- 8.2. For the avoidance of doubt, each of the Parties shall pay its own costs and expenses, in each case of any nature whatsoever, incurred in connection with the investigation, preparation or negotiation of each Proposed Variation Notice, Required Variation Notice, Service Provider Response, Service Provider's Proposal Notice, Authority to Proceed, Required Variation Settlement Notice and Withdrawal Notice and otherwise in connection with any acts, omissions or correspondence in connection with agreement on, or determination in

accordance with the Dispute Resolution Procedure of, the terms of any Variation and such costs and expenses shall not be taken into account (or included by the Service Provider) in costing any Variation.

Required Variation Notice

Variation No. [XXXX]	Date [DD-MMM-YY]
VARIATION TITLE:	
Service Provider: [Inset Service Provider name] (Contract name and reference no. to be included in header)	

Project Manager	Service Delivery Manager	Commercial Manager	Systems Manager
[Inset PM Name]	[Inset Service Delivery Manager Name]	[Inset CM Name]	[Inset System Owner's Name]

Summary	
<p>➤ Scope of Variation to the Services</p> <p><i>Insert a concise summary of the scope of the Variation to the Services, including any specific deliverables to be provided by the Service Provider</i></p> <p>Full details of the change to the Services required are in Section A</p>	
<p>➤ Performance Management</p> <p><i>Insert a concise summary of the changes to the performance regime including any new, or revised, SLA or performance regimes including any thresholds or trigger levels</i></p> <p>Full details of the performance regime is Section B</p>	
<p>➤ Key Constraints</p> <p><i>Insert a concise summary of the constraints on the implementation and/or delivery of the Variation to the Services</i></p> <p>Full details of the Key Constraints are in Section C</p>	
<p>➤ Key dates/Milestone Dates</p> <p><i>Provide a timetable for the implementation of the Variation including key dates or Milestone dates (including the deliverables or Services that the Service Provider must provide by each relevant key date or Milestone date)</i></p> <p>Full details of the key dates and Milestone Dates are in Section D</p>	
<p>➤ Assurance</p> <p><i>Insert summary of the key Assurance requirements</i></p> <p>Full details of the Assurance requirements are in Section E</p>	
<p>➤ Intellectual Property Rights</p> <p><i>Insert summary of any new IPR created Or state that no new IPR will be created as part of this Variation</i></p> <p>Full details of the Intellectual Property Rights requirements and verification levels are in Section F</p>	
<p>➤ Charges and payment terms</p> <p><i>Insert summary of key payment terms</i></p> <p>Full details of the proposed payment terms are in Section G</p>	
<p>For the Authority:</p> <p>[Transport for London]</p> <p>[insert name]</p> <p>[insert job title]</p>	<p>Signed:</p>

Proposed Variation Notice

Variation No. [XXXX]	Date [DD-MMM-YY]
VARIATION TITLE:	
Service Provider: [Inset Service Provider name] (Contract name and reference no. to be included in header)	

Project Manager	Service Delivery Manager	Commercial Manager	Systems Manager
[Insert PM Name]	[Insert Service Delivery Manager Name]	[Insert CM Name]	[Insert System Owner's Name]

Summary	
<p>➤ Scope of Variation to the Services</p> <p><i>Insert a concise summary of the scope of the Variation to the Services, including any specific deliverables to be provided by the Service Provider</i></p> <p>Full details of the change to the Services required are in Section A</p>	
<p>➤ Performance Management</p> <p><i>Insert a concise summary of the changes to the performance regime including any new, or revised, SLA or performance regimes including any thresholds or trigger levels</i></p> <p>Full details of the performance regime is Section B</p>	
<p>➤ Key Constraints</p> <p><i>Insert a concise summary of the constraints on the implementation and/or delivery of the Variation to the Services</i></p> <p>Full details of the Key Constraints are in Section C</p>	
<p>➤ Key dates/Milestone Dates</p> <p><i>Provide a timetable for the implementation of the Variation including key dates or Milestone dates (including the deliverables or Services that the Service Provider must provide by each relevant key date or Milestone date)</i></p> <p>Full details of the key dates and Milestone Dates are in Section D</p>	
<p>➤ Assurance</p> <p><i>Insert summary of the key Assurance requirements</i></p> <p>Full details of the Assurance requirements are in Section E</p>	
<p>➤ Intellectual Property Rights</p> <p><i>Insert summary of any new IPR created no new IPR will be created as part of this Variation</i></p> <p>Full details of the Intellectual Property Rights requirements and verification levels are in Section F</p>	
<p>➤ Charges and payment terms</p> <p><i>Insert summary of key payment terms</i></p> <p>Full details of the proposed payment terms are in Section G</p>	
<p>For the Authority:</p> <p>[Transport for London]</p> <p>[insert name]</p> <p>[insert job title]</p>	<p>Signed:</p>

Service Provider Response

Variation No. [XXXX]	Date [DD-MMM-YY]
VARIATION TITLE:	
Service Provider: [Inset Service Provider name]	
Contract name & reference number: [insert contract name & reference number as it appear on the front cover]	
Service Provider's Project Manager:	Service Provider Contract Manager:
[Insert PM Name]	[Insert Contract Manager Name]

Project Description

➤ **METHOD OF IMPLEMENTATION**

Detail the Implementation schedule with Milestone dates.

➤ **FINANCIAL CONSEQUENCES (INCLUDING CHARGES AND SAVING)**

Detail the financial consequences of implementing the Variation showing details of any pricing of the Variation including savings, Project risk (with description), CAPEX and OPEX costs.

➤ **KEY COMMERCIAL ISSUES**

Detail the impact of effecting the Variation on the provision of the Services.

➤ **KEY CONSTRAINTS**

Detail any constraints on the implementation and/or delivery of the Variation to the Services

➤ **ASSUMPTIONS, DEPENDENCIES**

Detail any anticipated Authority and/or Third Party assumptions and dependencies.

➤ **PERFORMANCE MANAGEMENT**

Detail the affect (if any) on the timing of the performance of other obligations under the Contract, including the affect (if any) on any relevant milestone dates.

➤ **RISKS**

Assessment of risks associated with the Variation, including those contained in other areas of the Project Description

➤ **ASSURANCE**

Details how you plan to Assure the Authority that you will comply with the Contract obligations.

➤ **INTELLECTUAL PROPERTY RIGHTS**

Detail any new IPR created.

➤ **EXTERNAL INTERFACES**

Detail the interfaces with the Sales Website and where relevant, Third Parties systems.

For the Service Provider: [Service Provider name] [insert name] [insert job title]	Signed:
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Service Provider's Proposal Notice

Proposal Ref No. [XXXX]	Date [DD-MMM-YY]
PROPOSAL TITLE:	
Service Provider: [Inset Service Provider name]	
Contract name & reference number: [insert contract name & reference number as it appear on the front cover]	
Service Provider's Project Manager:	Service Provider Contract Manager:
[Insert PM Name]	[Insert Contract Manager Name]

Project Description

➤ REASON FOR PROPOSAL

Details the business need for the proposal.

➤ METHOD OF IMPLEMENTATION

Detail the implementation schedule with Milestone dates.

➤ FINANCIAL CONSEQUENCES (INCLUDING CHARGES AND SAVING)

Detail the financial consequences of implementing the Variation showing details of any pricing of the Variation including savings, Project risk (with description), CAPEX and OPEX costs.

➤ KEY COMMERCIAL ISSUES

Detail the impact of effecting the Variation on the provision of the Services.

➤ KEY CONSTRAINTS

Details any constraints on the implementation and/or delivery of the Variation to the Services

➤ ASSUMPTIONS, DEPENDENCIES

Detail any anticipated Authority and/or Third Party assumptions and dependencies.

➤ PERFORMANCE MANAGEMENT

Detail the affect (if any) on the timing of the performance of other obligations under the Contract, including the affect (if any) on any relevant milestone dates.

➤ RISKS

Assessment of risks associated with the Variation, including those contained in other areas of the Project Description

➤ ASSURANCE

Detail how you plan to Assure the Authority that you will comply with the Contract obligations.

➤ INTELLECTUAL PROPERTY RIGHTS

Detail any new IPR created.

➤ EXTERNAL INTERFACES

Detail the interfaces with the Sales Website and Third Parties systems.

For the Service Provider: [Service Provider name] [insert name] [insert job title]	Signed:
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Authority to Proceed

Variation No. [XXXX]	Date [DD-MMM-YY]
VARIATION TITLE:	
Service Provider: [Inset Service Provider name] (Contract name and reference no. to be included in header)	

Project Manager	Service Delivery Manager	Commercial Manager	Systems Manager
[Insert PM Name]	[Insert Service Delivery Manager Name]	[Insert CM Name]	[Insert System Owner's Name]

Please Refer to Proposed Variation Notice dated [Insert Date] and Service Provider Response dated [Insert Date]. Authority is hereby given for the implementation of the Variation set out below.

Summary	
<p>➤ Summary of changes to the Services <i>Insert a concise summary of the changes to the deliverables</i> Full details of the change to the Services required are in Section A</p>	
<p>➤ Value of Variation <i>Insert value</i> Full details of the performance regime is Section B</p>	
<p>➤ Amended Terms <i>Insert summary of any changes agreed subsequent to the Service Provider Response. This is to include key constraints, key dates, assurances, IPR and performance management.</i> Full details of the Amended Terms are in Section C</p>	
<p>➤ Payment terms <i>Insert summary of key payment terms</i> Full details of the key dates and Milestone Dates are in Section D</p>	
<p>For the Authority: [Transport for London] [insert name] [insert job title]</p>	<p>Signed:</p>

Required Variation Settlement Notice

Variation No. [XXXX]	Date [DD-MMM-YY]
VARIATION TITLE:	
Service Provider: [Inset Service Provider name] (Contract name and reference no. to be included in header)	
Authority Project Manager:	Authority Commercial Manager:
[Insert PM Name]	[Insert Commercial Manager Name]

➤ Nature of issue

Authority to detail the nature of the issue which is the subject of the Required Variation Settlement Notice

➤ Agreed Variation terms

Authority to detail the terms of the Variation as agreed by the Parties

For the Authority: [Transport for London] [insert name] [insert job title]	Signed:
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Withdrawal Notice

Variation No. [XXXX]	Date [DD-MMM-YY]
VARIATION TITLE:	
Service Provider: [Inset Service Provider name]	
Authority Project Manager:	Authority Commercial Manager:
[Insert PM Name]	[Insert Commercial Manager Name]

Dear [Service Provider Contract Manager],

RE: [Contract name and date]

We are hereby withdrawing Variation [Variation no.] – [Title] with immediate effect. Please cease implementation of the Variation and update your records accordingly.

[Please advise whether any abortive costs have been incurred and, if so, provide full details of such costs within 10 Business Days. - *Not to be used for Proposed Variations unless an Authority to Proceed has already been issued*]

Copy to: [Authority Contract Manager], [Authority Project Manager]

For the Authority: [Transport for London] [insert name] [insert job title]	Signed:
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SCHEDULE 10 – IPR MANAGEMENT AND LICENCES [NOT USED]

SCHEDULE 11 – HANDBACK OF SERVICE

1. Introduction

1.1. Scope & Purpose

1.1.1. This Schedule 110 (Handback of Services):

1.1.1.1. sets out the strategy to be followed on handback of the Services (or services similar to the Services) and the Contract System, where appropriate to a member of the Authority Group and/or any Successor Operator(s); and

1.1.1.2. requires the Service Provider to support an orderly, controlled handover of responsibility for the provision of the Services from the Service Provider to a member of the Authority Group and/or any Successor Operator(s) (as applicable), at the Authority's direction, with the minimum of disruption and so as to prevent or mitigate any inconvenience to the Authority by means of the implementation of the Handback Plan.

1.1.2. It is recognised that the Contract needs to make provision for a member of the Authority Group and/or any Successor Operator not only to take responsibility for any services that are the same as the Services, but also to provide services which are similar to the Services (or any of the activities comprised within them) and/or which have the same or similar use, function, or application as the Services (in whole or part) or their outputs. This Schedule 11, and in particular references to "handback of the Services" "services similar to the Services" and similar expressions shall be interpreted accordingly.

2. Handback

2.1. Handback Plan

2.1.1. The "**Handback Plan**" shall, in relation to all aspects of the handover of the Services (or services similar to the Services) and the Contract System or part thereof to a member of the Authority Group and/or any Successor Operator(s), include details of the following as a minimum:

2.1.1.1. the organisation arrangements including roles and responsibilities for specific individuals and the allocation of resources for the Services (or services similar to the Services) and an organisational chart clearly showing how the Services are provided (including details of sub-contractors and the element of the Services provided by any sub-contractors);

2.1.1.2. the rationale considered and any assumptions made in developing the Handback Plan;

2.1.1.3. the interface arrangements with the Authority, any Interfacing Parties, or any other person;

2.1.1.4. a complete breakdown of all tasks and workstreams structured by the Contract System and Services as reasonably required by the Authority;

- 2.1.1.5. the handback process for the Contract System, the Services and the function of each of the foregoing;
 - 2.1.1.6. time frames with milestones for the transfer of the provision of the Services (or services similar to the Services) from the Service Provider to any member of the Authority Group and/or any Successor Operator(s) and transfer of or access to Data to any member(s) of the Authority Group and/or any Successor Operator(s);
 - 2.1.1.7. implications of the transfer of the relevant Services (or services similar to the Services) including any applicable Third Party software licences and configurations for the Service Provider's requirements under the performance regimes;
 - 2.1.1.8. details of the transfer of assets, where appropriate and a timetable for the handback of relevant assets including all Authority Assets;
 - 2.1.1.9. the approach to access to and the transfer of Intellectual Property Rights and Data, including provisions for enhanced information exchange and knowledge transfer to assist the Authority personnel and/or any Successor Operator(s) to understand and operate the system and Services (or services similar to the Services);
 - 2.1.1.10. details regarding the transfer of the relevant Service Provider Personnel, as required by TUPE, and information regarding all the Service Provider Personnel who are engaged in the performance of the Service Provider's obligations under the Contract and such other information as set out at Clause 37 (Transfer of Employees on Expiry or Termination), and ongoing access to Key Personnel or any other personnel who the Authority considers key for a smooth transition of Services (or services similar to the Services) to any member(s) of the Authority Group and/or any Successor Operator(s);
 - 2.1.1.11. all relevant Data regarding the Services including Contract System information and Service Provider information in such form as the Authority and/or any Successor Operator(s) may reasonably require;
 - 2.1.1.12. a description of the processes for the recording and storage of all the information referred to in paragraph 2; and
 - 2.1.1.13. such other details or information as the Authority may reasonably require.
- 2.1.2. The Handback Plan shall, in accordance with the process set out in paragraphs 2.1.3 to 2.1.5 below:
- 2.1.2.1. make reasonable assumptions using the Service Provider's experience under the Contract as to how the Services can be transferred to a member of the Authority Group and/or any Successor Operator(s) (at the Authority's direction), with details of mitigation actions until such time when the Authority and/or any Successor Operator(s) have defined what such arrangements will be implemented by the Authority and/or any Successor Operator(s) in any future Authority and/or Successor Operator(s) transition plan(s); and

- 2.1.2.2. detail all the ongoing project and programme type activities relating to the Contract.
- 2.1.3. The Service Provider shall submit a draft Handback Plan to the Authority no later than the earlier of the second anniversary of the Service Commencement Date or as required by the Authority in relation to termination of the Contract. The Contractor shall finalise the Handback Plan:
- 2.1.3.1. not later than six (6) months prior to the third anniversary of the Service Commencement Date, taking due account of the Authority's comments; or
- 2.1.3.2. as required by the Authority in relation to a termination of the Contract pursuant to Clause 34 (Breach and Termination of Contract) (as applicable).
- 2.1.4. Save as specified in any Successor Plan, all Handback Plans delivered to the Authority shall:
- 2.1.4.1. in respect of the first Handback Plan due by the Service Provider:
- 2.1.4.1.1. cater for all Services to have phased End Dates;
- 2.1.4.1.2. unless otherwise specified by the Authority, be based on handback to a single member of the Authority Group or Successor Contractor; and
- 2.1.4.1.3. be based on any other information reasonably specified by the Authority and/or where necessary any other reasonable assumptions (which shall be explicitly set out in the Handback Plan); and
- 2.1.4.2. in respect of each Handback Plan thereafter, cater for different Services having phased or staggered End Dates to the extent specified by the Authority in the most recent Successor Plan and/or take account of any notice served by the Authority pursuant to Clause 34.9.
- 2.1.5. The Service Provider shall, as soon as reasonably practicable and in any event within two (2) months of the first Successor Plan being provided to it, deliver to the Authority an updated Handback Plan which shall reflect such Successor Plan. Thereafter, the Service Provider shall, within one (1) month following its receipt of a change to the Successor Plan, review, update and submit to the Authority for approval a revised Handback Plan which reflects such revised Successor Plan.
- 2.1.6. The Service Provider shall consult fully with the Authority in relation to the preparation of each version of the Handback Plan, and shall take full account of the Authority's comments.
- 2.1.7. The Service Provider shall, within fourteen (14) days of receipt of a notification from the Authority, amend the latest Handback Plan to correct identified non-conformities, incorporate any other comments or feedback from the Authority and resubmit it to the Authority. The Authority shall, within fourteen (14) days of resubmission of the Handback Plan, notify the Service Provider of any remaining or new non-conformities. Subject to Clause 33 (Dispute Resolution) and without limiting the Authority's right to issue a Required Variation (including in relation to any aspect of the Handback Plan,

the procedure in this paragraph 2.1.7 shall be repeated until the Handback Plan is free from non-conformities and agreed and confirmed by the Authority in writing.

2.2. Handback Programme

2.2.1. The Service Provider shall prepare the "**Handback Programme**" and deliver it to the Authority with each Handback Plan. The Handback Programme shall be consistent with the most up to date Handback Plan and shall detail the Service Provider's recommended approach, assumptions, sequencing, responsibilities and timescales for the handback of all Services (or services similar to the Services). The Handback Programme shall be updated to reflect the comments of the Authority and any changes to the Handback Plan and any revised version of the Handback Programme shall be delivered to the Authority with each update of the Handback Plan or, where no such Handback Plan is to be provided, such date as may be stipulated by the Authority. The Service Provider shall take into account any problems, experience or lessons learned from the Transition Period when it prepares the handback documentation.

2.2.2. When developing the Handback Plan, the Service Provider shall, unless otherwise directed in writing by the Authority, assume that handback will be to an organisation similar in capability to the Service Provider and will not necessitate significant changes to the Services.

2.2.3. The Service Provider shall consult fully with the Authority in relation to the preparation of the Handback Programme, and shall take full account of the Authority's comments in accordance with paragraph 2.2.1.

2.2.4. The Service Provider shall, within five (5) days of receipt of a notification from the Authority, amend the Handback Programme to correct identified non-conformities, incorporate any other comments or feedback from the Authority which may include feedback from any Successor Operator(s), and resubmit it to the Authority. The Authority shall, within five (5) days of resubmission of the Handback Programme, notify the Service Provider of any remaining or new non-conformities. Subject to Clause 33 (Dispute Resolution) and without limiting the Authority's right to issue a Required Variation (including in relation to any aspect of the Handback Plan, the procedure in this paragraph 2.2.4 shall be repeated until the Handback Programme is free from non-conformities, agreed and confirmed by the Authority in writing.

2.2.5. The Handback Programme shall clearly identify when consultation shall begin for any Service Provider Personnel who may be subject to TUPE and how this process should be managed if these people are to be transferred on or before the Expiry Date.

2.2.6. The Handback Programme shall detail all of the work-streams, activities and timescales identified in the Handback Plan.

3. [NOT USED]

4. Reports and Meetings

4.1. Handback Status Report

4.1.1. The Service Provider shall provide a report (a "**Handback Status Report**") in the form of a RAG (being Red, Amber or Green) document which shall provide detailed status information on the handback activities identified in the Handback Plan and Handback Programme. The RAG document shall identify the relevant activity, a description of the activity, the lead person in charge of the activity, its RAG scoring (according to scoring criteria reasonably requested by the Authority) and a commentary explaining the current status and reasons supporting the RAG scoring. The commentary shall also describe the dependencies on any member of the Authority Group and/or any Third Parties and provide a detailed description of what they are required to do.

4.1.2. The Handback Plan, Handback Programme and Handback Status Report shall be ordered in the same sequence and be cross referenced with common activity identifiers and descriptions. The Service Provider shall endeavour to structure these documents and reference the handback activities in a structured manner as and where reasonably required by the Authority.

4.1.3. The Handback Status Report shall identify any dependencies or points of demarcation in relation to the handback of Services.

4.1.4. The Service Provider shall update the Handback Status Report and deliver it to the Authority at least every time when the Handback Plan and/or Handback Programme is updated to reflect the risks associated with the handback and record mitigation actions and fall back positions in case of operational difficulties during the Handback Period.

4.2. Performance Reports and Meetings

4.2.1. The Service Provider shall report on progress of handback in the Service Performance Report and matters affecting handback shall be discussed at the Service Review Meeting.

4.2.2. As the volume of work increases, the Authority shall at a time of its choosing convene a dedicated handback progress group ("**Handback Review Group**") (such meetings of the Handback Review Group being "**Handback Review Meetings**").

4.2.3. The purpose of the Handback Review Group is to oversee and provide overall direction in relation to handback and such group shall meet in accordance with the Authority's reasonable requirements.

SCHEDULE 12 – QUALITY, ENVIRONMENT, SAFETY AND HEALTH [NOT USED]

SCHEDULE 13 – PROJECT AND PROGRAMME LIFECYCLE [NOT USED]

SCHEDULE 14 – ASSURANCE

1. Overview

- 1.1. The Service Provider shall provide Assurance to the Authority to ensure the Authority gains the necessary levels of confidence that the Service Provider is complying with its obligations under the Contract and, in particular, in relation to the delivery of the Services.
- 1.2. The purpose of the Assurance process set out below is to provide clarity and visibility of the methods by which the Authority will gain Assurance.
- 1.3. In relation to a project or a programme, the Service Provider shall propose how it plans to Assure the Authority that it will comply with its Contract obligations. The Authority may at its sole discretion require additional Assurance activities.
- 1.4. Given the size and complexity of the Services and the CE Systems Portfolio, the Service Provider agrees that several different business units and groups internal and external to the Authority may be affected by Changes, and may require to be involved in the Assurance process at different times and to varying levels. Notwithstanding this, the Contract Manager shall be the Authority's prime point of contact with the Service Provider in accordance with Clause 13 (Operational Management).

2. General Assurance Process

- 2.1. The Service Provider shall ensure that the Authority gains Assurance:
 - 2.1.1. through the Service Provider's maintenance and submission of the documentation and information set out in Clause 9 (Major Incident Management) and in Schedules 3 (Transition) to 13 (Project and Programme Lifecycle) inclusive;
 - 2.1.2. in relation to Technical Change, through the processes set out in Schedule 8 (Service Management); and
 - 2.1.3. [NOT USED]
 - 2.1.4. through a programme of Assurance audits in accordance with paragraph 3 of this Schedule, Assurance Events and/or milestones as provided for under the Contract.
- 2.2. The Service Provider acknowledges and agrees that the Authority may use (as the Authority sees appropriate), as a minimum, the following general methods throughout all phases of the Assurance process as a means of gaining Assurance regarding the Service Provider's performance:
 - 2.2.1. assessing the Service Provider's approach to identifying, evaluating and resolving emerging issues and unforeseen problems;
 - 2.2.2. auditing the Service Provider's processes and operations against the documents submitted by the Service Provider;
 - 2.2.3. measuring the Service Provider's performance for compliance with the Service Levels set out in Schedule 8 (Service Management);
 - 2.2.4. reviewing the Service Provider's performance in the achievement of identified events in individual project or programme plans; and

2.2.5. reviewing the Service Provider's performance at regular meetings.

3. TfL Assurance Audit Programme

- 3.1. The Authority and/or its nominees shall be entitled to conduct formalised Assurance audits throughout the Term pursuant to Clause 24 (Records, Audit and Inspection) and may develop the TfL Assurance Audit Programme which it may maintain and issue to the Service Provider from time to time. The TfL Assurance Audit Programme will form the basis of the Authority's and/or its nominees' Assurance audits but shall not be construed as exhaustive and will be compliant with Clause 24 (Records, Audit and Inspection).
- 3.2. The TfL Assurance Audit Programme shall be a twelve (12) month rolling programme of audits which shall be reviewed, updated and re-issued at least every twelve (12) weeks by the Authority to the Service Provider.
- 3.3. The Authority and/or its nominees shall carry out Assurance audits to check the Service Provider's compliance with the documents developed in response to the requirements of Schedule 4 (Service Scope Specification) to 13 (Project and Programme Lifecycle) (inclusive) of the Contract and/or any project or programme and any or all of the processes, procedures, documentation, methods of working, testing, commissioning and operations detailed therein.
- 3.4. The Authority shall, without prejudice to Clause 24 (Records, Audit and Inspection) and at least seven (7) Business Days in advance of each scheduled audit listed in the TfL Assurance Audit Programme, confirm that the audit shall take place and shall provide the Service Provider with such further information to ensure that the audits are carried out in an efficient manner with minimum disruption to the Service Provider's day-to-day operations. The Authority shall provide a detailed scope of each scheduled audit and where appropriate a list of the topics or questions to be covered so that the Service Provider can properly prepare for the Assurance audit.
- 3.5. The Authority and/or its nominees may carry out some Assurance audits and inspections without prior notice in accordance with the provisions of Clause 24 (Records, Audit and Inspection).
- 3.6. In areas of persistent or significant non-compliance by the Service Provider with its obligations pursuant to the Contract, the Authority shall be entitled to require the Service Provider to provide a report on such non-compliance and the Service Provider shall either provide a detailed report within five (5) Business Days of each such request by the Authority or agree with the Authority within five (5) Business Days an action plan for producing a report. The Service Provider shall also attend such meetings to discuss areas of persistent or significant non-compliance as the Authority reasonably requires.

4. Corrective Action Notices

- 4.1. After each Authority Assurance audit in accordance with paragraph 3 of this Schedule and/or Clause 24 (Records, Audit and Inspection) the TfL Contract Manager will prepare an audit report reviewing the Service Provider's performance. Copies of Contract Manager's Assurance audit reports shall be issued to the Service Provider along with any comments or observations. If the Contract Manager determines that the Service Provider is non-compliant with any part of the Contract, the Contract Manager may issue a Corrective Action

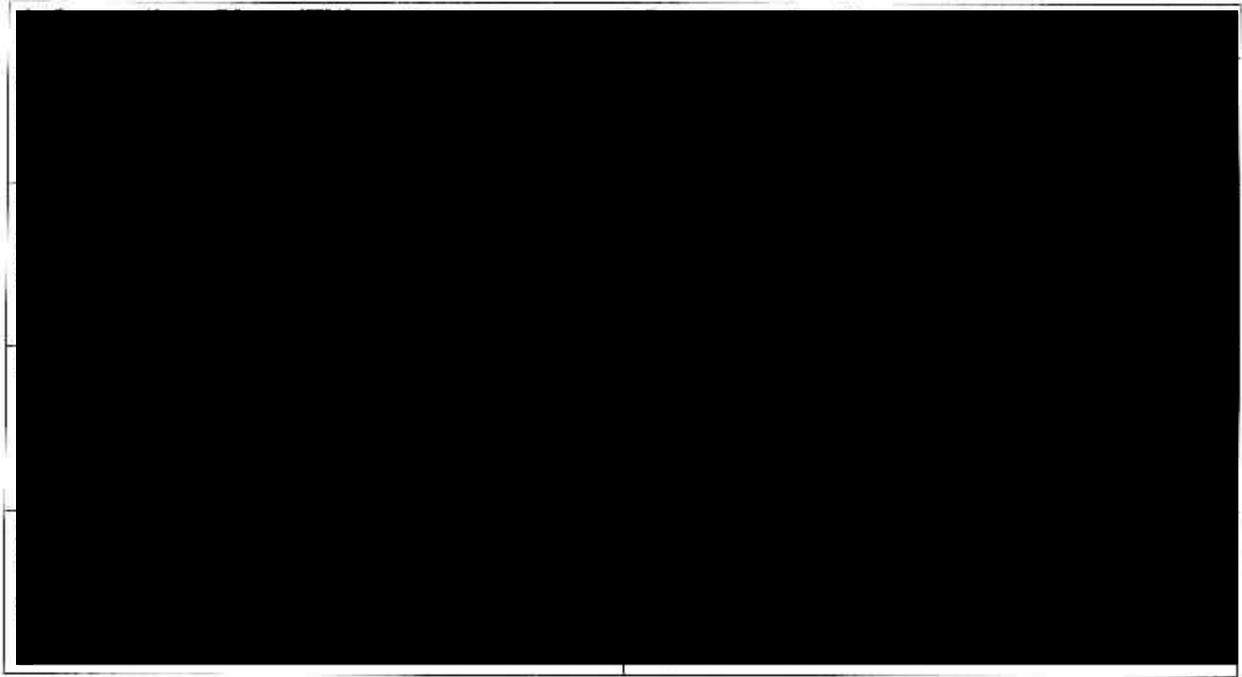
Notice in accordance with the provisions of Clause 16 (Corrective Action Notices).

- 4.2. In addition to any Corrective Action Notices issued as a result of an Assurance audit in accordance with paragraph 4.1 of this Schedule, the Contract Manager may, from time to time, issue such other Corrective Action Notices on any other matter where it considers that the Service Provider has failed to comply with its obligations under the Contract, in accordance with the provisions of Clause 16 (Corrective Action Notices).
- 4.3. Each Corrective Action Notice shall state clearly the reason why the Authority believes that the Service Provider is not complying with its obligations under the Contract. The Service Provider shall respond to the Contract Manager within ten (10) Business Days of the Corrective Action Notice being issued:
 - 4.3.1. stating the action it proposes to take and the timescale for completing the action; or
 - 4.3.2. providing an alternative proposal for achieving the objective(s) as set out in the relevant Corrective Action Notice and/or timescale for resolving the non-conformance along with a reasoned explanation. The Authority shall consider any such alternative proposal and at its sole discretion instruct the Service Provider to implement such a proposal which may include such amendments as are agreed with the Service Provider.
- 4.4. The Service Provider shall then implement the corrective action(s) as agreed with the Authority under paragraph 4.3 of this Schedule.
- 4.5. The Service Provider shall provide a Corrective Action Notice status report each month in the Service Performance Report produced in accordance with Schedule 8 (Service Management) or as otherwise instructed by the Authority.

5. Assurance Feedback

- 5.1. The Authority shall provide feedback to the Service Provider at each:
 - 5.1.1. Service Review Meeting held in accordance with Schedule 8 (Service Management) in relation to the Services and
 - 5.1.2. on the level of Assurance that the Authority has gained in the Service Provider's performance during the preceding four (4) week period or over a longer period as appropriate.
- 5.2. The Authority shall identify and notify the Service Provider of areas where the Service Provider needs to increase its efforts to provide Assurance and the Service Provider shall comply with the Authority's reasonable instructions to provide such Assurance.

SCHEDULE 15 – SERVICE PROVIDER CONFIDENTIAL INFORMATION



SCHEDULE 16 – MODEL CLAUSES

Model Clauses attached

