

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 Authority 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.

2. What Happens If You Don't 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 Authority 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 Authority 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 Authority 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 Authority's exclusive financial remedy for a Service Level Failure except where:
- 2.4.1 the Supplier has over the previous 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 Authority being required to make a compensation payment to one or more third parties; and/or
- 2.4.3 the Authority is entitled to or does terminate this Contract pursuant to Clause 10.4 (When the Authority Can End the Contract).
- 2.5 Not more than once in each Contract Year, the Authority may, on giving the Supplier at least 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 Authority'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 Authority 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 Authority 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 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 Authority in writing and the Authority, 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 Authority 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 Authority; 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 Authority 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 the calculation formula in the Annex to Part A of this Schedule.

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

No.	Topic	What is Measured	Green Score	Amber Score	Red Score	Service Credit for Each Service Period
1	Timeliness	All work packages and/or activity commissioned by the Authority to be delivered within agreed timescales.	All Work Packages and/or deliverables delivered within the timescales as agreed with Work Package leads.	Work Packages and/or deliverables delivered between 2-10 Working Days late.	Work Packages and/or deliverables delivered between more than 10 Working Days late.	0.5% Service Credit gained for Amber ratings. 2% Service Credit gained for Red ratings.
2	Quality & Performance	All work packages or activity commissioned by the Authority to be delivered to an acceptable quality standard (in accordance with Clause 3.1 of the Core Terms) with appropriate levels of Authority sign-off.	All Work Packages and/or deliverables created to an acceptable quality standard (in accordance with Clause 3.1 of the Core Terms) within reasonable timelines, as agreed with Work Package leads.	Work Packages and/or deliverables require rework/redrafting due to minor quality issues*.	Work Packages and/or deliverables require significant re-work or redrafting due to quality issues**.	0.5% Service Credit gained for Amber ratings. 2% Service Credit gained for Red ratings
3	Reporting	Management Information and Reporting to be delivered in the agreed timeframes for each Work Package	100% of Management Information/Progress Reports submitted to DESNZ within agreed timeframes.	80% or more of Management Information/ Progress Reports submitted to DESNZ within agreed timeframes	Below 80% of Management Information/ Progress Reports submitted to DESNZ within agreed timeframes	0.5% Service Credit gained for Amber ratings. 2% Service Credit gained for Red ratings

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4a	Social Value Impact Evidence MAC 3.1 - Diverse supply chain	Diverse supply chain creation including SMEs, VCSEs, start-ups and mutuals, with clear engagement, support & opportunities visibility	All planned initiatives delivered per WP: SME mapping completed, engagement event held, Supply Chain Charter (SCC) implemented, and quarterly SME metrics reporting (engagement, contracts, support). Min 70% of suppliers are SMEs.	Most initiatives delivered but with minor delays or partial implementation (e.g. engagement held but low attendance, Supply Chain Charter (SCC) implemented but not monitored). SME metrics reported by incomplete.	Major initiatives not delivered (e.g. no engagement event, Supply Chain Charter (SCC) not implemented), or failure to report SME representation < 50%.	0.5% Service Credit gained for Amber ratings. 2% Service Credit gained for Red ratings
4b	Social Value Impact Evidence MAC 3.4 - Collaboration throughout the supply chain	Evidence of collaboration and fair practices across the supply chain, including feedback mechanisms, SME spend tracking, and awareness building activities.	Supply Chain Charter (SCC) implemented with SME spend tracking, biannual feedback collected and acted upon, annual awareness session held with case studies shared. All team members onboarded to Social Value Delivery Model (SVDM).	Supply Chain Charter (SCC) implemented but feedback or SME spend tracking incomplete or delayed. Awareness session held but with limited participation or impact. Partial onboarding to Social Value Delivery Model (SVDM).	Supply Chain Charter (SCC) not implemented or not followed. No feedback collected or acted upon. No awareness session held. No onboarding to Social Value Delivery Model (SVDM).	0.5% Service Credit gained for Amber ratings. 2% Service Credit gained for Red ratings

* An example of a “minor quality issue” would be viewed as a significant number of typographical errors or formatting inconsistencies.

** An example of a “significant quality issue” would be determined by the level of rework and redrafting required.

The Service Credits shall be calculated on the basis of the following formula:

In this contract Service Credits are only applied to ‘Amber’ or ‘Red’ Service Level Performance Measure failures, with correlating levels of severity.

1. If an ‘Amber’ rating was applied to an SLA, 0.5% Service Credit would be gained.
2. If a ‘Red’ rating was applied to SLA, 2% Service Credit would be gained.

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The Service Credit would subsequently be deducted from the amounts payable during the relevant Service Period. For illustrative purposes, here is an example SLA deduction formula used if an invoice for a Service Period was £100,000:

1. To calculate the 'Amber' deduction from an SLA:
 - a. $0.5\% \text{ of } £100,000 = £500$
 - b. $£100,000 - £500 = £99,500$
 - c. Total payable to Supplier for Service Period: £99,500.
2. To calculate the 'Red' deduction from an SLA:
 - a. $2\% \text{ of } £100,000 = £2000$
 - b. $£100,000 - £2000 = £98,000$.
 - c. Total payable to Supplier for Service Period: £98,000.

The Supplier will be responsible for making the deductions from the relevant invoice.

For the avoidance of doubt, the Supplier shall not be liable for failure to achieve a Service Level for reasons outside of their control.

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Part B: Performance Monitoring

3. Performance Monitoring and Performance Review

- 3.1 Within 20 Working Days of the Start Date the Supplier shall provide the Authority 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 Authority with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to Paragraph 3.1 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;
 - 3.2.5 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
 - 3.2.6 such other details as the Authority 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 Authority of the Performance Monitoring Reports. The Performance Review Meetings shall:
 - 3.3.1 take place within 1 week of the Performance Monitoring Reports being issued by the Supplier at such location and time (within normal business hours) as the Authority shall reasonably require;
 - 3.3.2 be attended by the Supplier's Representative and the Authority's 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 Authority'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 Authority's Representative at each meeting.
- 3.5 The Supplier shall provide to the Authority such documentation as the Authority 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 Authority may undertake satisfaction surveys in respect of the Supplier's provision of the Deliverables. The Authority 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.