

SCHEDULE 2.6

IMPROVEMENT

1. INTRODUCTION

- 1.1 As the Authority operates in a constantly changing environment and such change may directly affect the delivery of the Services, the Supplier agrees that the Services will be performed as necessary by the Supplier to meet the Authority's evolving needs in accordance with the provisions of this Schedule and this Agreement. In particular, as set out in more detail below, the Supplier shall:
- 1.1.1 use generally acknowledged advancements and improvements in the methods it employs to deliver the Services;
 - 1.1.2 be pro-active in identifying innovative technological advancements and improvements and, with the agreement of the Authority, shall from time to time propose such advancements and improvements to the Authority; and
 - 1.1.3 consider and submit proposals for improving the Services and the delivery of the Services.
- 1.2 It is acknowledged by the Supplier that the technologies employed and required by the Authority will continue to evolve and change over the Term. The Supplier shall consider, propose, implement and/or support any changes in technology in accordance with this Schedule and this Agreement.
- 1.3 To the extent not restricted under the terms of its contracts with other customers, the Supplier shall pass on to the Authority any best practices implemented by the Supplier for its other customers that are relevant to the Authority or the provision of the Services. The Supplier shall also inform the Authority and make available to the Authority any benefits from any sharing of other non-operational services provided by the Supplier to other customers (including shared services such as training).

2. THE IMPROVEMENT PLAN

- 2.1 The Supplier shall on an ongoing basis analyse ideas for improvements to the Services or delivery of the Services raised from a variety of sources such as, but not limited to:
- 2.1.1 root cause analysis and trend analysis;
 - 2.1.2 Candidate Feedback;
 - 2.1.3 analysis of trends in service delivery including from service operations undertaken by the Supplier for other customers;
 - 2.1.4 analysis of metrics and balanced scorecard results;
 - 2.1.5 publicly available recommendations, reports and findings from special interest groups;

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- 2.1.6 the internal audit findings of the Authority and the Supplier;
 - 2.1.7 best practice ideas of the Authority and the Supplier;
 - 2.1.8 innovative ideas from the Authority or Supplier; and
 - 2.1.9 the findings of any benchmarking exercises.
- 2.2 From undertaking the analysis of trends in service delivery and sources as described in Paragraph 2.1 above the Supplier will, twice annually or as otherwise requested by the Authority, develop and deliver a plan in a format approved by the Authority (the "**Improvement Plan**") to identify and timetable the implementation of changes and improvements in the Services or the delivery of the Services in light of the Authority's needs as communicated to the Supplier by the Authority from time to time.
- 2.3 The Improvement Plan shall also include a consideration of any Performance Indicators which should and/or could be improved. The Supplier shall consider its performance under the Performance Indicators and shall consult with the Authority as to any priorities in improving specific Performance Indicators as well as for introducing or modifying Performance Indicators.
- 3. TECHNOLOGY EVOLUTION**
- 3.1 Throughout the Term, and separate to the Supplier's obligations in Paragraph 2, the Supplier shall:
- 3.1.1 identify and, with the Authority's approval or at the Authority's request, implement technology evolution that either the Supplier or the Authority considers, on reasonable grounds, is likely to:
 - 3.1.1.1 ensure that the technology used in the provision and receipt of the Services keeps pace with technology advancements or improvements generally available to other recipients or suppliers of services similar to the Services;
 - 3.1.1.2 improve the efficiency and effectiveness of the Services (including by making cost savings);
 - 3.1.1.3 result in cost savings or revenue increases to the Authority in areas of its operations outside the receipt of the Services; and/or
 - 3.1.1.4 enhance the Authority's ability to conduct its operations;
 - 3.1.2 where requested by the Authority reasonably and in good faith:
 - 3.1.2.1 provide such advice as can be expected from an experienced professional provider of services equivalent to the Services (with the skill, expertise and market knowledge as would be reasonably expected from such provider) in relation to the potential risks and/or advantages implementing or not implementing technology advancements or improvements and

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provide a report in a format approved by the Authority to document such advice; and

- 3.1.2.2 demonstrate how the Supplier would implement that new technology as part of the Services and what effect (if any) such implementation is likely to have on the direction of the Authority's then current strategy.

- 3.2 The implementation of such technology evolution under this Paragraph 3 will be effected in accordance with the Operational Change procedure in Schedule 8.2 (*Change Control Procedure*) unless otherwise agreed by the Parties.

4. INNOVATION

- 4.1 The Supplier will be proactive in identifying for the Authority's approval opportunities to implement new technologies (distinct from those technology evolutions identified in Paragraph 3) or new business processes that will improve the delivery of the Services, enable the Services to be provided at a reduced cost to Authority, and/or have a positive impact on the Authority's operations.
- 4.2 The Supplier will prepare appropriate business cases for the "pilot" or "proof of concept" phase for each proposed new technology or business process that it identifies that will benefit the Authority, such business case to include (at the Authority's discretion) at least: a brief description of the proposal, details of the cost of implementation, the potential benefit to be gained, how the benefits of the pilot or proof of concept will be measured/monitored, and a definition of relevant stakeholders and sign-off authorities. The Supplier will present such business cases to the relevant governance forum for its consideration, but the decision as to whether to implement any new technology or business process shall be made by the Authority, at its absolute discretion.
- 4.3 Authority may, throughout the Term, maintain an innovation fund for use by Authority and Supplier in any pilot or proof of concept phase of any innovation initiative presented to Authority by Supplier in accordance with paragraph 4.2 above ("**Innovation Fund**"). Supplier shall request access to the Innovation Fund within the business case provided for each such innovation initiative, and Authority may, in its sole discretion, permit access to the Innovation Fund for use in the relevant pilot activities.
- 4.4 The full implementation of such innovation initiative under this Paragraph 4, following a successful pilot phase, will be effected in accordance with the Operational Change procedure in Schedule 8.2 (*Change Control Procedure*) unless otherwise agreed by the Parties.