**SCHEDULE 5**

**SERVICE LEVELS**

# INTRODUCTION

## This Schedule shall apply to the Operational Services in each Tranche with effect from the Services Effective Date for those Operational Services that is identified in the Go-Live Instruction to Proceed for the applicable Tranche.

## The Service Levels and the performance levels identified as the Expected Service Levels in this Schedule are to facilitate ensuring that the Operational Services are of a consistent quality, delivered on time, and meet the requirements of the Authority.

## The Expected Service Levels that the Supplier must meet or exceed in the delivery of the Operational Services are set out in Appendix 1 of this Schedule. Reference in this agreement to meeting or exceeding a Service Level (or failure to achieve a Service Level) shall be a reference to the meeting or exceeding the Expected Service Level.

## The Supplier’s performance against the Expected Service Levels and whether the Supplier has met or exceeded a Service Level shall be monitored and reported on by the Supplier as set out in paragraph 3 of this Schedule and Appendix 4 of this Schedule.

## This Schedule sets out, without prejudice to any other rights or remedies of the Authority, the provisions that shall apply where the Supplier does not meet or exceed a Service Level, including the Authority’s rights and remedies with respect to:

### Service Points and Service Deductions for certain Service Level Failures; and

### termination of this agreement for Service Level Failures that meet or exceed the Termination Level.

# SERVICE LEVELS

## The Supplier shall provide the Operational Services to meet or exceed the Expected Service Levels set out in Appendix 1 of this Schedule with effect from the applicable Services Effective Date.

# SERVICE LEVEL MONITORING AND REPORTING

## The Supplier’s performance against the Expected Service Levels and whether the Supplier has met or exceeded a Service Level shall be:

### monitored and measured by the Supplier on a per Service Measurement Period basis, as set out in Appendix 4 of this Schedule; and

### reported to the Authority in the Service Level Reports on a per Service Measurement Period basis, as set out in Appendix 4 of this Schedule. Each Service Level Report shall contain the Service Level Report Details.

## The Supplier acknowledges and accepts that complete and accurate Service Level Reports are required to enable the Authority to (amongst others):

### verify the performance of the Operational Services by the Supplier during each Service Measurement Period as against the Service Levels; and

### verify the calculation and accuracy of any Service Points and Service Deductions during each Service Measurement Period.

## If the Supplier fails to provide a Service Level Report or fails to provide a Service Level Report which, in the Authority’s reasonable opinion, complies in all material respects with the requirements of this agreement, the Authority may inform the Supplier in writing of such non-compliance (including details of the non-compliance) (**Service Level Report Non-Compliance**) and the Supplier shall remedy the Service Level Report Non-Compliance by the date the next Service Level Report should be provided by the Supplier.

## Without prejudice to paragraph 3.3 of this Schedule, if the Authority informs the Supplier in writing of Service Level Report Non-Compliance within fourteen (14) days of the date of the Authority’s receipt of the applicable Service Level Report or within fourteen (14) days after the date on which the applicable Service Level Report should have been provided in accordance with this Schedule, and the Supplier fails to remedy such Service Level Report Non-Compliance by the date the next Service Level Report should be provided by the Supplier, then the Authority may withhold an amount up to the Service Deduction Cap until the relevant compliant Service Level Report has been provided to the Authority.

# SERVICE POINTS AND SERVICE DEDUCTIONS

## Service Points accrue with respect to Service Level Failures on a per Service Measurement Period basis as set out in Appendix 2 of this Schedule.

## The Supplier shall, for each Service Measurement Period, calculate the number of Service Points accrued in respect of that Service Measurement Period and report on such Service Points and Service Deductions as set out in Appendix 4 to this Schedule.

## The total number of Service Points that accrue in a Service Measurement Period shall be calculated for the purposes of determining:

### if Service Deductions are payable by the Supplier with respect to the applicable Service Measurement Period. If Service Deductions are payable, the Authority shall be entitled to payment of Service Deductions as set out in paragraph 4.5 of this Schedule; and

### if the Supplier’s performance of the Operational Services has degraded to the Termination Level as set out in Appendix 3 of this Schedule. If the Termination Level is reached, the Authority shall be entitled to terminate this agreement pursuant to Clause 36.1(c).

## The aggregate amount of Service Deductions that may be applied in respect of Service Level Failures in any one Service Measurement Period shall not exceed the applicable Service Deduction Cap.

## Where a sum is expressed to be payable as a Service Deduction, the Supplier and the Authority agree that such Service Deductions shall be:

### at the sole discretion of the Authority, apportioned against the Charges on a monthly basis as a price adjustment against a future invoice (or future invoices, where the Service Deductions exceed the amount of a single invoice) or provided to the Authority in the form of a credit note; or

### where there are insufficient invoices to redeem such Service Deductions against or the Authority elects not to receive a credit note or redeem such Service Deductions against a future invoice, such amount, shall be deemed to be a debt payable by the Supplier to the Authority within thirty (30) days,

### to reflect the actual quality of and/or standard of supply of the Services provided to the Authority.

## The Supplier confirms that it has modelled the Service Deductions and has taken them into account in setting the level of the Charges (as a whole).

## The Service Level Report shall identify the Service Points and Service Deductions (if any) that have accrued in respect of the relevant Service Measurement Period. If at any time there is any Dispute from the Authority as to the calculation of Service Points and/or Service Deductions, the Authority may refer the Dispute to the Authorised Representatives of each party in accordance with the Dispute Resolution Procedure who shall meet as soon as practicable and in good faith attempt to resolve the Dispute.

# SERVICE LEVEL FAILURE ESCALATIONS

## If, in the reasonable opinion of the Authority, a Service Level Failure occurs which has the potential to have (either alone or in combination with other Service Failures) more than a negligible adverse impact on the Services and/or business operations of the Authority then, at the request of the Authority, such issue (**Escalation Issue**) shall be referred to the persons referred to in the table below (**Escalation Representatives**) for resolution.

|  |  |  |
| --- | --- | --- |
| **Escalation Level** | **Supplier Representative** | **Authority Representative** |
| 1st Level | Service Manager | The Authority service manager (or replacement notified by the Authority from time to time) |
| 2nd Level | Account Manager | The Authority Head of IS (or replacement notified by the Authority from time to time) |
| 3rd Level | Service Director | The Authority Chief Operating Officer (or replacement notified by the Authority from time to time) |

## The Authority shall be entitled to require that the Escalation Representatives meet in person or by telephone to discuss the Escalation Issue. The meeting (by call or in person) shall take place at such time and location as the Authority shall reasonably require having regard to the applicable circumstances and the impact that the applicable Service Level Failure is having (or has the potential to have) upon the Services and/or the Authority’s business operations. At such meeting the Supplier’s Escalation Representative shall notify the Authority of the steps that the Supplier is taking so as to comply with its obligations under Clause 11.2. At the Authority’s request the Supplier shall procure the participation of appropriate technical personnel of the Supplier at any meeting to discuss an Escalation Issue.

## Should in the opinion of the Authority an Escalated Issue not be being progressed in an appropriate manner by the Supplier, then at the Authority’s request the Escalated Issue shall be transferred to the Escalation Representative at the next Escalation Level and the provisions of paragraphs 5.1 and 5.2 of this Schedule shall apply mutatis mutandis.

## If the Supplier’s performance as against any or the Expected Service Levels degrades to the extent that it is having, in the reasonable opinion of the Authority, a material adverse impact on the Authority, then at its discretion, the Authority may require a Joint Review of the Supplier’s performance against any or all Expected Service Levels from time to time, such review to be held within ten (10) Working Days after the end of a Service Measurement Period (**Joint Review**). For the avoidance of doubt, each party shall use reasonable endeavours to minimise cost and disruption to the other party during the Joint Review. The Supplier shall ensure that its Service Manager (and any other Escalation Representative) is available to and shall participate fully in such Joint Review.

# INCIDENT MANAGEMENT

## **Reporting Incidents**

## The Supplier shall ensure that Users are able to submit Incidents to one or more points of contact that are available via telephone, email or the portal (**Help Desk**) at all times during Service Hours to receive and record Priority Level 1 Incidents, Priority Level 2 Incidents, Priority Level 3 Incidents and Priority Level 4 Incidents submitted by Users.

## The Supplier shall ensure that Users are at all times able to submit on a 24x7 Basis Priority Level 1 Incidents and Priority Level 2 Incidents via the portal or email (**Automated Monitoring System**) and shall ensure that the Automated Monitoring System is available at all such times to receive and record such Priority Level 1 Incidents and Priority Level 2 Incidents.

## If a User submits a Priority Level 3 Incident or Priority Level 4 Incident to the Automated Monitoring System outside Service Hours, the Supplier shall ensure that such Incident is submitted to the Help Desk on behalf of the User at the start of the first hour of the next Service Hours (being at 7:00 (GMT)).

## The Supplier shall actively monitor the Supplied System and the performance of any Services to detect all Incidents. Without prejudice to paragraph 6.11 of this Schedule, each time the Supplier detects an Incident that has not been submitted by a User (**Supplier Spotted Incident**), the Supplier shall immediately inform the Authority Service Line of the Supplier Spotted Incident and so far as the Supplier is aware, each User that is affected by the Supplier Spotted Incident and log the Supplier Spotted Incident. Each time the Supplier informs the Service Manager or an affected User, the Supplier shall include the Supplier Spotted Incident Details.

**Priority Level of Incidents**

## Each Incident submitted by a User to the Help Desk or via the Automated Monitoring System shall be assigned the Priority Level allocated by the User at the time of submission (having regard to the Priority Level Classifications set out in Appendix 5 of this Schedule). If a User does not allocate a Priority Level to an Incident at the time that the Incident is submitted to the Help Desk or via the Automated Monitoring System, the Incident shall be allocated a Priority Level 3 (P3) by default.

## Each time the Supplier detects a Supplier Spotted Incident, the Incident shall be assigned the Priority Level allocated by the Supplier at the time of logging the Incident (having regard to the Priority Level Classifications set out in Appendix 5 of this Schedule).

## Should the Supplier become aware of any facts or circumstances that make it appropriate to:

### increase the Priority Level allocated to an Incident, the Supplier shall notify the User that submitted the Incident (or the Authority Service Line, for a Supplier Spotted Incident) within thirty (30) minutes of becoming aware of such facts or circumstances, and immediately log the change in Priority Level; or

### decrease the Priority Level allocated to an Incident, the Supplier shall notify the User that submitted the Incident (or the Authority Service Line, for a Supplier Spotted Incident) as soon as reasonably practicable after becoming aware of such facts or circumstances and shall request the written consent of the User that submitted the Incident (or the Authority Service Line, for a Supplier Spotted Incident) to such decrease in Priority Level.

## For the avoidance of doubt, if there is any decrease to a Priority Level 1 Incident (P1) or Priority Level 2 Incident (P2) or any increase of a Priority Level 3 Incident (P3), then the Supplier shall notify the Authority in accordance with paragraph 6.10 of this Schedule. Should the Authority at any time, acting reasonably, believe that an Incident requires an increase or decrease to its allocated Priority Level, the Authority may require the Supplier to increase or decrease the Priority Level assigned to the Incident by notifying the Supplier in writing. Should the Authority notify the Supplier of any required increase or decrease in the Priority Level assigned to the Incident, the Supplier shall immediately log such increase or decrease and thereafter act on the basis of the change in Priority Level with respect to such Incident.

## **Responding to Incidents**

## The Supplier shall Respond to each Incident (having regard to the allocated Priority Level) in accordance with the Incident Response Time Requirement Service Levels in Appendix 1 to this Schedule.

## Without prejudice to paragraph 6.9 of this Schedule, the Supplier shall immediately notify the Service Manager if a Priority Level 1 Incident or Priority Level 2 Incident is submitted to the Help Desk or via the Automated Monitoring System or otherwise detected by the Supplier as a Supplier Spotted Incident. If there is any decrease to a Priority Level 1 Incident (P1) or Priority Level 2 Incident (P2) or any increase of a Priority Level 3 Incident (P3), including the reasons for the increase or decrease to the Priority Level and if there is a decrease to the Priority Level, the identity of the person that approved the decrease.

## **Resolution of Incidents**

## The Supplier shall Resolve each Incident (having regard to the allocated Priority Level) in accordance with the Incident Resolution Time Requirement Service Levels in Appendix 1 to this Schedule.

## The Supplier shall provide updates with respect to the progress of the Resolution of each Priority Level 1 Incident and Priority Level 2 Incident in accordance with the Incident updates set out in the table below. Each Incident update shall include feedback regarding the actions that the Supplier has taken in an attempt to effect a Resolution of the Incident, suspected root cause (if known) and a confirmation of when a Resolution is likely to be effected.

|  |  |
| --- | --- |
| **Priority Level** | **Incident updates** |
| Priority Level 1 (P1) | Every thirty (30) minutes (on a 24x7 Basis) until the Incident is Resolved. |
| Priority Level 2 (P2) | Every thirty (30) minutes (on a 24x7 Basis) until the Incident is Resolved. |

## The Authority may at any time notify the Supplier that it requires Incident updates with respect to the progress of:

### Priority Level 1 Incidents and Priority Level 2 Incidents at alternative intervals to those set out in the table above; and/or

### Priority Level 3 Incidents and/or Priority Level 4 Incidents at intervals as is required by the Authority from time to time.

## The Supplier shall promptly notify the Authority if the Supplier estimates that the Resolution of an Incident shall not be in accordance with the Incident Resolution Time Requirement Service Levels.

## Each time an Incident is Resolved, the Supplier shall notify the User that submitted the Incident (or the Authority Service Line, for a Supplier Spotted Incident) to confirm closure of the Incident. If multiple Incidents are linked with each other, closure of the "parent" Incident shall automatically constitute closure of all related "child" Incidents if all Incidents under a "child" ticket are Resolved in full.

## Following Resolution of a Priority Level 1 Incident or Priority Level 2 Incident, the Supplier shall provide to the Authority Service Line (with a copy to the Authority service manager) within ten (10) Working Days of Resolution, a report providing details of the Incident and remedial action taken to Resolve the Incident (**Major Incident Report**). The Major Incident Report shall detail:

### an Incident summary (for example Incident reference and description and Service/component name);

### the root cause;

### business impact, for example impact on Services, systems and components, Incident start and end times and total time Unavailable (whether as a result of Scheduled Maintenance or otherwise);

### lessons learned;

### details of corrective action taken to Resolve and preventative actions to prevent future occurrences;

### a chronology of the Incident; and

### such other information as the Authority shall reasonably require.

## **Unresolved Incidents**

## Should the Supplier fail to Respond to or Resolve any Incident in accordance with the Response Time Requirement or Resolution Time Requirement (as the context requires), the Supplier shall continue to use all reasonable endeavours to Respond to or Resolve the Incident (as the context requires) as soon as reasonably practicable.

## Should the Resolution of a Priority Level 1 Incident or Priority Level 2 Incident not be in accordance with the Incident Resolution Time Requirement Service Levels, then escalation within the Supplier’s organisation shall take place in accordance with the timescales set out table below:

| **Supplier Role** | **Priority Level 1****Timescale for escalation to next Supplier Role** | **Priority Level 2****Timescale for escalation to next Supplier Role** |
| --- | --- | --- |
| Service Manager | Immediate (on a 24x7 Basis) upon failure to achieve the Resolution Time Requirement | Immediate (on a 24x7 Basis) upon failure to achieve the Resolution Time Requirement |
| Account Manager | Two (2) hours (on a 24x7 Basis) from failure to achieve the Resolution Time Requirement | Four (4) hours (on a 24x7 Basis) from failure to achieve the Resolution Time Requirement |
| Service Director | Four (4) hours (on a 24x7 Basis) from failure to achieve the Resolution Time Requirement | Eight (8) hours (on a 24x7 Basis) from failure to achieve the Resolution Time Requirement |
| Managing Director/CEO | Six (6) hours (on a 24x7 Basis) from failure to achieve the Resolution Time Requirement | Twelve (12) hours (on a 24x7 Basis) from failure to achieve the Resolution Time Requirement |

## Should escalation of a Priority Level 1 Incident or Priority Level 2 Incident occur, the Supplier shall ensure that each person involved in a previous escalation step remains involved in all communications throughout the full duration of the Resolution of that Incident, including each subsequent escalation step / discussions.

## In addition to the escalation procedures referred to in paragraphs 6.18 and 6.19, the Authority shall be entitled to require the participation of the appropriate Supplier technical personnel and senior management of the Supplier in a telephone conference call with the Authority in order to discuss progress with respect to the Resolution of the Incident for any Priority Level 1 Incident, or Priority Level 2 Incident.

## The Authority may, at any time notify the Supplier that it requires Incident escalation at alternative intervals to those set out in the table above.

**APPENDIX 1**

**EXPECTED SERVICE LEVELS**

# INCIDENT RESPONSE AND RESOLUTION SERVICE LEVELS

## The Supplier shall ensure that it Responds to all Incidents and that all Incidents are Resolved, to meet or exceed the applicable Expected Service Level during each Service Measurement Period set out in the table below.

| **No.** | **Service Level \*** | **Expected Service Level** |
| --- | --- | --- |
| **Incident Response Time Requirement \*\*** |
| 1. | Incident Response Service Level – Priority Level 1 (P1) \*\*\* | Response to the Incident within fifteen (15) minutes (on a 24x7 Basis) after the Relevant Start Time.  |
| 2. | Incident Response Service Level – Priority Level 2 (P2) \*\*\* | Response to the Incident within fifteen (15) minutes (on a 24x7 Basis) after the Relevant Start Time. |
| 3. | Incident Response Service Level – Priority Level 3 (P3) \*\*\*\* | Response to the Incident within one (1) Service Hour after the Relevant Start Time. |
| 4. | Incident Response Service Level – Priority Level 4 (P4) \*\*\*\* | Response to the Incident within one (1) Service Hour after the Relevant Start Time. |
| **Incident Resolution Time Requirement \*\*** |
| 5. | Incident Resolution Service Level – Priority Level 1 (P1) \*\*\* | Resolved no later than four (4) hours (on a 24x7 Basis) after the Relevant Start Time. |
| 6. | Incident Resolution Service Level – Priority Level 2 (P2) \*\*\* | Resolved no later than twelve (12) hours (on a 24x7 Basis) after the Relevant Start Time. |
| 7. | Incident Resolution Service Level – Priority Level 3 (P3) \*\*\*\* | Resolved no later than forty-eight (48) Service Hours after the Relevant Start Time. |
| 8. | Incident Resolution Service Level – Priority Level 4 (P4) \*\*\*\* | Resolved no later than seventy-two (72) Service Hours after the Relevant Start Time.  |

**\*** The Expected Service Level for the Incident Response Time Requirement and Incident Resolution Time Requirement shall apply to each and every Incident and, should an Incident fall within one or more Priority Level Classifications, only the allocated Priority Level from time to time in accordance with this Schedule and associated Service Level shall apply.

## **\*\*** The **Relevant Start Time** shall be the time that the Incident is submitted by or on behalf of a User to the Help Desk or via the Automated Monitoring System (or for Supplier Spotted Incidents, the **Relevant Start Time** shall be the time that the Supplier becomes aware of the Incident).

**\*\*\*** The Expected Service Level for the Incident Response Time Requirement and Incident Resolution Time Requirement for Priority Level 1 Incidents (P1) and Priority Level 2 Incidents (P2) shall at all times continue to run from the Relevant Start Time on a 24x7 Basis (irrespective of whether or not the Relevant Start Time is during Service Hours and irrespective of whether or not the time to Respond to the Incident or Resolve the Incident would be during Service Hours).

**\*\*\*\*** The Expected Service Level for the Incident Response Time Requirement and Incident Resolution Time Requirement for Priority Level 3 Incidents (P3) and Priority Level 4 Incidents (P4) shall run from the Relevant Start Time and shall continue to run during Service Hours only (and shall only require the Supplier to Respond to the Incident or Resolve the Incident during Service Hours).

# AVAILABILITY SERVICE LEVELS

## The Supplier shall ensure that DSM Availability Service Level and DSM Back Office System Availability Service Level (**Availability Service Levels**) meet or exceed the applicable Expected Service Level during each Service Measurement Period set out in the table below.

| **No.** | **Service Level**  | **Expected Service Level** |
| --- | --- | --- |
| 1. | DSM Availability | Average Availability for all DSMs (in aggregate) shall be equal to or greater than 99.9% (on a 24x7 Basis) during each Service Measurement Period. |
| 2. | DSM Back Office System Availability | Availability for the DSM Back Office System shall be equal to or greater than 99.5% (on a 24x7 Basis) during each Service Measurement Period. |

## For the purposes of the DSM Availability Service Level:

### **Available** means that the relevant DSM meets each of the following components:

#### has power;

#### has working GPS tracking; and

#### the Five Core Service Components and reporting of Data / Metrics is/are available such that they can be accessed and used with no loss of performance (including processing) or functionality (other than an immaterial loss of performance or functionality that has no adverse impact upon the operation of the relevant Franchised Bus, the Services and/or the DSM Back Office System),

#### and reference to **Availability** shall be constructed accordingly; and

### For the avoidance of doubt,the DSMs shall be deemed Available during periods of Scheduled Maintenance (and accordingly such periods shall be included within the calculation of the DSM Availability Service Level, subject to such Scheduled Maintenance being approved by the Authority in accordance with paragraph 2.4 of this Appendix 1).

### the measure of Availability is summarised by the below formula:

$$\left(\frac{AT+SM}{\left(MT x DSM\right)}\right) x 100=DSM Availability$$

### where:

### **AT** =the actual total amount of time (hours, minutes and seconds) during the Service Measurement Period that all the DSMs are actually Available (in aggregate);

### **SM** =the total amount of Scheduled Maintenance (hours, minutes and seconds) for all DSMs (in aggregate) during the applicable Service Measurement Period that is approved by the Authority in accordance with paragraph 2.4 of this Appendix 1;

### **MT** =the maximum total amount of time (hours, minutes and seconds) during the Service Measurement Period that a DSM could be Available if the DSM was Available on a 24x7 Basis during the Service Measurement Period; and

### **DSM** =the number of DSMs in the Service Measurement Period.

## For the purposes of the DSM Back Office System Availability Service Level:

### **Available** means that the DSM Back Office System meets each of the following components: is available such that its functionality (including its ability to receive, process and report on the Data / Metrics received from each DSM) can be accessed and used by all Users with no loss of performance (including processing) or functionality (other than an immaterial loss of performance or functionality that has no adverse impact upon the operation of the Services and/or the DSM Back Office System), and reference to **Availability** shall be constructed accordingly; and

### For the avoidance of doubt,the DSM Back Office System shall be deemed Available during periods of Scheduled Maintenance (and accordingly such periods shall be included within the calculation of the DSM Back Office System Availability Service Level, subject to such Scheduled Maintenance being approved by the Authority in accordance with paragraph 2.4 of this Appendix 1).

### the measure of Availability is summarised by the below formula:

$$\left(\frac{(AT+SM)}{MT}\right) x 100=DSM Back Office System Availability$$

### where:

### **AT** =the total amount of time (hours, minutes and seconds) during the Service Measurement Period that the DSM Back Office System is actually Available;

### **SM** =the total amount of Scheduled Maintenance (hours, minutes and seconds) during the applicable Service Measurement Period that is approved by the Authority in accordance with paragraph 2.4 of this Appendix 1; and

### **MT** =the maximum total amount of time (hours, minutes and seconds) during the Service Measurement Period that the DSM Back Office System could be Available if there was no Scheduled Maintenance and if the DSM Back Office System was Available on a 24x7 Basis during the Service Measurement Period.

## The Supplier shall be relieved of its liability in respect of any failure to meet or exceed the Availability Service Levels if, and to the extent, such failure is attributable to periods of Scheduled Maintenance approved by the Authority in accordance with this paragraph 2.4 during the applicable Service Measurement Period (and accordingly such periods of Scheduled Maintenance shall be included within the calculation of the applicable Availability Service Level).

## All Scheduled Maintenance is subject to the prior written consent of the Authority.

## The Supplier shall use reasonable endeavours to ensure that any request for Scheduled Maintenance:

### provides the Authority with not less than fourteen (14) Working Days prior written notice in respect of the requirement for Scheduled Maintenance; and

### the Scheduled Maintenance is started and completed outside Service Hours,

### and accordingly, where the requirements under paragraphs 2.6 (a) and (b) above are met and the duration of the Scheduled Maintenance period is reasonable in the opinion of the Authority (having regard to the duration of the Scheduled Maintenance both individually and collectively when considered alongside all other Scheduled Maintenance periods (if any) within a period of thirty (30) days before or after, the date of such requested Scheduled Maintenance period), the Authority shall not unreasonably withhold its consent to such Scheduled Maintenance.

**APPENDIX 2**

**SERVICE POINTS**

# SERVICE POINTS

## Service Points shall accrue with respect to Service Level Failures on a per Service Measurement Period basis as set out in this Appendix 2.

## Each Service Point equates to the greater of:

### one hundred pounds sterling (£100); and

### half a percent (0.5%) of the Operational Charges in respect of the applicable Service Measurement Period.

## Without prejudice to Clause 11.4, the aggregate total value of any Service Deductions in any one Service Measurement Period will be capped at ten thousand pounds sterling (£10,000) in respect of that Service Measurement Period (**Service Deduction Cap**).

| **No.** | **Service Level** | **Service Points** |
| --- | --- | --- |
| **Incident Response Service Levels** |
| 1. | Incident Response Service Level – Priority Level 1 (P1) | 1 Service Points for each Priority Level 1 Incident (P1) that is not Responded to within the requisite Response Time Requirement. |
| 2. | Incident Response Service Level – Priority Level 2 (P2) | 1 Service Point for each Priority Level 2 Incident (P2) that is not Responded to within the requisite Response Time Requirement. |
| 3. | Incident Response Service Level – Priority Level 3 (P3) | 1 Service Point if less than 95% of all Priority Level 3 Incidents (P3) during a Service Measurement Period are Responded to within their requisite Response Time Requirement. |
| 4. | Incident Response Service Level – Priority Level 4 (P4) | 1 Service Point if less than 95% of all Priority Level 4 Incidents (P4) during a Service Measurement Period are Responded to within their requisite Response Time Requirement. |
| **Incident Resolution Service Levels** |
| 5. | Incident Resolution Service Level – Priority Level 1 (P1) | 10 Service Points for each Priority Level 1 Incident (P1) that is not Resolved within the requisite Resolution Time Requirement.Additional 2 Service Points for each thirty (30) minute period (or part thereof) after the requisite Resolution Time Requirement (on a 24x7 Basis) that the Priority 1 Incident (P1) remains Unresolved. |
| 6. | Incident Resolution Service Level – Priority Level 2 (P2) | 5 Service Points for each Priority Level 2 Incident (P2) that is not Resolved within the requisite Resolution Time Requirement. Additional 1 Service Point for each thirty (30) minute period (or part thereof) after the requisite Resolution Time Requirement (on a 24x7 Basis) that the Priority 2 Incident (P2) remains Unresolved. |
| 7. | Incident Resolution Service Level – Priority Level 3 (P3) | 10 Service Points if less than 95% of all Priority Level 3 Incidents (P3) during a Service Measurement Period are Resolved within their requisite Resolution Time Requirement. |
| 8. | Incident Resolution Service Level – Priority Level 4 (P4) | 2 Service Points if less than 95% of all Priority Level 4 Incidents (P4) during a Service Measurement Period are Resolved within their requisite Resolution Time Requirement. |
| **Availability Service Levels** |
| 9. | DSM Availability | 1 Service Point for each 0.01% (or part thereof) below the Expected Service Level for the DSM Availability Service Level. |
| 10. | DSM Back Office System Availability  | 5 Service Point for each 0.01% (or part thereof) below the Expected Service Level for the DSM Back Office System Availability Service Level.  |

APPENDIX 3

**TERMINATION LEVEL**

# TERMINATION LEVEL

## Without prejudice to any other rights or remedies of the Authority under this agreement, the Authority shall be entitled to terminate this agreement if:

### the Supplier accrues more than 200 Service Points in aggregate in a Service Measurement Period (**In Month FT Right**); or

### the Supplier accrues 100 Service Points or more four times in any six-month period (**HY FT Right**).

## The Authority shall not exercise its In Month FT Right or HY FT Right (as the context requires) if, in the applicable circumstances, the Supplier demonstrates to the Authority’s reasonable satisfaction within three (3) days of the expiry of the applicable SMP (**Default SMP**) that the issues that gave rise to the degradation of performance of the Operational Services to the applicable trigger level are capable of remedy prior to the expiry of the SMP immediately following the Default SMP (**Next SMP**) and that the Supplier will remedy said issues during said period. Should the trigger level be reached during the Next SMP then the Authority shall be entitled to exercise the applicable remedy set out in Clause 36.1(c).

APPENDIX 4

**SERVICE LEVEL REPORTS**

* + 1. **SERVICE LEVEL REPORT REQUIREMENTS**
			1. Within ten (10) Working Days of the end of each Service Measurement Period (or in accordance with such other timeframe as agreed between the parties from time to time), the Supplier shall provide the Service Level Report to the Authority in accordance with the provisions of paragraph 3 of this Schedule and this Appendix 4.
			2. The Service Level Report shall contain the following information in respect of the Service Measurement Period just ended:
				1. the Service Measurement Period to which the Service Level Report relates;
				2. the performance of each element of the Services measured against each applicable Service Level;
				3. a summary and analysis of all Incidents logged and closed within the Service Measurement Period and shall contain the Incident Details for each Incident;
				4. a trend analysis of the Service Level performance on a Service Measurement Period by Service Measurement Period basis, including details of the trends in the types of Incidents being logged in each Service Measurement Period;
				5. a summary of all Service Level Failures and root causes that occurred during the Service Measurement Period, together with:

#### a root cause analysis of each Service Level Failure identifying the underlying cause and an assessment of the likelihood of a recurrence; and

#### details of the time taken to remedy each Service Level Failure and rectify each root cause (as applicable) or implement measures with the aim of avoiding recurrence of the Service Level Failure and root cause (as applicable);

* + - * 1. clear identification of:

#### any Responses that remain outstanding beyond their respective Response Time Requirement;

#### any Resolution that remains outstanding beyond their respective Resolution Time Requirement; and

#### any other Service Level Failures that remain outstanding,

together with an associated action plan (at a level of detail that is appropriate having regard to the nature and severity of the Incident or the Service Level Failure (as applicable)) for Resolution of the Incident or remedy of the Service Level Failure and rectification of the root cause (as applicable) with estimated timescale for Resolution, remedy or rectification;

* + - * 1. the aggregate Service Points awarded during that Service Measurement Period and the aggregate Service Points that have accrued during the previous twelve (12) months;
				2. the aggregate Service Deductions that have been awarded during that Service Measurement Period and the aggregate Service Deductions that have accrued during the previous twelve (12) months;
				3. any material service improvement suggestions;
				4. details of any Service Failures that are continuing at the time of the Service Level Report; and
				5. such other information relevant to the performance or monitoring of the Services as the Authority shall from time to time reasonably require.
			1. The Supplier shall provide the Authority with an annual written summary of the Service Level Reports that have been prepared during that year (**Annual Summary**). The Annual Summary shall be provided by the Supplier to the Authority within fourteen (14) days of each anniversary of the date of this agreement. The Annual Summary shall contain such other related details as the parties agree are relevant.
			2. A monthly Service Review Meeting shall be held which will amongst other things be the forum for the review by the Supplier and the Authority of the Service Level Reports and will oversee the provision of the Services to the Expected Service Levels.
			3. The Authority may at its discretion invite representatives of appropriate third parties to the Service Review Meetings, including but not limited to the Authority’s suppliers whose systems interact with the Supplier’s system and Users.
			4. Following each monthly Service Review Meeting, if requested by the Authority, the Supplier will provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the level of the Supplier’s performance against the Service Levels and the calculations of the Service Points and the Service Deductions for any Service Measurement Period.

**APPENDIX 5**

**PRIORITY LEVEL CLASSIFICATIONS**

| **Priority Level / Severity** | **Description**  |
| --- | --- |
| Priority Level 1 (P1) | A failure which results in a critically adverse impact to the provision of the DSM Back Office System.Non-exhaustive examples:* The DSM Back Office System and/or a substantial part of the DSM estate are completely Unavailable (e.g. there is complete outage that results in a loss of the Operational Services);
* Any incident that may result in a Breach of Security;
* Results in any material loss or corruption of Authority Data;
* Service Failure that renders the Operational Services Unavailable for all Users; or
* Service Failure that will have (or may have) a major adverse impact on revenue for the Authority and/or Users.
 |
| Priority Level 2 (P2) | A failure which results in a major adverse impact on the provision of the DSM Back Office System.Non-exhaustive examples:* Persistent performance issues reported by Users which result in the Operational Services being unusable or unresponsive, causing Users practical difficulties when carrying out day to day system transactions;
* Major degradation of performance or functionality of the DSM Back Office System or all or a substantial part of the DSM estate;
* Intermittent but recurring performance issues reported by users which result in the Services being unusable or unresponsive, causing Users practical difficulties when carrying out day to day system transactions;
* The Operational Services remain Available, but multiple key components of the Services are unavailable (e.g. there is either a loss of availability of components or severe performance issues that results in a loss of the Services to a whole operational or business area, or large number of Users);
* Inability to monitor system performance; or
* Service Failure that will have (or may have) an adverse impact on revenue for the Authority and/or Users.
 |
| Priority Level 3 (P3) | A failure which results in a moderate adverse impact on the provision of the Services. Non‑exhaustive examples:* The Operational Services remain Available, but one key component of the Services is unavailable (e.g. there is either a loss of a component or mild performance issues that result in a loss of the Operational Services to a number of Users within an operational or business area or loss or reporting functions for Users); or
* A single DSM is Unavailable, with no Work-around in place to compensate for the failure.
 |
| Priority Level 4 (P4) | A failure which results in minimal adverse impact on the provision of the Services. Non‑exhaustive examples:* The Operational Services remain Available to operational or business areas, with a Work-around in place which compensates for the failure and enables continued use of the Operational Services; or
* A single DSM is Unavailable, with a Work-around in place which compensates for the failure.
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