AGREEMENT SCHEDULES

SCHEDULE 2.2: SERVICE LEVELS AND STANDARDS

1. SCOPE

1.1 This Schedule 2.2 sets out the service levels which the Supplier is expected 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 Schedule comprises:

1.2.1 Part A: Service Levels and Service Credits;

1.2.2 Annex 1 to Part A: Service Levels and Service Credit Tables

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.

AGREED SERVICE TIME

1.3 The Services will be made Available by the Supplier to the Council during the Agreed Service Time.

1.4 The Agreed Service Time applied to the Services will be determined by the Service Maintenance Level selected by the Council on the Order Form.

1.5 The Service Maintenance Levels and associated Agreed Service Times is set out in the following table:

Service Maintenance Level	Agreed Service Time
Level 1	Monday – Friday (excluding Bank Holidays) 8:00-18:00
Level 2	Monday – Saturday (excluding Bank Holidays) 8:00-18:00
Level 3	Monday – Sunday (including Bank Holidays) 07:00-21:00
Level 4	Monday – Sunday (including Bank Holidays); 00:00-23:59 (24 hours per day, 7 days per week)

INCIDENTS

1.6 If the Services become Unavailable, the Council must report the Unavailability as an Incident to the Service Desk.

1.7 Incidents must be classified to one of the following four severity levels:

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Severity Level	Description of impact of Incident
Severity 1	The Services are Unavailable across the entire Council's estate
Severity 2	The Services are Unavailable at one of the Council's sites
Severity 3	The Services are Unavailable to an individual user
Severity 4	All other Incidents, including any Incidents raised initially at a higher Severity Level that were subsequently deemed to be attributable to the Council or in any other way not attributable to the Supplier.

1.8 The Supplier shall manage the Incident to resolution in accordance with this Schedule 2.2, whilst keeping the Council appropriately informed of progress.

PART A: SERVICE LEVELS AND SERVICE CREDITS

1. GENERAL PROVISIONS

1.1 The Supplier shall provide support and advice, when required by the Council, on matters relating to:

1.1.1 Availability of the Services;

1.1.2 quality of the Services;

1.1.3 provisioning;

1.1.4 essential downtime

1.1.5 Council support;

1.1.6 complaints handling; and

1.1.7 accurate and timely invoices.

1.2 The Supplier accepts and acknowledges that failure to meet the Service Level Threshold set out in this Part A of this Schedule will result in Service Credits being due to the Council.

PRINCIPAL POINTS

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

1.3.1 incentivise the Supplier to meet the Service Levels and to remedy any failure to meet the Service Levels expeditiously;

1.3.2 ensure that the Services are of a consistently high quality and meet the requirements of the Council;

1.3.3 provide a mechanism whereby the Council 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

1.3.4 provide an incentive to the Supplier to comply with and to expeditiously remedy any failure to comply with the Service Levels.

1.4 The Parties acknowledge that:

1.4.1 The Council will, in all cases, prefer to receive the Services within the Service Levels in preference to receiving the Service Credits; and

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1.4.2 the Supplier shall, in all cases, seek to deliver the Services within the Service Levels in preference to accepting a liability for Service Credits.

SERVICE LEVELS

1.5 The Supplier shall monitor its performance under this Contract by reference to the relevant Service Level Performance Criteria for achieving the Service Levels and shall send the Council a Performance Monitoring Report detailing the level of service which was achieved in accordance with the provisions of Part B (Performance Monitoring) of this Schedule.

1.6 The Supplier shall, at all times, provide the Services in such a manner that the Service Level Thresholds are achieved.

1.7 If the level of performance of the Supplier of any element of the provision by it of the Services during the Contract period:

1.7.1 is likely to or fails to meet any Service Level Threshold; or

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

the Supplier shall immediately notify the Council in writing and the Council, in its absolute discretion and without prejudice to any other of its rights howsoever arising, including under Clause 9 of this Contract (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 Council 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 Council 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 Contract Charges the applicable Service Credits payable by the Supplier to the Council in accordance with the calculation formula set out in Annex 1 of this Part A of this Schedule; or

(D) If a Critical Service Level Failure has occurred, exercise its right to compensation for such non--availability of Services via this Contract.

1.8 Approval and implementation by the Council 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 Council.

1.9 The Services are subject to the following four Service Level Performance Criteria as set out in this Schedule:

1.9.1 **Availability** (as further set out in paragraph 3.7 below);

1.9.2 **Incident Resolution** (as further set out in paragraph 3.8 below);

1.9.3 **Quality** (as further set out in paragraph 3.9 below); and

1.9.4 **Provisioning** (as further set out in paragraph 3.10 below).

a. Availability**:**

1.9.5 The Supplier shall ensure that the Services are Available during the Agreed

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Service Time.

1.9.6 Achieved Availability is calculated as a percentage of the total time in a Service Period that the Services should have otherwise been Available to the Council using the following formula:

$$\text{Achieved Availability \%} = \frac{(MP - SD) \times 100}{MP}$$

Where:

MP means total time within the Agreed Service Time (excluding Planned Downtime, Imposed Carrier Downtime and any Unavailability attributable to Severity 3 or Severity 4 Incidents) within the relevant Service Period; and

SD means total service downtime within the Agreed Service Time within the relevant Service Period during which a Service and/or part thereof is Unavailable (excluding Planned Downtime, Imposed Carrier Downtime and any Unavailability attributable to Severity 3 or Severity 4 Incidents) within the relevant Service Period.

b. Incident Resolution

1.9.7 The Supplier shall ensure that Incidents are resolved within the Maximum Incident Resolution Time.

1.9.8 Maximum Incident Resolution Times are determined by the Severity Levels and Service Maintenance Levels as set out in the following table:

Service Maintenance Level	Severity 1 Severity 2	Severity 3	Severity 4 (Indicative Only)
Level 1	End of next Working Day	5 Working Days	1 Month
Level 2	End of next Working Day	5 Working Days	1 Month
Level 3	Incident reported by 13:00, resolved same day; Incident reported after 13:00, resolved by 13:00 next Working Day	End of next Working Day	15 Working Days
Level 4	6 hours	End of next Working Day	10 Working Days

1.9.9 Each Incident will either be Resolved within the Maximum Incident Resolution Time, or it will not; and will be reported as such by the Supplier. The time taken to resolve the Incident is not material to this Service Level Performance Criteria.

1.9.10 Achieved Incident Resolution is calculated as a percentage of the total number of Incidents in a Service Period that should have been resolved within the Maximum Incident Resolution Time using the following formula:

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$$\text{Achieved Incident Resolution \%} = \frac{(TI - FI) \times 100}{TI}$$

Where:

TI means the total number of Incidents raised by the Council during the Service Period (excluding Severity 4 Incidents); and

FI means the total number of Incidents raised by the Council during the Service Period that were not resolved within the Maximum Incident Resolution Time (excluding Severity 4 Incidents).

1.9.11 Where an Incident is reported outside the Agreed Service Time, the Incident will be treated as if it has been reported at the beginning of the next Working Day.

1.9.12 The Incident will only be deemed to be Resolved once the Services are Available. However, the Supplier shall not formally close any Incident until the Council has confirmed that the Services are Available.

c. Quality

1.9.13 The Supplier shall ensure that the Services are delivered of a sufficient quality to meet the provisions of this Schedule.

1.9.14 Measurement of answer and response times of the Service Desk will be based on the time taken for the Supplier to respond to the Council's call or email. Calls and emails receiving an automated response or calls placed into a queuing system shall be deemed not to have been answered.

d. Provisioning

1.9.15 The Services will be provisioned at the outset in accordance with the Implementation Plan and any failure to meet Milestones will be dealt with in accordance with the Implementation Plan.

1.9.16 Any delivery of Services or part thereof subsequent to the successful conclusion of the Implementation Plan will be subject to the Service Levels identified in the variation to this agreement that incorporates those changes; or failing any other agreed Service Level, in accordance with the Supplier's standard provisioning Service Levels.

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SERVICE CREDITS

1.10 This section sets out the basic agreed formula used to calculate a Service Credit payable to the Council as a result of a Service Level Failure in a given Service Period.

1.11 Service Credit payments are subject to the Service Credit Cap.

1.12 Annex 1 to this Part A of this Schedule details the Service Credits available for each Service Level Performance Criterion in the event that the applicable Service Level Threshold is not met by the Supplier.

1.13 The Council shall use the Performance Monitoring Reports supplied by the Supplier under Part B (Performance Monitoring) of this Schedule to verify the calculation and accuracy of any Service Credits applicable to each Service Period.

1.14 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 Schedule.

1.15 The amount of Service Credit is determined by the tables in Annex 1 of this Part A of Schedule, using the calculated Achieved Service Level

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Performance Criteria (e.g. Achieved Availability), the Service Level Threshold and the Service Failure Threshold and is calculated by using the straight-line formula below:

20. Service Credit % = (m*(a--x) + c), where

a is the Service Level Threshold (%) below which Service Credits become payable;

b is the Service Failure Threshold (%);

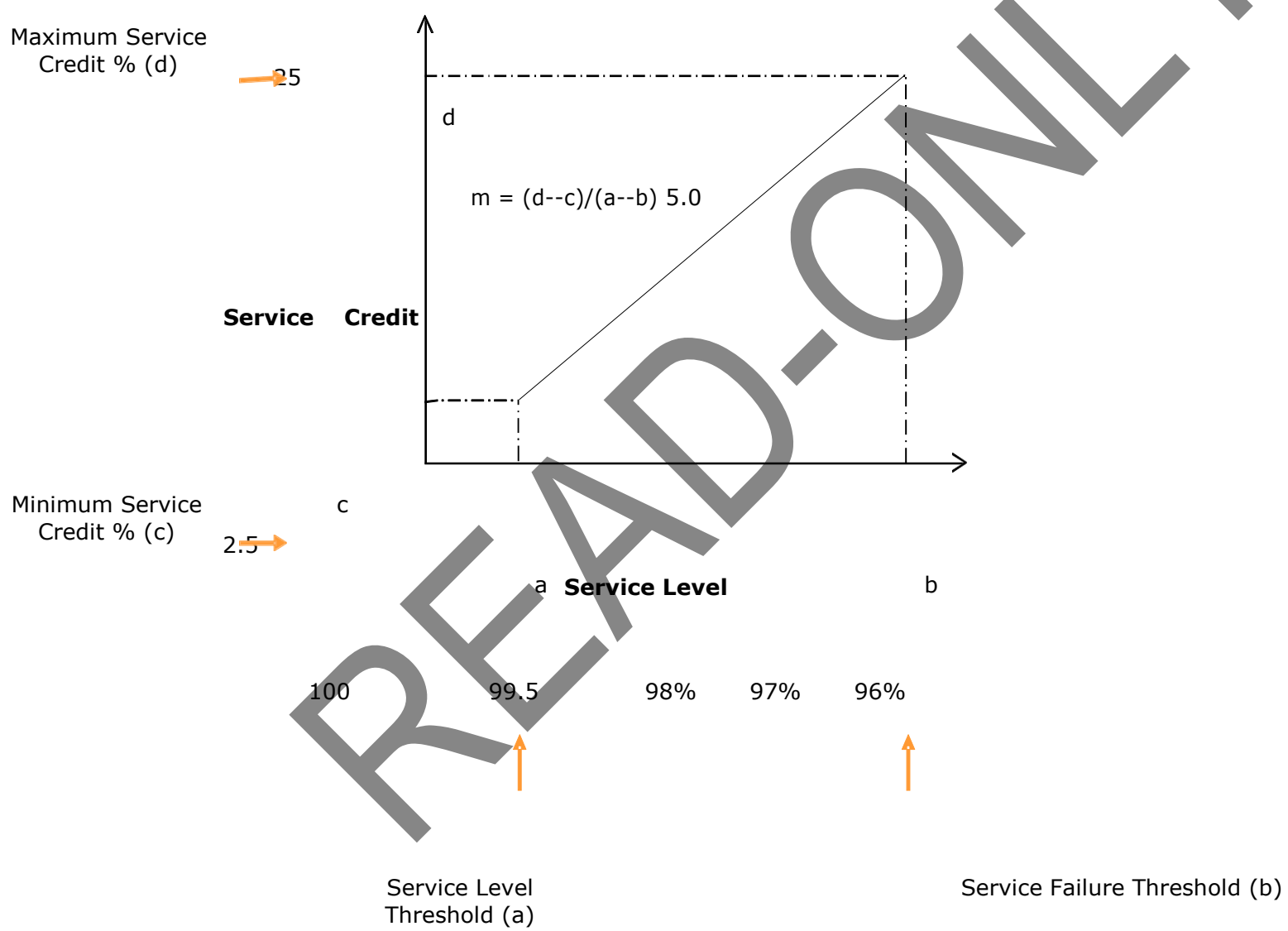
x is the Achieved Service Level Performance Criteria (%) for a Service Period;

c is the minimum Service Credit (%) payable if the Achieved Service Level falls below the Service Level Threshold;

d is the maximum Service Credit (%) payable if the Achieved Service Level Reaches the Service Failure Threshold;

M is a coefficient defined for the services, which is calculated from the Formula *m = (d--c)/(a--b),* that is the slope of the straight line;

1.16 Consequently, the Service Credit regime is shown diagrammatically as follows:



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1.17 The Service Credit (£) is subsequently derived as follows:

Service Credit (£) = contract charges x Service Credit (%)

1.18 An example Service Credit calculation for the Availability of a service, (offered herein for illustrative purposes only), is as follows:

Criteria	Coefficient (m)	Service Level Threshold % (a)	Service Failure Threshold % (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
Availability	5.0	99.5%	95.00%	2.5%	25%

1.18.1 The Achieved Availability of a service was recorded as 97% for a Service Period. For this service, the Service Level Threshold is 99.5% and the Service Failure Threshold is 95%. The contract charges for the service for the Service Period are £3,000. Previous performance had exceeded the Service Level Threshold for Availability.

1.18.2 In this illustration example:

Service Credit % = 5.0 x (99.5--97.0) + 2.5 = 15%;

therefore the Service Credit calculation is:

Service Credit (£) = £3,000 x 15% = £450.

1.19 An example Service Credit calculation for Incident Resolution is as follows:

Criteria	Coefficient (m)	Service Level Threshold % (a)	Service Failure Threshold % (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
Incident Resolution	0.25	95.0%	85.00%	2.5%	5%

1.19.1 The Service Level Threshold is 95% of all incidents to be resolved within a specified time with the Service Failure Threshold being 85%. Assume that the Council has 80 Incidents within a Service Period, 10 of which were not resolved within the specified time. Therefore, the Achieved Incident Resolution is 87.5% for the Service Period. The contract charges for all the services that the Council is consuming are £50,000 per Service Period. Previous performance had exceeded the Service Level Threshold for Incident Resolution Times.

1.19.2 In this illustration example:

Service Credit % = 0.25 x (95--87.5) + 2.5 = 4.375%

1.19.3 Consequently, the illustrated Service Credit calculation is:

Service Credit (£) = £50,000 x 4.375% = £2,187.50

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

1. AVAILABILITY

1.1 **Services** (excluding the Service Desk)

Service Maintenance Level	Coefficient (m)	Service Level Threshold % (a)	Service Failure Threshold % (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
1	N/A	N/A	N/A	N/A	N/A
2	1.3	95%	80%	5%	25%
3	2.86	97%	90%	5%	25%
4	5	99%	95%	5%	25%

a. Service Desk

Service Maintenance Level	Coefficient (m)	Service Level Threshold % (a)	Service Failure Threshold % (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
All	5	99%	95%	5%	25%

2. INCIDENT RESOLUTION

Number of Incidents per Service Period	Coefficient (m)	Service Level Threshold (a)	Service Failure Threshold (b)	Minimum Service Credit % (c)	Maximum Service Credit % (d)
39 or fewer	Not applicable	No more than 2 Incidents are Resolved in excess of the max Incident Resolution Times	5 or more Incidents are Resolved in excess of the max Incident Resolution Times	2.5% (payable when 3 Incidents breach the Service Level Threshold in any Service Period)	5% (payable when 4+ Incidents breach the Service Level Threshold in any Service Period)

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40 and more	0.25	95%	85%	2.5%	5%

3. QUALITY

3.1 Service Desk:

Criteria	Coefficient	Service Level Threshold	Service Failure Threshold	Minimum Service Credit	Maximum Service Credit
Calls Answered within 60 seconds	0.25	90%	80%	2.5%	5%
Email Responded to within one (1) Working Day	0.083	90%	60%	2.5%	5%
Abandoned Calls	0.25	95%	85%	2.5%	5%

3.2 Data Service

3.2.1 Where the Council has procured Services that include data services, the following provisions will apply:

(a) The Services will only be deemed to have been Delivered once the Council has tested and Accepted the quality of the data service;

(b) Subsequent to Services commencement, where the Council believes the quality of the data service is not acceptable:

(A) an Incident will be raised with the Service Desk;

(B) the Supplier shall investigate the Incident;

(C) Subsequent to the investigation, if:

(A) a fault is found, the Incident is Resolved as any other Incident;

(B) a fault is not found and the Council still believes the quality of the data service is unacceptable, the Supplier shall evidence to the Council that the data service complies with relevant Standards.

(D) In the event that a fault is not found and the Supplier cannot evidence to the satisfaction of the Council that the data service complies with relevant Standards, the Service will be deemed Unavailable from the time that the Incident was first raised with the Service Desk and the Incident Resolution Time will be accordingly measured from that time.

b. Voice Service

3.2.2 Where the Council has procured Services that include voice services, the

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following provisions will apply:

(a) The Services will only be deemed to have been Delivered once the Council has tested and Accepted the quality of the voice service;

(b) Subsequent to Services commencement, where the Council believes the quality of the voice service is not acceptable:

(A) an Incident will be raised with the Service Desk;

(B) the Supplier shall investigate the Incident;

(C) Subsequent to the investigation, if:

(A) a fault is found, the Incident is Resolved as any other Incident;

(B) a fault is not found and the Council still believes the quality of the voice service is unacceptable, the Supplier shall evidence to the Council that the voice service complies with relevant Standards.

(D) In the event that a fault is not found and the Supplier cannot evidence to the satisfaction of the Council that the voice service complies with relevant Standards, the Service will be deemed Unavailable from the time that the Incident was first raised with the Service Desk and the Incident Resolution Time will be accordingly measured from that time.

ANNEX 2 TO PART A: CRITICAL SERVICE LEVEL FAILURE

1. CRITICAL SERVICE LEVEL FAILURE

1.1 A Critical Service Level Failure will be deemed to have occurred if the performance of the Services falls below the same Service Failure Threshold on three (3) occasions in any six (6) consecutive Service Periods.

1.2 In the event of a Critical Service Level Failure, the Council shall be entitled to terminate this Contract for material Default.

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PART B: PERFORMANCE MONITORING

PRINCIPAL POINTS

1.1 Part B to this Schedule provides the methodology for monitoring the provision of the Services:

1.1.1 to ensure that the Supplier is complying with the Service Levels; and

1.1.2 for identifying any failures to achieve Service Levels in the performance of the Supplier and/or provision of the Services (may also be referred to as a "Performance Monitoring System").

1.2 The Supplier shall provide the Council with details of how the process in respect of the monitoring and reporting of Service Levels will operate between the Parties on the Order Form; and the Parties will endeavour to agree such process as soon as reasonably possible.

REPORTING OF SERVICE FAILURES

1.3. The Supplier shall report all failures to achieve Service Levels and any Critical Service Level Failure to the Council in accordance with the processes agreed in Paragraph 1.2 of Part B of this Schedule above.

PERFORMANCE MONITORING AND PERFORMANCE REVIEW

1.4. The Supplier shall provide the Council with performance monitoring reports ("**Performance Monitoring Reports**") in accordance with the process and timescales agreed pursuant to paragraph 1.2 of Part B of this Schedule above which shall contain, as a minimum, the following information in respect of the relevant Service Period just ended:

1.4.1. for each Service Level, the actual performance achieved over the Service Level for the relevant Service Period;

1.4.2. a summary of all failures to achieve Service Levels that occurred during that Service Period;

1.4.3. any Critical Service Level Failures and details in relation thereto;

1.4.4. for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence;

1.4.5. the Service Credits to be applied in respect of the relevant Service Period indicating the failures and Service Levels to which the Service Credits relate; and

1.4.6. such other details as the Council may reasonably require from time to time.

1.5. The Parties shall attend meetings to discuss Performance Monitoring Reports (which may also be referred to as "**Performance Review Meetings**") on a monthly basis (unless otherwise agreed). The Performance Review Meetings will be the forum for the review by the Supplier and the Council of the Performance Monitoring Reports. The Performance Review Meetings shall (unless otherwise agreed):

1.5.1. take place within one (1) week of the Performance Monitoring Reports being issued by the Supplier;

1.5.2. take place at such location and time (within normal business hours on Working Days) as the Council shall reasonably require unless otherwise agreed in advance;

1.5.3. be attended by the Supplier's representative and the Council's representative; and

1.5.4. be fully minuted by the Supplier. The prepared minutes will be circulated by the Supplier to all attendees at the relevant meeting and also to the Council's representative and any other recipients agreed at the relevant meeting. The minutes of the preceding month's Performance Review Meeting will be agreed and signed by both the Supplier's representative and the Council's representative at each meeting.

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1.6. The Council shall be entitled to raise any additional questions and/or request any further information regarding any failure to achieve Service Levels.

1.7. The Supplier shall provide to the Council such supporting documentation as the Council 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.

SATISFACTION SURVEYS

1.8. In order to assess the level of performance of the Supplier, the Council may undertake satisfaction surveys in respect of the Supplier's provision of the Services.

1.9. The Council shall be entitled to notify the Supplier of any aspects of their performance of the provision of the Services which the responses to the satisfaction surveys reasonably suggest are not in accordance with this Contract.

1.10. All other suggestions for improvements to the provision of Services shall be dealt with as part of the continuous improvement provisions agreed herein.

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