

**SCHEDULE A07- ACCEPTANCE PROCEDURES****1. SCOPE**

1. This Schedule specifies the procedures for Acceptance of Deliverables and Services provided under the terms of the AUTHORITIES' Agreement. The scope of this Schedule includes the Acceptance of all Deliverables and Services provided under this Agreement, including, for the avoidance of doubt, Deliverables and Services arising from orders or changes after the date of execution hereof.
1. For the purposes of this Schedule, the term "AUTHORITY" shall be deemed to mean the AUTHORITIES where both of the AUTHORITIES have an interest in an Acceptance Test, and to mean the relevant AUTHORITY where only one of the AUTHORITIES has an interest in an Acceptance Test.
1. Where in this Schedule the AUTHORITY or the CONTRACTOR is required to approve an Acceptance Specification or a report or Deliverable, such approval shall not be unreasonably withheld or delayed by either party.

**1. ACCEPTANCE METHOD**

1. An Acceptance Test shall take the form of one or more Acceptance Trials as defined in paragraph 3 of this Schedule, one or more Acceptance Reviews as defined in paragraph 4 of this Schedule, or combinations thereof.
1. In general, Acceptance of Services shall be by Acceptance Trial and the Acceptance of Deliverables shall be by means of Acceptance Review. An Acceptance Review shall be used to accept a Service where the AUTHORITY agrees that an Acceptance Trial is inappropriate or unnecessary.
1. The scope and conduct of any Acceptance Test shall be documented in an Acceptance Specification in accordance with paragraph 5 of this Schedule.
1. In approving any Acceptance Specification the AUTHORITY reserves the right to require testing to establish whether the relevant Service is in accordance with all obligations of the CONTRACTOR under this AUTHORITIES' Agreement.
1. The CONTRACTOR and the AUTHORITY shall nominate representatives to manage and to participate in each Acceptance Test at least one month prior to the commencement of the Acceptance Period.
1. The CONTRACTOR shall repeat any or all parts of the Acceptance Test as often as necessary during the Acceptance Period to resolve any outstanding Acceptance Incidents affecting the Acceptance Test.

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1. The outcome of an Acceptance Test shall be one of the following:

- (a) Acceptance as defined in paragraph 7 of this schedule;
- (b) Failed Acceptance as defined in paragraph 8 of this Schedule.

1. The AUTHORITY shall raise a report in relation to each Acceptance Incident occurring during an Acceptance Test, as soon as is reasonably practicable after the Acceptance Incident occurs. When the CONTRACTOR has satisfactorily resolved an Acceptance Incident and the AUTHORITY has signed the report by way of confirmation of satisfactory resolution, such Acceptance Incident shall be deemed to have been resolved.

#### **1. ACCEPTANCE TRIAL**

1. An Acceptance Trial shall consist of one or more of the following:

- (a) inspection of any system used to provide a Service;
- (b) demonstration of any system used to provide a Service;
- (c) running a real or simulated operational workload on any system used to provide a Service;
- (d) monitoring provision of a Service over a trial period to verify performance to the Service Levels specified for the Service.

1. The scope and conduct of any Acceptance Trial proposed shall be documented in the Acceptance Specification in accordance with paragraph 5 of this Schedule, and the Acceptance Trial shall not commence until the Acceptance Specification has been approved by the AUTHORITY.

#### **1. ACCEPTANCE REVIEW**

1. An Acceptance Review shall consist of one or more of the following:

- (a) inspection of a Deliverable (e.g. a document) by one or more competent reviewers nominated by the AUTHORITY;
- (b) inspection by one or more competent reviewers nominated by the AUTHORITY of documentary evidence that a Service has been provided;
- (c) a meeting between the AUTHORITY and the CONTRACTOR at which one or more of the following occur:

- i. Deliverables or documentary evidence are inspected;

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- ii. a presentation is given by the CONTRACTOR;
  - iii. the results of prior inspections, visits or presentations are reviewed and the outcome agreed.
1. The scope and conduct of any Acceptance Review proposed shall be documented in an Acceptance Specification in accordance with paragraph 5 of this Schedule, and the Acceptance Review shall not commence until the Acceptance Specification has been approved by the AUTHORITY.

**1. ACCEPTANCE SPECIFICATION**

1. The CONTRACTOR shall prepare an Acceptance Specification for approval by the AUTHORITY. The Acceptance Specification shall:
- (a) define the purpose and scope of the Acceptance Test;
  - (b) define the detailed procedures for raising and resolving Acceptance Incidents for the Acceptance Test in accordance with paragraph 2.7;
  - (c) define the Acceptance Period for the Acceptance Test;
  - (d) identify the Deliverables and Services which are subject to Acceptance and the acceptance method, as described in paragraph 2, to be used to accept each;
  - (e) identify the Acceptance Criteria for each Deliverable or Service, where appropriate by reference to the Agreements; and for each Acceptance Criterion:
    - i. define the Acceptance Test Conditions to be used for establishing that the Acceptance Criterion has or has not been met;
    - ii. designate the severity of any deficiency resulting from a failure to meet the criterion in accordance with paragraph 6 of this Schedule.
  - (f) for any Acceptance Trial define any test data necessary;
  - (g) identify AUTHORITY responsibilities, including the resources required to carry out each Acceptance Trial/Acceptance Review.
1. The CONTRACTOR shall assist the AUTHORITY in meeting the AUTHORITY's responsibilities as approved in the Acceptance Specification approved by the AUTHORITY for the development of the Acceptance Tests, including, but not limited to, assisting in the preparation of any necessary test data.



**1. ACCEPTANCE DEFICIENCIES**

1. The CONTRACTOR shall analyse each Acceptance Incident, and the following definition shall be used to categorise each Acceptance Incident:
  - (a) failure to meet an Acceptance Criterion defined in an Acceptance Specification as essential to the Deliverable or Service shall be designated a high severity deficiency;
  - (b) failure to meet an Acceptance Criterion defined in an Acceptance Specification as highly desirable for the Deliverable or Service shall be designated a medium severity deficiency;
  - (c) failure to meet an Acceptance Criterion defined in an Acceptance Specification as desirable for the Deliverable or Service shall be designated a low severity deficiency;
  - (d) an Acceptance Incident which does not relate to an Acceptance Criterion, but which identifies a failure to meet any other obligation under this AUTHORITIES' Agreement and, in the reasonable opinion of the AUTHORITY, represents a substantive fault, equivalent to, and categorised according to, part (a), (b) or (c) of this paragraph; or
  - (e) none of the above.
1. Other than for category (e) above, the analysis of an Acceptance Incident shall not of itself be sufficient to resolve the Acceptance Incident. Resolution of an Acceptance Incident shall only occur when the deficiency or fault has been corrected by the CONTRACTOR and the relevant parts of the Acceptance Test have been repeated without further category (a), (b) or (c) Acceptance Incidents arising.
1. The AUTHORITY may, at its sole discretion and in accordance with Clause 611, waive in writing the resolution of an Acceptance Incident and deem it resolved.

**1. ACCEPTANCE**

1. The outcome of an Acceptance Test during an Acceptance Period shall be Acceptance where no Acceptance Incidents remain unresolved at the end of the Acceptance Period, and the full scope of the Acceptance Test as defined in the Acceptance Specification has been covered. In these circumstances, the AUTHORITY shall confirm Acceptance to the CONTRACTOR in writing, within five (5) working days of the end of the Acceptance Period.
1. The outcome of an Acceptance Test during an Acceptance Period shall also be Acceptance where only category (c) Acceptance Incidents remain unresolved at the end of the



Acceptance Period, provided that the CONTRACTOR shall be required to resolve all such outstanding Acceptance Incidents promptly thereafter and complete any necessary re-testing at its own cost. For the avoidance of doubt, Acceptance on this basis shall not imply any waiver of the CONTRACTOR's full compliance with all its other obligations under this AUTHORITIES' Agreement.

1. Any charging mechanism associated with a Service becomes active after achievement of Acceptance of the Service. Any payment associated with a Deliverable becomes due on achievement of Acceptance of the Deliverable.

#### **1. FAILED ACCEPTANCE**

1. The outcome of an Acceptance Test shall be Failed Acceptance where one or more category (a) or (b) deficiencies as defined in paragraph 6 of this Schedule remain unresolved at the end of the Acceptance Period. In these circumstances, the AUTHORITY shall confirm Failed Acceptance to the CONTRACTOR in writing, within five (5) working days of the end of the Acceptance Period.

1. In the event of Failed Acceptance the CONTRACTOR shall, within one (1) month of the notification of Failed Acceptance, submit in writing to the AUTHORITY a plan for the correction of unresolved Acceptance Incidents and a date for a further Acceptance Test.

1. In the event of Failed Acceptance, the Deliverable or Service to which the Acceptance Test relates shall be regarded by the AUTHORITY as unfit for use.

1. The AUTHORITY's right of termination for Failed Acceptance shall only apply under Clause 902.2, and only in the event that:

(a) one or more high severity deficiencies; or

(b) ten or more medium severity deficiencies;

remain uncorrected at the end of the Operational Trial Period.

1. Any payment or charging mechanism associated with the Deliverable or Service due on achievement of Acceptance will be withheld until deficiencies are rectified and Acceptance is achieved.