



ICL Pathway Forest Road Feltham Middlesex TW13 7EJ

Telephone: GRO

Facsimile: GRO

<http://www.icl.com>

Keith Baines
IS Service Manager - ICLP
Post Office Counters Limited
2nd Floor
Calthorpe House
15-20 Phoenix Place
London WC1X 0DG

Our Ref: CLS/jla/304

RECEIVED 24 OCT 2001
- 8374

23rd October 2001

Dear Keith,

CR R181

As you will recall, at the JCCB on 10 October 2001 ICL Pathway's rejection of CR R181 was discussed. As agreed at that JCCB I am writing in order to set out some underlying principles and to seek the clarification we require in order to make real progress with this Change Request.

As you are aware the history that lead up to submission of this CR was a series of discussions and letters between yourself and ICL Pathway's Tony Oppenheim, the final letter being from Tony to you dated 3 January 2001.

Whilst CR R181 is clearly based on that letter and seems to address when the effect of changes introduced by POL will be taken into account with regard to re-measuring benchmark times, CR R181 does not address how the impact of such changes should be applied to the target transaction times, as set out in that letter. In particular, where a change which is to be taken into account in releases subsequent to the current release would damage ICL Pathway's ability to meet target transaction times, those target times should be increased by an amount equivalent to the increase in the benchmark times which would result if the benchmark times were re-measured in the release introducing the change. This principle is described in Tony's letter of 3 January as having been discussed with you and we consider it appropriate. We think it is necessary to agree how an adverse impact on benchmark times resulting from a POL initiated change would be dealt with. In respect of the NBS, the approach to re-measuring benchmark times and adjusting target times is set out, as you have seen, in paragraph 5.23 of draft Schedule N01. Subject to the additional points raised below and agreement upon the detail, we propose that approach is adopted in substance for all POCL Services. CR R181 proposes amendments to the Codified Agreement as follows:

- n.1 Transaction times shall be calculated only once at the start of each major release.



- n.2 Where POCL has requested a change to the structure of the menu hierarchy ICL Pathway may request that the transaction times are recalculated in accordance with 2.5.1 above.
- n.3 Where changes made to the menu hierarchy have an adverse impact on ICL Pathway's ability to meet the SLA for the next and subsequent releases will be assessed by amendments to "Counter Transaction Performance Measurement and Benchmarking" which will be agreed with POCL prior to each release where changes take effect.'

The suggestion in the CR is that these words are added as a new paragraph in the Service Level Schedules F08 (EPOSS), H08 (OBCS) and E08 (APS).

There are a number of points we would like to make on these suggested amendments to the Codified Agreement. Our comments are shown against the paragraph numbering from the proposed drafting above taken from the CR:n.1 We need to be clear what constitutes a 'major release'. Currently the planned releases known as BI1, BI2 and BI3 would be classified as major releases in this context and ICL Pathway intends to carry out a benchmarking exercise for each of these releases. Subsequent 'major releases' incorporating material changes to any of the POCL Services would be notified to POL as they are planned.

In addition if there had not been a 'major release' in a quarter but POL initiated changes had been implemented that potentially affected the benchmark times then ICL Pathway would want to carry out a benchmarking exercise at the end of that quarter.

Whenever benchmark times are re-measured, we would expect the principle described above of adjusting the target times for any adverse impact resulting from such changes to apply. The principle of backdating benefits to the date of introduction of the change, which is referred to in CR R181 but not reflected in the proposed contract amendments, should also apply.

- n.2 With regard to the words 'Where POCL has requested a change to the structure of the menu hierarchy ICL Pathway may request that the transaction times are recalculated in accordance with 2.5.1 above' we would make the following points;

- Whilst the reference to paragraph 2.5.1 could apply to Schedule F08 it seems to be incorrect. Paragraph 2.5.1 in F08 states 'The printer component actual time shall be measured in accordance with section 7/8 of the CCD entitled Counter Transaction Performance Measurement and Benchmarking'. We assume therefore that the reference in F08 should be to paragraph 2.5, in H08 to paragraph 3.4 and in E08 to paragraph 1.5 and that the substantive point behind these references is that the benchmark times should be re-measured in accordance with the CCD entitled 'Counter Transaction Performance Measurement and Benchmarking'.



- A more significant point with this proposed drafting is that we believe that ICL Pathway should not be obliged to *request* of POL the right to re-benchmark but should have the right (exercisable at Pathway's option) to carry out a benchmarking exercise if there has been a change requested by POL that potentially impacts the benchmark times.

n.3 This drafting proposes amendments are made to the CCD 'Counter Transaction Performance Measurement & Benchmarking' as a result of adverse impacts on benchmark times resulting from POL requested menu changes. This CCD describes the methodology only, so we are assuming that the CCDs that would require updating would be the appropriate service documents for example, 'EPOSS Benchmark Counter Transaction Times'. *Agree*

In addition to these drafting points we believe that in respect of other relevant POL requested changes (whether OBC requests or Change Requests) it would be appropriate and beneficial to both parties to re-measure benchmark times based on the same principles and address the impact on target times in the same way as agreed for POL initiated menu hierarchy changes. Where changes initiated through Change Requests necessitate benchmark activities taking place prior to operational release into the live estate they create the same problem as for menu hierarchy changes of potentially requiring implementation of a release to be delayed whilst those activities are completed. By using the same approach for other POL initiated changes as that agreed for menu hierarchy changes there would be a measure of consistency and there would also be the potential benefit of substantial annual cost savings to POL from the reduced number of benchmarking exercises.

If you are able to confirm your agreement to the principles set out above then ICL Pathway will submit a CCN to address these issues without an amended CR being issued by POL. Therefore we would welcome agreement to these principles at your earliest convenience.

Yours sincerely

GRO

Colin Lenton-Smith
Director, Commercial and Finance