

Call-Off Schedule 14 (Service Levels)

1. Definitions

1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

“Critical Service Level Failure”	has the meaning given to it in the Order Form;
"Service Credits"	any service credits specified in the Annex to Part A of this Schedule being payable by the Supplier to the Buyer in respect of any failure by the Supplier to meet one or more Service Levels;
"Service Credit Cap"	has the meaning given to it in the Order Form;
"Service Level Failure"	means a failure to meet the Service Level Performance Measure in respect of a Service Level;
"Service Level Performance Measure"	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule; and
"Service Level Threshold"	shall be as set out against the relevant Service Level in the Annex to Part A of this Schedule;
“Compensation for Critical Service Level Failure”	has the meaning given to it in Paragraph 3.2 of this Schedule;
“Performance Monitoring Reports”	has the meaning given to it in Paragraph 3.2 of Part B of this Schedule;
“Performance Review Meetings”	has the meaning given to it in Paragraph 3.3 of Part B of this Schedule.

2. What happens if you do not meet the Service Levels

- 2.1 The Supplier shall at all times provide the Deliverables to meet or exceed the Service Level Performance Measure for each Service Level.
- 2.2 The Supplier acknowledges that any Service Level Failure shall entitle the Buyer to the rights set out in Part A of this Schedule including the right to any Service Credits and that any Service Credit is a price adjustment and not an estimate of the Loss that may be suffered by the Buyer as a result of the Supplier's failure to meet any Service Level Performance Measure.
- 2.3 The Supplier shall send Performance Monitoring Reports to the Buyer detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.
- 2.4 A Service Credit shall be the Buyer's exclusive financial remedy for a Service Level Failure except where:
 - 2.4.1 the Supplier has over the previous (twelve) 12 Month period exceeded the Service Credit Cap; and/or
 - 2.4.2 the Service Level Failure:
 - (a) exceeds the relevant Service Level Threshold;
 - (b) has arisen due to a Prohibited Act or wilful Default by the Supplier;
 - (c) results in the corruption or loss of any Government Data; and/or
 - (d) results in the Buyer being required to make a compensation payment to one or more third parties; and/or
 - 2.4.3 the Buyer is entitled to or does terminate this Contract pursuant to Clause 10.4 (when CCS or the buyer can end a Contract).
- 2.5 Not more than once in each Contract Year, the Buyer may, on giving the Supplier at least three (3) Months' notice, change the weighting of Service Level Performance Measure in respect of one or more Service Levels and the Supplier shall not be entitled to object to, or increase the Charges as a result of such changes, provided that:
 - 2.5.1 the total number of Service Levels for which the weighting is to be changed does not exceed the number applicable as at the Start Date;
 - 2.5.2 the principal purpose of the change is to reflect changes in the Buyer's business requirements and/or priorities or to reflect changing industry standards; and
 - 2.5.3 there is no change to the Service Credit Cap.

3. Critical Service Level Failure

On the occurrence of a Critical Service Level Failure:

- 3.1 any Service Credits that would otherwise have accrued during the relevant Service Period shall not accrue; and
 - 3.2 the Buyer shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation a sum equal to any 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 paragraph 3 shall be without prejudice to the right of the Buyer to terminate this Contract and/or to claim damages from the Supplier for material Default.

Part A: Service Levels and Service Credits

1. Service Levels

If the level of performance of the Supplier:

- 1.1 is likely to fail or fails to meet any Service Level Performance Measure;
or
- 1.2 is likely to cause or causes a Critical Service Failure to occur,

the Supplier shall immediately notify the Buyer in writing and the Buyer, in its absolute discretion and without limiting any other of its rights, may:

- 1.2.1 require the Supplier to immediately take all remedial action that is reasonable to mitigate the impact on the Buyer and to rectify or prevent a Service Level Failure or Critical Service Level Failure from taking place or recurring;
- 1.2.2 instruct the Supplier to comply with the Rectification Plan Process;
- 1.2.3 if a Service Level Failure has occurred, deduct the applicable Service Level Credits payable by the Supplier to the Buyer; and/or
- 1.2.4 if a Critical Service Level Failure has occurred, exercise its right to Compensation for Critical Service Level Failure (including the right to terminate for material Default).

2. Service Credits

- 2.1 The Buyer shall use the Performance Monitoring Reports supplied by the Supplier to verify the calculation and accuracy of the **Service Credits**, if any, applicable to each Service Period.
- 2.2 Service Credits are a reduction of the amounts payable in respect of the Deliverables 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 the Annex to Part A of this Schedule.

Annex A to Part A: Services Levels and Service Credits Table

1. The list of Service Levels below will apply. Additional Service Levels may be applied in Statements of Work (SOWs). Application of the Service Credits detailed below are at the discretion of the Buyer.
2. These Service Levels are accompanied by the CDIO Standard SLAs that will apply unless informed otherwise by the Buyer, included in Annex B to Part A.
 - 2.1 Minimum service levels will apply to of work in scope of EFS.
 - 2.2 Standards service levels will apply to of work in scope of DPS.
 - 2.3 Summary of these levels are provided in the table below. Full details are available in Attachment 1.

	Minimum	Standard
Support Hours	08:00 - 18:00	07:00-19:00
Hours Per Day	10	12
Supported Days	MTWTFSS	MTWTFSS
Bank Holidays	No	No
Availability Targets	98.5%	99%

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			Service Level Performance Measure				
Service Level Performance Criterion	Description	Service Level Threshold	Inadequate RED (3% Service Credit)	Requires Improvement AMBER (2% Service Credit)	Approaching Target YELLOW (1% Service Credit)	Good Target GREEN	Critical Service Level
Invoicing Accuracy	Suppliers will submit accurate invoices to HMRC via SAP Ariba within the agreed timescale as set out in the Statement of Work with the final invoice submitted within 30 days of the	4 instances within the reporting period	More than two instances within the reporting period where the performance level is not met.	More than one instance within the reporting period where the performance level is not met	One instance within the reporting period where the performance level is not met	100% accuracy and timely receipt	No

Framework Ref: RM6335

Project Version: v1.0

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	Deliverables sign off. Reporting Frequency: Quarterly Service Period: Quarterly						
Statement of Work Impacting Timeline	Time to provide a SoW Impact for Statement of Work request (20 working days) Reporting frequency: Quarterly	40 working days	> 35 Days More than 35 working days	$29 > X \leq 35$ days 29 to 35 working days	$20 > X \leq 28$ days 21 to 28 working days	≤ 20 Days 20 working days or less	Yes

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Ecosystem Partner Passthrough	<p>The Supplier will ensure that a minimum of 10% (by revenue) of the Services are delivered through Ecosystem Partners in its Ecosystem, with a minimum of 1 SMEs, over the term of the contract</p> <p>Reporting frequency: Quarterly</p> <p>Service Period for Service Credit to be applied: Annually</p>	<p>≤5% passthrough</p> <p>Or a failure to passthrough to a minimum of 1 SMEs at any Ecosystem passthrough percentage.</p>	<p>≤15%</p> <p>Less than 5% passthrough to a minimum of 1 SMEs.</p>	$5 \leq X < 7\%$	$7 \leq X < 10\%$	<p>≥10%</p> <p>10% passthrough or more and to a minimum of 1 SMEs.</p>	No
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The Service Credits shall be calculated on the basis of the following formula:

Example:

Formula: (total number of Inadequate failures x 3%) + (total number of Requires Improvement x 2%) + (total number of Approaching Target x 1%)	=	x% of the Charges over the Service Period to the Buyer as Service Credits to be deducted from the next Invoice payable by the Buyer
<p>Worked example: 98% (e.g. Service Level Performance Measure requirement for accurate and timely billing Service Level) - 75% (e.g. actual performance achieved against this Service Level in a Service Period)</p> <p>Worked example:</p> <p>1 Inadequate failure</p> <p>3 Requires Improvement</p> <p>2 Approaching Target</p> <p>$(1 \times 3\%) + (3 \times 2\%) + (2 \times 1\%)$</p>	=	11% of the Charges over the Service Period to the Buyer as Service Credits to be deducted from the next Invoice payable by the Buyer

CDIO Standard SLAs

Service Credits will be calculated and applied as detailed in this schedule.

- Minor failures will incur a 1% Service Credit.
- Major failures will incur a 2% Service Credit.
- Critical failures will incur a 3% Service Credit.

Annex B to Part A: Attachments

Attachment 1: CDIO Service level Model



Attachment 1 CDIO
Service Level Model

Part B: Performance Monitoring

3. Performance Monitoring and Performance Review

- 3.1 Within twenty (20) Working Days of the Start Date the Supplier shall provide the Buyer with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties and the Parties will endeavour to agree such process as soon as reasonably possible.
- 3.2 The Supplier shall provide the Buyer with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 3.3 of Part B of this Schedule which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:
 - 3.2.1 for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;
 - 3.2.2 a summary of all failures to achieve Service Levels that occurred during that Service Period;
 - 3.2.3 details of any Critical Service Level Failures;
 - 3.2.4 for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence, the Service Credits to be applied in respect of the relevant period indicating the failures and Service Levels to which the Service Credits relate; and
 - 3.2.5 such other details as the Buyer may reasonably require from time to time.
- 3.3 The Parties shall attend meetings to discuss Performance Monitoring Reports ("**Performance Review Meetings**") on a Monthly basis. The Performance Review Meetings will be the forum for the review by the Supplier and the Buyer of the Performance Monitoring Reports. The Performance Review Meetings shall:
 - 3.3.1 take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Buyer shall reasonably require;
 - 3.3.2 be attended by the Supplier's Authorised Representative and the Buyer's Authorised Representative; and
 - 3.3.3 be fully minuted by the Supplier and the minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Buyer's Representative and any other recipients agreed at the relevant meeting.
- 3.4 The minutes of the preceding Month's Performance Review Meeting will be agreed and signed by both the Supplier's Representative and the Buyer's Representative at each meeting.

- 3.5 The Supplier shall provide to the Buyer such documentation as the Buyer may reasonably require in order to verify the level of the performance by the Supplier and the calculations of the amount of Service Credits for any specified Service Period.

4. Satisfaction Surveys

- 4.1 The Buyer may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Buyer shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Deliverables which the responses to the satisfaction surveys reasonably suggest are not in accordance with this Contract.