(iii) comply with the Customer's instructions in order to address the impact of the Delay or anticipated Delay; and
(iv) use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay; and
b) if the Delay or anticipated Delay relates to a Milestone in respect which a Delay Payment has been specified in the Implementation Plan, Clause A.1.4 (Delay Payments) shall apply unless the Delay is deemed as resulting from Customer Cause.
A.1.4 Delay Payments
A.1.4.1 If Delay Payments have been included in the Implementation Plan (if any) then, if a Milestone has not been achieved by the relevant Milestone Date the Supplier shall pay to the Customer such Delay Payments (calculated as set out by the Customer in the Implementation Plan) and the following provisions shall apply:
a) The Supplier acknowledges and agrees that any Delay Payment is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to Achieve the corresponding Milestone;
b) Delay Payments shall be the Customer's exclusive financial remedy for the Supplier's failure to Achieve a corresponding Milestone by its Milestone Date except where:
(i) the Customer is otherwise entitled to or does terminate this Call Off Contract pursuant to Clause 21 (Customer Termination Rights) except Clause 21.2 (Termination Without Cause), where used; or
(ii) the delay exceeds the period of [one hundred (100)] days commencing on the relevant Milestone Date;
c) the Delay Payments will accrue on a daily basis from the relevant Milestone Date and shall continue to accrue until the date when the Milestone is Achieved (unless otherwise specified by the Customer in the Implementation Plan);
d) no payment or concession to the Supplier by the Customer or other act or omission of the Customer shall in any way affect the rights of the Customer to recover the Delay Payments or be deemed to be a waiver of the right of the Customer to recover any such damages unless such waiver complies with Clause 28 (Waiver and Cumulative Remedies) and refers specifically to a waiver of the Customer's rights to claim Delay Payments; and
e) the Supplier waives absolutely any entitlement to challenge the enforceability in whole or in part of this Clause A1 and Delay Payments shall not be subject to or count towards any limitation on liability set out in Clause 17.

Associated definitions to be inserted into Call Off Schedule 1:

"Achieve"	means in respect of a Test, to successfully pass such Test without any Test Issues in accordance with the Test Plan and in respect of a Milestone, the issue of a Satisfaction Certificate in respect of that Milestone and "**Achieved**" and "**Achievement**" shall be construed accordingly;
"Delay"	means: a) a delay in the Achievement of a Milestone by its Milestone Date; or b) a delay in the design, development, testing or implementation of a Deliverable by the relevant date set out in the Implementation Plan;
"Delay Payments"	means the amounts payable by the Supplier to the

	Customer in respect of a delay in respect of a Milestone as specified in the Implementation Plan;
"Milestone"	means an event or task described in the Implementation Plan which, if applicable, must be completed by the relevant Milestone Date;
"Milestone Date"	means the target date set out against the relevant Milestone in the Implementation Plan by which the Milestone must be Achieved;
"Milestone Payment"	means a payment identified in the Implementation Plan to be made following the issue of a Satisfaction Certificate in respect of Achievement of the relevant Milestone;
"Satisfaction Certificate"	means the certificate materially in the form of the document contained in Annex 1 to Call Off Schedule B2 (Testing) granted by the Customer when the Supplier has Achieved a Milestone or a Test;

Associated Schedule included below

CALL OFF SCHEDULE A1: IMPLEMENTATION PLAN, CUSTOMER RESPONSIBILITIES AND KEY PERSONNEL

1. INTRODUCTION

1.1 This Call Off Schedule specifies:

1.1.1 In Part A, the Implementation Plan in accordance with which the Supplier shall provide the Goods; and

1.1.2 In Part B, the Customer Responsibilities in respect of facilitating the Supplier's achievement of the Implementation Plan.

PART A: IMPLEMENTATION PLAN

2. GENERAL

2.1 The Implementation Plan is set out below:

2.2 The Milestones to be Achieved are identified below:

Milestone	Deliverables	Duration	Milestone Date	Customer Responsibilities	Milestone Payments	Delay Payments
[??]	[??]	[??]	[??]	[??]	[??]	[??]

2.3 The Milestones will be Achieved in accordance with Call Off Schedule B2 (Testing) or the Test Plan annexed to the Implementation Plan. ***[Guidance Note: Customer to complete and append where applicable]***

PART B: CUSTOMER RESPONSIBILITIES

3. GENERAL

3.1 The Customer Responsibilities associated with the Milestones identified in the Implementation Plan are set out in the column entitled Customer Responsibilities in the Implementation Plan.

PART C: KEY PERSONNEL

4. GENERAL

4.1 The Supplier has assigned the following Key Personnel to this Call-Off Contract in the Key Roles detailed below:

[ ]

A.2. INSURANCE

A.2.1 Notwithstanding any benefit to the Customer of the policy or policies of insurance referred to in Framework Schedule 14 (Insurance), the Supplier shall effect and maintain the following policies of insurance (or extensions to such existing policies of insurance), unless other specific minimum insurance policy levels have been stipulated by the Customer during a Further Competition Procedure and specified in the Order Form:

A.2.1.1 Employers Liability Insurance of at least (£5,000,000);

A.2.1.2 Public Liability Insurance of at least (£1,000,000);

A.2.1.3 Product Liability Insurance of at least (£1,000,000) - applicable to Lot 5 only; and

A.2.1.4 Professional Indemnity Insurance of at least (£1,000,000) - applicable to Lots 1 to 4 inclusive

A.2.2 In respect of all risks which may be incurred by the Supplier arising out of its performance of its obligations under this Call Off Contract, The Supplier shall effect and maintain the policy or policies of insurance referred to in Clause A.2.1 above for six (6) years after the Call Off Expiry Date.

A.2.3 The Supplier shall give the Customer, on request, copies of all insurance policies referred to in Clause A.2.1 or a broker's verification of insurance to demonstrate that the appropriate cover is in place, together with receipts or other evidence of payment of the latest premiums due under those policies.

A.2.4 If, for whatever reason, the Supplier fails to give effect to and maintain the insurance policies required under Clause A.2.1, the Customer may make alternative arrangements to protect its interests and may recover the premium and other costs of such arrangements as a debt due from the Supplier.

A.2.5 The provisions of any insurance or the amount of cover shall not relieve the Supplier of any liability under this Call Off Contract. It shall be the responsibility of the Supplier to determine the amount of insurance cover that will be adequate to enable the Supplier to satisfy any liability in relation to the performance of its obligations under this Call Off Contract.

A.2.6 The Supplier shall ensure that nothing is done which would entitle the relevant insurer to cancel, rescind or suspend any insurance or cover, or to treat any insurance, cover or claim as voided in whole or part. The Supplier shall use all reasonable endeavours to notify the Customer (subject to third party confidentiality obligations) as soon as practicable when it becomes aware of any relevant fact, circumstance or matter which has caused, or is reasonably likely to provide grounds to, the relevant insurer to give notice to cancel, rescind, suspend or void any insurance, or any cover or claim under any insurance in whole or in part.

A.3 Termination in Relation to Financial Standing

A.3.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where in the reasonable opinion of the Customer there is a material detrimental change in the financial standing and/or the credit rating of the Supplier which:

a) adversely impacts on the Supplier's ability to supply the Goods under this Call Off Contract; or

b) could reasonably be expected to have an adverse impact on the Supplier's ability to supply the Goods under this Call off Contract.

A.4 Termination on Insolvency

A.4.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier where an Insolvency Event affecting the Supplier occurs.

A.5 Termination on Change of Control

A.5.1 The Supplier shall notify the Customer immediately if the Supplier undergoes a Change of Control and provided this does not contravene any Law shall notify the Customer immediately in writing of any circumstances suggesting that a Change of Control is planned or in contemplation. The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier within six (6) Months of:

a) being notified in writing that a Change of Control has occurred or is planned or in contemplation; or

b) where no notification has been made, the date that the Customer becomes aware of the Change of Control,

but shall not be permitted to terminate where an Approval was granted prior to the Change of Control.

A.6 ASSIGNMENT AND NOVATION

Insert the following Clauses immediately after Clause 27.1 (which was retained as the default position)

27.2 The Customer may assign, novate or otherwise dispose of any or all of its rights, liabilities and obligations under this Call Off Contract or any part thereof to:

27.2.1 any other Contracting Body; or

27.2.2 any other body established by the Crown or under statute in order substantially to perform any of the functions that had previously been performed by the Customer; or

27.2.3 any private sector body which substantially performs the functions of the Customer, and the Supplier shall, at the Customer's request, enter into a novation agreement in such form as the Customer shall reasonably specify in order to enable the Customer to exercise its rights pursuant to this Clause 27.2.

27.3 A change in the legal status of the Customer such that it ceases to be a Contracting Body shall not, subject to Clause 27.4 affect the validity of this Call Off Contract and this Call Off Contract shall be binding on any successor body to the Customer.

27.4 If the Customer assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Call Off Contract to a body which is not a Contracting Body or if a body which is not a Contracting Body succeeds the Customer (both "Transferee" in the rest of this Clause) the right of termination of the Customer in Clause A.4 (Termination on Insolvency) shall be available to the Supplier in the event of insolvency of the Transferee (as if the references to Supplier in Clause A.4 (Termination on Insolvency) and to Supplier or Framework Guarantor or Call Off Guarantor in the definition of Insolvency Event were references to the Transferee).

B: COMPLEX DELIVERY – SOLUTIONS

Additional contractual provisions to apply to Customer requirements which include service elements over a specified duration of Call-Off Contract. "A: TERMED DELIVERY – GOODS" provisions are included by default. To be selected by the Customer using the Order Form.

B.1 Detailed Variation Procedure included to replace the written agreement default version

Replace the existing Clause 10.1.1 with the following:

10.1.1 Subject to the provisions of this Clause 10 and, where this is used, of Call Off Schedule 3 (Call Off Contract Charges, Payment and Invoicing), either Party may request a variation to this Call Off Contract provided that such variation does not amount to a material change of this Call Off Contract within the meaning of the Regulations and the Law. Such a change once implemented is hereinafter called a "Variation".

10.1.2 A Party may request a Variation by completing and sending the Variation Form to the other Party giving sufficient information for the receiving Party to assess the extent of the proposed Variation and any additional cost that may be incurred.

10.1.3 The Customer may require the Supplier to carry out an impact assessment of the Variation on the Goods (the "Impact Assessment"). The Impact Assessment shall be completed in good faith and shall include:

a) details of the impact of the proposed Variation on the Goods and the Supplier's ability to meet its other obligations under this Call Off Contract;

b) details of the cost of implementing the proposed Variation;

c) details of the ongoing costs required by the proposed Variation when implemented, including any increase or decrease in the Call Off Contract Charges, any alteration in the resources and/or expenditure required by either Party and any alteration to the working practices of either Party;

d) a timetable for the implementation, together with any proposals for the testing of the Variation; and

e) such other information as the Customer may reasonably request in (or in response to) the Variation request.

10.1.4 Where the Customer has requested the Variation and the Supplier can show that the Impact Assessment required resources other than those ordinarily deployed in the provision of the Goods the Customer shall pay any reasonable costs incurred by the Supplier in producing the Impact Assessment.

10.1.5 The Parties may agree to adjust the time limits specified in the Variation request to allow for the preparation of the Impact Assessment.

10.1.6 Subject to 10.1.5, the receiving Party shall respond to the request within the time limits specified in the Variation Form. Such time limits shall be reasonable and ultimately at the discretion of the Customer having regard to the nature of the Order and the proposed Variation.

10.1.7 In the event that:

10.1.7.1 the Supplier is unable to agree to or provide the Variation; and/or

10.1.7.2 the Parties are unable to agree a change to the Call Off Contract Charges that may be included in a request of a Variation or response to it as a consequence thereof,

10.1.7.3 the Customer may:

10.1.7.3.1 agree to continue to perform its obligations under this Call Off Contract without the Variation; or

10.1.7.3.2 terminate this Call Off Contract with immediate effect, except where the Supplier has already fulfilled part or all of the Order in accordance with this Call Off Contract or where the Supplier can show evidence of substantial work being carried out to fulfil the Order, and in such a case the Parties shall attempt to agree upon a resolution to the matter. Where a resolution cannot be reached, the matter shall be dealt with under the Dispute Resolution Procedure.

If the Parties agree the Variation, the Supplier shall implement such Variation and be bound by the same provisions so far as is applicable, as though such Variation was stated in this Call Off Contract.

Insert associated Termination provision as included below:

21.5 Termination in Relation to Variation

21.5.1 The Customer may terminate this Call Off Contract by issuing a Termination Notice to the Supplier for failure of the Parties to agree or the Supplier to implement a Variation in accordance with the Variation Procedure as set out in Clause 10.1.7.3.2.

Associated definition to be inserted into Call Off Schedule 1:

"Variation Form" means the form set out in Call Off Schedule B1

Associated Schedule included below

CALL OFF SCHEDULE B2: VARIATION FORM

No of Order Form being varied:

.....

Variation Form No:

.....

BETWEEN:

[insert name of Customer] (**"the Customer"**)

and

[insert name of Supplier] (**"the Supplier"**)

The Call Off Contract is varied as follows and shall take effect on the date signed by both Parties:

[Guidance Note: Insert details of the Variation]

Words and expressions in this Variation shall have the meanings given to them in the Call Off Contract.

The Call Off Contract, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.

Signed by an authorised signatory for and on behalf of the Customer

Signature .....

Date .....

Name (in Capitals) .....

Address .....

.....

Signed by an authorised signatory for and on behalf of the Supplier

Signature .....

Date .....

Name (in Capitals) .....

Address .....

B.2 TESTING

B.2.1 The Parties shall comply with the provisions specified in the Test Plan in relation to the procedures to determine whether a Milestone or Test has been Achieved.

Associated definitions to be inserted into Call Off Schedule 1:

"Test Issue"	means any variance or non-conformity of the Goods or Deliverables from their requirements as set out in the Call Off Contract;
"Test Plan"	means the plan for the Testing of Deliverables and other agreed criteria related to the achievement of Milestones identified in any Implementation Plan;

Associated Schedule included below

CALL OFF SCHEDULE B2: TESTING

1. DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Test Strategy" a strategy for the conduct of Testing as described further in Paragraph 3;

2. INTRODUCTION

2.1 This schedule sets out the approach to Testing and the different Testing activities to be undertaken, including the preparation and agreement of the Test Strategy and Test Plans. The primary purpose of Testing shall be to demonstrate to the Customer's satisfaction that the Goods have been supplied and implemented in accordance with the requirements of this Call Off Contract, and that they are ready for operational use.

3. TEST STRATEGY

3.1 The Supplier shall develop the final Test Strategy as soon as practicable but in any case no later than the date specified in the Implementation Plan (or such other period as the Parties may agree).

3.2 The final Test Strategy shall include:

3.2.1 an overview of how Testing will be conducted in relation to the Implementation Plan;

3.2.2 the process to be used to capture and record Test results and the categorisation of Test Issues;

3.2.3 the procedure to be followed should a Deliverable fail a Test or where a Deliverable produces unexpected results, including a procedure for the resolution of Test Issues;

3.2.4 the procedure to be followed to sign off each Test; and

3.2.5 the process for the production and maintenance of reports relating to Tests.

4. TEST PLANS

4.1 The Supplier shall develop Test Plans for the Approval of the Customer as soon as practicable but in any case no later than twenty (20) Working Days (or such other period as the Parties may agree in the Test Strategy or otherwise) prior to the start date for the relevant Testing as specified in the Implementation Plan.

4.2 Each Test Plan shall include as a minimum:

4.2.1 the relevant Test definition and the purpose of the Test, the Milestone to which it relates, the requirements being Tested;

4.2.2 a detailed procedure for the Tests to be carried out, including:
4.2.3 the timetable for the Tests including start and end dates;
4.2.4 the Testing mechanism and the detailed success criteria ;
4.2.5 dates and methods by which the Customer can inspect Test results;
4.2.6 the mechanism for ensuring the quality, completeness and relevance of the Tests;
4.2.7 the process with which the Customer will review Test Issues and progress on a timely basis; and
4.2.8 the re-Test procedure, the timetable and the resources which would be required for re-Testing.
4.3 The Customer shall not unreasonably withhold or delay its Approval of the Test Plans and the Supplier shall implement any reasonable requirements of the Customer in the Test Plans.
5. TESTING
5.1 When the Supplier has completed the provision of the Goods in respect of a Milestone it shall submit any Deliverables relating to that Milestone for Testing.
5.2 Each party shall bear its own costs in respect of the Testing. However, if a Milestone is not Achieved the Customer shall be entitled to recover from the Supplier, any reasonable additional costs it may incur as a direct result of further review or re-Testing of a Milestone.
5.3 If the Supplier successfully completes the requisite Tests, the Customer shall issue a Satisfaction Certificate as soon as reasonably practical following such successful completion. Notwithstanding the issuing of any Satisfaction Certificate, the Supplier shall remain solely responsible for ensuring that the Services are implemented in accordance with this Contract.
6. TEST ISSUES
6.1 Where a Test Issue is identified by the Supplier, the Parties shall agree how such Test Issue shall be dealt with and any failure to agree by the Parties shall be resolved in accordance with the Dispute Resolution Procedure.
7. TEST QUALITY AUDIT
7.1 Without prejudice to its rights pursuant to Clause 21 (Customer Termination Rights), the Customer or an agent or temporary worker appointed by the Customer may perform on-going quality audits in respect of any part of the Testing.
7.2 If the Customer has any concerns following an audit in accordance with paragraph 7.1 above the Customer will discuss such concerns with the Supplier, giving the Supplier the opportunity to provide feedback in relation to specific activities, and subsequently prepare a written report for the Supplier detailing the same to which the Supplier shall, within a reasonable timeframe, respond in writing.
7.3 In the event of an inadequate response to the written report from the Supplier, the Customer (acting reasonably) may withhold a Satisfaction Certificate until the issues in the report have been addressed to the reasonable satisfaction of the Customer.
8. OUTCOME OF TESTING
8.1 The Customer will issue a Satisfaction Certificate when it is satisfied that a Milestone has been Achieved.
8.2 If any Milestones (or any relevant part thereof) do not pass the Test in respect thereof then:
8.2.1 the Supplier shall rectify the cause of the failure and re-submit the Deliverables (or the relevant part) to Testing, provided that the Parties agree that there is sufficient time for that action prior to the relevant Milestone Date; or
8.2.2 the Parties shall treat the failure as a Supplier's Default.

ANNEX 1: SATISFACTION CERTIFICATE
To: [insert name of Supplier]
From: [insert name of Customer]
[insert Date dd/mm/yyyy]

Dear Sirs,
SATISFACTION CERTIFICATE
Milestone:
[Guidance Note to Customer: Insert description of the relevant Milestones]
We refer to the agreement ("Call Off Contract") relating to the provision of the Goods and Services between the [insert Customer name] ("Customer") and [insert Supplier name] ("Supplier") dated [insert Call Off Commencement Date dd/mm/yyyy].
The definitions for terms capitalised in this certificate are set out in the Call Off Contract.
[We confirm that all of the Milestones have been successfully Achieved by the Supplier in accordance with the Test relevant to those Milestones.]
Yours faithfully
[insert Name]
[insert Position]
acting on behalf of [insert name of Customer]

B.3. SERVICE LEVELS AND SERVICE CREDITS

B.3.1 The Supplier shall at all times during the Call Off Contract Period provide the Goods and/or Services to meet or exceed the Service Level Performance Measure for each Service Level Performance Criterion specified in the Order Form or Call Off Schedule B3 (Service Levels, Service Credits and Performance Monitoring) where this is used.
B.3.2 The Supplier acknowledges that any Service Level Failure may have a material adverse impact on the business and operations of the Customer and that it shall entitle the Customer to Service Credits if so specified in the Order Form.
B.3.3 The Supplier acknowledges and agrees that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Customer as a result of the Supplier's failure to meet any Service Level Performance Measure.
B.3.4 CRITICAL SERVICE LEVEL FAILURE
B.3.4.1 On the occurrence of a Critical Service Level Failure:
B.3.4.1.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
B.3.4.1.2 the Customer shall (subject to the Service Credit Cap set out in Clause 17.2 (Liability)) be entitled to withhold and retain as compensation for the Critical Service Level Failure a sum equal to any Call Off Contract Charges which would otherwise have been due to the Supplier in respect of that Service Period ("Compensation for Critical Service Level Failure"),
provided that the operation of this Clause shall be without prejudice to the right of the Customer to terminate this Call Off Contract and/or to claim damages from the Supplier for Material Default as a result of such Critical Service Level Failure.
B.3.4.2 The Supplier:
B.3.4.2.1 agrees that the application of Clause B.3.4.1 is commercially justifiable where a Critical Service Level Failure occurs; and

B.3.4.2.2 acknowledges that it has taken legal advice on the application of Clause B.3.4.1 and has had the opportunity to price for that risk when calculating the Call Off Contract Charges.

Associated definitions to be inserted into Call Off Schedule 1:

"Compensation for Critical Service Level Failure"	has the meaning given to it in Clause B.3.4.1.2 (Critical Service Level Failure);
"Critical Service Level Failure"	means any instance of critical service level failure as defined in this Call Off Contract
"Performance Monitoring System"	has the meaning given to it in paragraph 7.1.2 in Part B of Schedule B3 (Service Levels, Service Credits and Performance Monitoring);
"Performance Monitoring Reports"	has the meaning given to it in paragraph 9 of Part B of Schedule B3 (Service Levels, Service Credits and Performance Monitoring);
"Performance Review Meetings"	has the meaning given to it in paragraph 9.2 of Part B of Schedule B3 (Service Levels, Service Credits and Performance Monitoring);
"Service Credits"	means any service credits specified in the Order Form, or where this is used Annex 1 to Part A of Call Off Schedule B3 (Service Levels, Service Credits and Performance Monitoring), being payable by the Supplier to the Customer in respect of any failure by the Supplier to meet one or more Service Levels;
"Service Failure"	means an unplanned failure and interruption to the provision of the Services, reduction in the quality of the provision of the Goods and/or Services or event which could affect the provision of the Goods and/or Services in the future;
"Service Level Failure"	a failure to meet the Service Level Performance Measure in respect of a Service Level Performance Criterion;
"Service Level Performance Criteria" or "Service Level Performance Criterion"	means the Service Level Performance Criteria specified in the Order Form or, where this is used, in Call Off Schedule B3 (Service Levels, Service Credits and Performance Monitoring);
"Service Level Performance Measure"	shall be as set out against the relevant Service Level Performance Criterion in the Order Form or, where this is used, Annex 1 of Part A of Call Off Schedule B3 (Service Levels, Service Credits and Performance Monitoring);
"Service Levels"	means any service levels applicable to the provision of the Goods and/or Services under this Call Off Contract specified in the Order Form or, where this is used, in Annex 1 to Part A of Call Off Schedule B3 (Service Levels, Service Credits and

	Performance Monitoring);
"Service Period"	shall have the meaning given to in paragraph 5.1 of Call Off Schedule B3 (Service Levels, Service Credits and Performance Monitoring);

Associated Schedule included below

CALL OFF SCHEDULE B3: SERVICE LEVELS, SERVICE CREDITS AND PERFORMANCE MONITORING

1. SCOPE

1.1 This Call Off Schedule B3 (Service Levels, Service Credits and Performance Monitoring) sets out the Service Levels which the Supplier is required to achieve when providing the Services, the mechanism by which Service Level Failures and Critical Service Level Failures will be managed and the method by which the Supplier's performance in the provision by it of the Services will be monitored.

1.2 This Call Off Schedule comprises:

1.2.1 Part A: Service Levels and Service Credits;

1.2.2 Annex 1 to Part A - Service Levels and Service Credits Table;

1.2.3 Annex 2 to Part A – Critical Service Level Failure;

1.2.4 Part B: Performance Monitoring; and

1.2.5 Annex 1 to Part B: Additional Performance Monitoring Requirements

PART A: SERVICE LEVELS AND SERVICE CREDITS

2. GENERAL PROVISIONS

2.1 The Supplier shall provide a proactive Call Off Contract manager to ensure that all Service Levels in this Call Off Contract and Key Performance Indicators in the Framework Agreement are achieved to the highest standard throughout, respectively, the Call Off Contract Period and the Framework Period.

2.2 The Supplier shall provide a managed service through the provision of a dedicated Call Off Contract manager where required on matters relating to:

2.2.1 Supply performance;

2.2.2 Quality of Goods and/or Services;

2.2.3 Customer support;

2.2.4 Complaints handling; and

2.2.5 Accurate and timely invoices.

2.3 The Supplier accepts and acknowledges that failure to meet the Service Level Performance Measures set out in the table in Annex 1 to this Part A of this Call Off Schedule will result in Service Credits being issued to Customers.

3. PRINCIPAL POINTS

3.1 The objectives of the Service Levels and Service Credits are to:

3.1.1 ensure that the Services are of a consistently high quality and meet the requirements of the Customer;

3.1.2 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 it has contracted to deliver; and

3.1.3 incentivise the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

4. SERVICE LEVELS

4.1 Annex 1 to this Part A of this Call Off Schedule sets out the Service Levels the performance of which the Parties have agreed to measure.

4.2 The Supplier shall monitor its performance of this Call Off Contract by reference to the relevant performance criteria for achieving the Service Levels shown in Annex 1 to this Part A of this Call Off Schedule (the "Service Level Performance Criteria") and shall send the Customer a Performance Monitoring Report detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Call Off Schedule.

4.3 The Supplier shall, at all times, provide the Services in such a manner that the Service Levels Performance Measures are achieved.

4.4 If the level of performance of the Supplier of any element of the provision by it of the Services during the Call Off Contract Period:

4.4.1 is likely to or fails to meet any Service Level Performance Measure or

4.4.2 is likely to cause or causes a Critical Service Level Failure to occur,

the Supplier shall immediately notify the Customer in writing and the Customer, in its absolute discretion and without prejudice to any other of its rights howsoever arising including under Clause B.3 (Service Levels and Service Credits), may:

a) require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Customer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring; and

b) if the action taken under paragraph a) above has not already prevented or remedied the Service Level Failure or Critical Service Level Failure, the Customer shall be entitled to instruct the Supplier to comply with the Rectification Plan Process; or

c) if a Service Level Failure has occurred, deduct from the Call Off Contract Charges the applicable Service Level Credits payable by the Supplier to the Customer in accordance with the calculation formula set out in Annex 1 of this Part A of this Call Off Schedule; or

d) if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure in accordance with Clause B.3.4 (Critical Service Level Failure) (including subject, for the avoidance of doubt, the proviso in Clause **Error! Reference source not found.** in relation to Material Breach).

4.5 Approval and implementation by the Customer of any Rectification Plan shall not relieve the Supplier of any continuing responsibility to achieve the Service Levels, or remedy any failure to do so, and no estoppels or waiver shall arise from any such Approval and/or implementation by the Customer.

5. SERVICE CREDITS

5.1 Annex 1 to this Part A of this Call Off Schedule sets out the formula used to calculate a Service Credit payable to the Customer as a result of a Service Level Failure in a given service period which, for the purpose of this Call Off Schedule, shall be a recurrent period of [one Month] during the Call Off Contract Period (the "Service Period").

5.2 Annex 1 to this Part A of this Call Off Schedule includes details of each Service Credit available to each Service Level Performance Criterion if the applicable Service Level Performance Measure is not met by the Supplier.

5.3 The Customer shall use the Performance Monitoring reports supplied by the Supplier under Part B (Performance Monitoring) of this Call Off Schedule to verify the calculation and accuracy of the Service Credits, if any, applicable to each relevant Service Period.

5.4 Service Credits are a reduction of the amounts payable in respect of the Services and do not include VAT. The Supplier shall set-off the value of any Service Credits against the appropriate invoice in accordance with calculation formula in Annex 1 of Part A of this Call Off Schedule.

6. NATURE OF SERVICE CREDITS

6.1 The Supplier confirms that it has modelled the Service Credits and has taken them into account in setting the level of the Call Off Contract Charges. Both Parties agree that the Service Credits are a reasonable method of price adjustment to reflect poor performance.

ANNEX 1 TO PART A: SERVICE LEVELS AND SERVICE CREDITS TABLE

Service Level Performance Criterion	Key Indicator	Service Level Performance Measure	Service Credit for each Service Period
Accurate and timely billing of Customer	Accuracy /timelines 2 days	at least 98% at all times	0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
Access to Customer support	Availability 2 days	at least 98% at all times	0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
Complaints handling	Availability/timelines 2 days	At least 98% at all times	0.5% Service Credit gained for each percentage under the specified Service Level Performance Measure
Provision of specific Services	Quality	at least 98% at all times	2% Service Credit gained for each percentage under the specified Service Level Performance Measure
Timely provision of the Services [8 hours a day, 5 days a week.]	Services availability 2 days	at least 98% at all times	2% Service Credit gained for each percentage under the specified Service Level Performance Measure