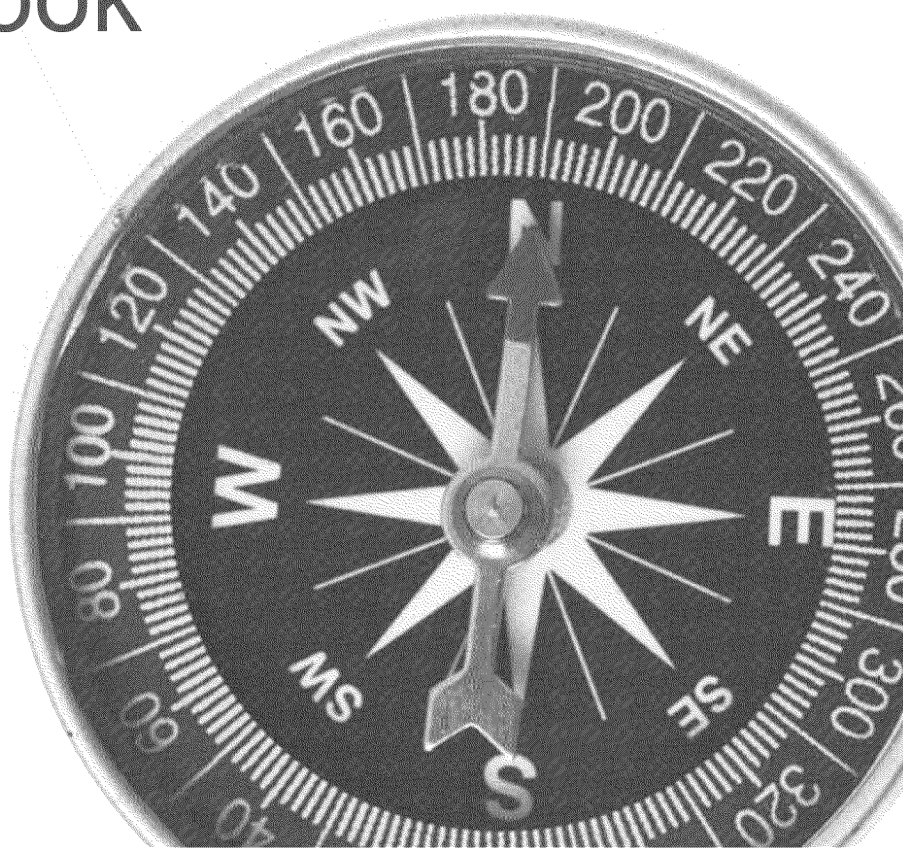


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# Post Office SISD Contract Handbook

**Version 0.20**  
**January 2014**





## Disclaimer

This document is for Post Office use only, and should not be redistributed internally or externally without the written permission of the Post Office IT Procurement Team.

This handbook is intended as a summary of selected material contained within the SISD contract. It is designed to be used in conjunction with the Post Office ways of working as a reference guide for those involved in managing the delivery of the Service Integration and Service Desk Services. This document is not intended to replace, supplement or supersede any part of the contract and in all instances the contract shall have priority over this document.

Users of the handbook should seek legal assistance at the earliest opportunity should any issues arise regarding the interpretation of the contract and in relation to any proposal to amend the contract.



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# Foreword



This Service Integration and Service Desk Contract Handbook provides an overview of the key elements of the contract and is designed to be used in conjunction with Post Office ways of working as a reference guide for those involved in managing the delivery of the Service Integration and Service Desk Services.

Whilst a handbook cannot replace the contract, attempting to manage a complicated portfolio of services directly from the contract often proves to be impractical and ineffective.

Therefore to manage these services effectively requires that the key service information within a contract can be made available to users.

This handbook should be read in conjunction with the original agreement. If in doubt seek assistance from Post Office IT Procurement Team or for specific guidance on interpretation see Post Office internal Legal.

The intention of producing this handbook is to provide a reference tool enabling Post Office to quickly and more fully obtain the operational and commercial benefits from the newly negotiated contract.

Usage of these handbooks has enabled other organisations to experience a step change in their ability to deliver high-quality services to their business users.

## Topics

- ✓ The Services that the Supplier provides to Post Office.
- ✓ The terms under which these services are provided.
- ✓ The financial and commercial arrangements under which the services will be provided, including value for money commitments.
- ✓ The service management controls and service level arrangements in operation between the Supplier and Post Office.
- ✓ The change categories and processes.
- ✓ The key governance frameworks (and interactions) between Post Office and the Supplier.
- ✓ The timescales in which the Supplier will implement and deliver the new capabilities and process changes.



DRAFT

# Table of Contents

## 1 Introduction

### 1.1 Navigating The Handbook 9

Provides a brief overview of the structure of the handbook.

### 1.2. Stakeholder Map 10

Describing the stakeholders who are expected to find the handbook useful and introduces stakeholder groupings.

### 1.3 Handbook Sections for Stakeholder 11 Groups

Maps out which sections of the handbook are of interest to the various stakeholder groups identified.

## 2 Contract Structure

### 2.1 Contract Structure 17

Sets out the structure of the new contract and its associated schedules.

### 2.2 Stakeholders and Contract Structure 18

Sets out the sections of the Contract that different stakeholders groups may be most interested in.

### 3.1 Section Contents 23

Sets out the structure of the finance and commercial section.

### 3.2 Finance and Commercial Summary 24

Summarises the content contained within the finance and commercial section of the handbook.

### 3.3 Commercial Framework 25

Covers selected terms and conditions from the agreement that are important to the operation of the contract.

### 3.4 Financial Management 31

Summarises the key financial management concepts including the charges, payment mechanisms and invoicing.

### 3.5 Value for Money 35

Summarises the processes that exist within the contract for supporting the delivery of value for money from the services.

### 3.6 Operating the Financial Model 36

Summarises the contents of the Financial Model, how it should operate and how it can be amended.

### 3.7 How Finance and Commercial Change 37 Over The Term

Summarises how the financial and commercial aspects of the agreement change over time.

## 4 The Services

### 4.1 Section Contents 41

Sets out the structure of the services section.

### 4.2 The Services Summary 42

Summarises the services and the key information relating to the services outlined in the contract.

### 4.3 The Structure Of The Services 43

Lists the Tier 2 services under each tier 1 category.

### 4.4 How Services Change Over The Term 5 Performance Management 44

Summarises the mechanisms through which the Services can change over time.

### 5.1 Section Contents 49

Sets out the performance management section structure.

### 5.2 Performance Management Summary 50

Summarises the content contained within the performance management section with the key principles, outputs supporting management information, and processes.

### 5.3 Service Levels and Credits 51

Summarises the services and key information relating to the Service Levels and credit regime. Introducing component and shared Service Levels.

### 5.4 SI Component Service Levels and 53 KPIs

Summarises the component Service Levels and KPIs for Service Integration within the contract at execution.

### 5.5 SD Component Service Levels 54

Summarises the component Service Levels for Service Desk within the contract at execution.

### 5.6 Shared Service Levels 55

Summarises the shared Service Levels within the contract at execution.

### 5.7 Service Credit Calculations 56

Provides an overview of how the service credits are calculated and operate.

### 5.8 How Performance Management 58 Changes Over The Term

Summarises the mechanisms and triggers for change within performance management.



DRAFT

**6 Change Control****6.1 Section Contents 63**

Sets out the structure of the change control section. It highlights that this section is limited to discussion of the change control of SISD services i.e. it excludes the wider change management that the SISD services themselves support.

**6.2 Change Control Summary 64**

An overview of the types of change processes, principles and service documentation that support change.

**6.3 Standard Change Procedure 65**

Description of the standard change process and key steps to agree changes to the SISD services.

**6.4 Other Change Procedures 66**

How other types of change, including 'Fast-Track' and 'Emergency Change' are managed.

**6.5 Project Work Order Process 67**

How the project work order process operates.

**6.6 How Change Control Changes Over The Term 68**

Summarises how the 'Change Control processes' change over time.

**7 Governance****7.1 Section Contents 71**

Sets out the structure of the governance section.

**7.2 Governance Summary 72**

The guiding principles from which the governance processes and forums have been derived and the key meetings conducted and management information and outputs that are produced.

**7.3 The Supplier Account Team 74**

The key roles that are responsible for managing and delivering the contract and the Post Office rights over them.

**7.4 The Supplier Performance Review 75**

Sets out the ongoing performance management activities such as meetings and reporting used.

**7.5 Issue and Dispute Management 76**

Overview of the provisions that apply in the event of a Dispute or issue between parties.

**7.6 How Governance Changes Over The Term 77**

Office  
Version 0.20  
Term

Summarises how the Governance arrangements change over time.

**8 Other key principles****8.1 Section Contents 81**

Sets out the structure of the section.

**8.2 Other Key principles 82**

Sets out other key principles underpinning the contract.

**8.3 Cooperation and Collaboration. 83**

Sets out the requirements around positive working across the supply chain.

**8.4 Business Continuity & Disaster Recovery 84**

The obligations and the details of reporting required on the internal business continuity and the disaster recovery testing undertaken on the services.

**8.5 IPR, Data and Confidentiality 85**

Outline of any clauses or obligations on the Supplier and Post Office provided as part of the contract. Other sections of the Handbook and a glossary of terms.

A.Implementation details

B.Supply Chain Model

C.Post Office Approval / Agreement Required & Incident Severity

D.Glossary

E.Handbook Version Control

**9 Appendix 85****9.1 Appendix - Contents 89**

Outline of any clauses or obligations on the Supplier and Post Office provided as part of the contract. Other sections of the Handbook and a glossary of terms.

A.Implementation details

B.Supply Chain Model

C.Post Office Approval / Agreement Required & Incident Severity

D.Glossary

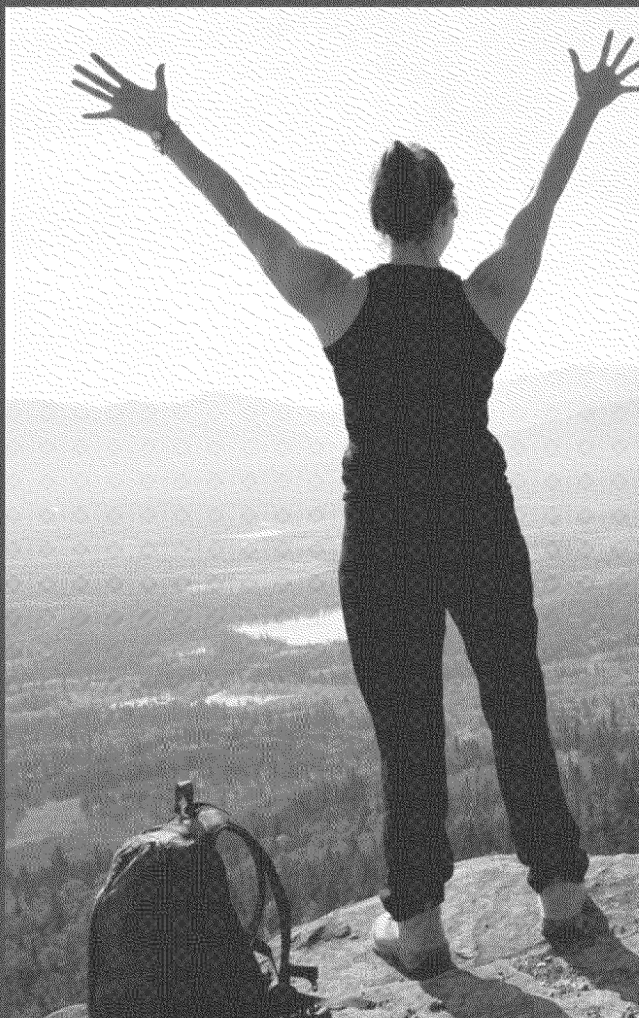
E.Handbook Version Control



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# 1. Introduction



**This section contains guidance to users on how to navigate the different sections of the handbook.**

The individual sections of the handbook are set out in a consistent and structured manner for ease of navigation of the content.

Understanding the structure that has been used will enable the user to more quickly identify the relevant elements of a section.

Guidance has been provided on which sections of the handbook may be of interest described in terms of stakeholder groups their interests and potential queries arising from likely events.







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# 1.1 Navigating the Handbook

## Handbook Overview

The handbook is divided into 9 sections (1 to 9), with this section (1) being an introduction to the content, and section 9 being the appendix.

The detailed content is contained in sections 2 to 8, and this covers key information associated with the management and operation of the services provided by the Supplier and the associated terms and conditions.

For Version Control of the Handbook see Appendix E. The content in this version of the handbook reflects the contract as at the signing date of 26<sup>th</sup> September 2013. Changes to the contractual terms that may have been agreed subsequent to this date are not included but can be obtained from the Post Office IT procurement team.

## Section Structure

Each section of the handbook has a contents page that sets out the topics covered within the section and a summary page which describes the documentation, principles and other key concepts relating to the topics described including, where applicable, outputs and management information reports.

Following the introduction to the section, there are process pages that set out in more detail the process steps and supporting concepts that relate to the content being covered. The structure of each of the process pages varies according to the exact detail being described, however a general format for these pages has been followed as set out below.

### Overview

At the start of each section, this provides an overview of the topic and the objective of the processes being covered within the section.

### Body Text

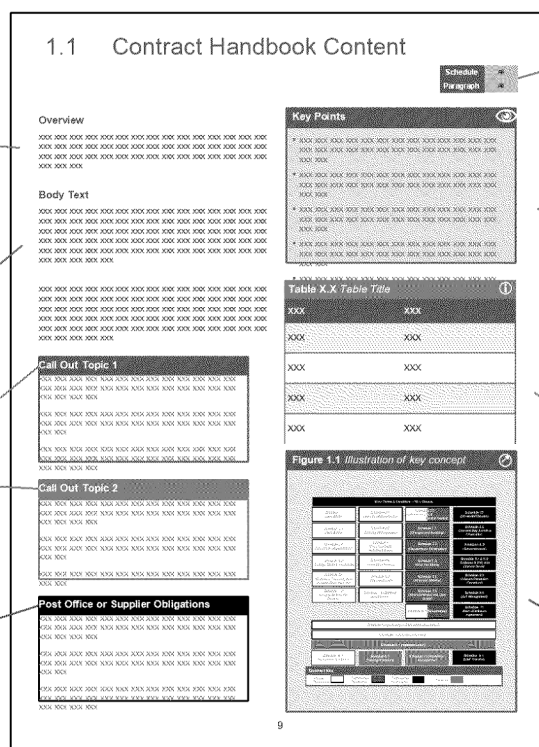
The body text on each page describes the topic being covered in more detail.

### Call Out Topic Boxes

Specific key concepts or supporting information is captured within call out boxes.

### Obligations Call Out Box

Particularly notable obligations for Post Office or Supplier described within call out boxes.



### Contract Reference

Reference to the contract clause or schedule and paragraph to which the page relates.

### Key Points

Key points boxes capture the most important elements of the topic in a highly summarised format.

### Tables

The tables provide selected information and metrics from the contract which are key to the operation of the services.

### Diagrams

The diagrams provide a visual representation of key processes or concepts within the contract.

## Implementation

The content within the handbook mostly focuses on the Future Mode of Operation (FMO - see A.1.1 for a description of FMO) and assumes that no material changes will occur to the agreed services and mechanisms during the delivery of the implementation projects to establish the services. Changes to scope that may be agreed during implementation or thereafter are not reflected within this document. Where applicable, a brief summary is provided at the end of sections describing how the key capabilities and processes described in the section are expected to change over the term of the contract. These sections describe the mechanisms through which change may occur.

## Interpretation and Terminology

References to Clauses, Schedules and Paragraphs are references to the contractual agreement. Unless expressly stated otherwise references to sections, appendixes or section numbers, tables and figures without schedule prefixes refer to content within this handbook.

Users of the handbook should seek legal assistance at the earliest opportunity should any issues arise regarding the interpretation of the contract and at the appropriate point in relation to any proposal to amend the contract.

Terminology and defined terms used throughout the handbook are aligned with that in the agreement with the notable exception for readability of the Handbook's use of "Supplier" to refer to ATOS IT Services UK Limited rather than "Contractor" as used in the agreement.



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## 1.2 Stakeholder Map

### Stakeholders interested in the handbook

The stakeholders interested in the SISD contract and for whom the handbook has been prepared are depicted and have been grouped as in Figure 1.2

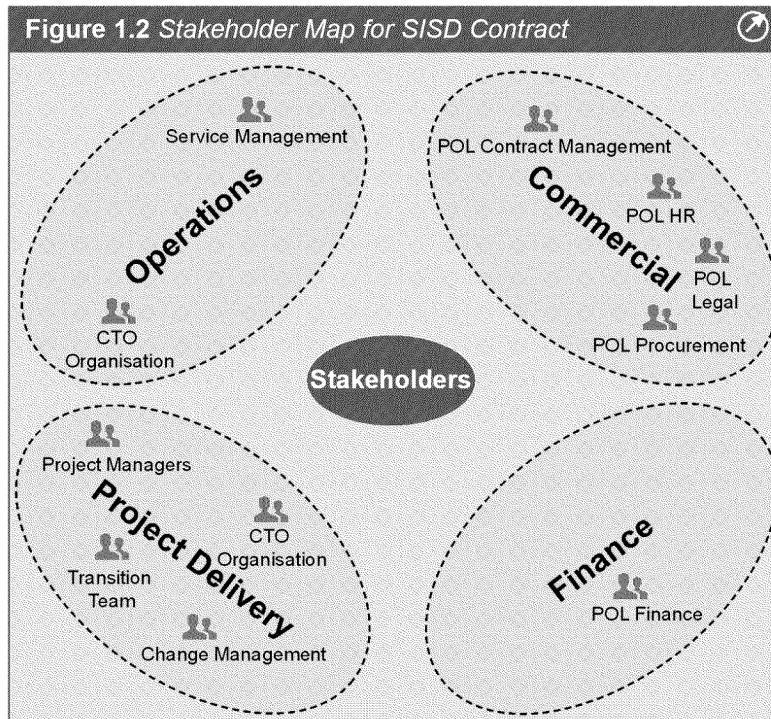
There may be other stakeholders interested in the SISD contract (e.g. Tower Suppliers or Potential future SISD suppliers). These groups could also consider why they need this document and use the following pages to guide them to the section they require.

### The handbook and PO ways of working

This handbook provides an overview of the key elements of the contract and interactions with the SISD as a reference guide for those involved in managing the delivery of the Service Integration and Service Desk services. Many of the mechanisms and interactions described should be used or undertaken by authorised personnel only, thus it is important to also consult the Post Office ways of working.

### Stakeholders' interest in the handbook

The identified stakeholders anticipated interest has been described in Table 1.2 along with their allocation to stakeholder groups.



**Table 1.2 Stakeholder Interests**

Stakeholder	Interest	Stakeholder Group
<b>POL Procurement and POL Contract Management</b>	Interested in the entirety of the contract as they have day to day responsibility for ensuring contract compliance, management of risk, relationship management with the Supplier, and alignment of new IT contracts with use of the SISD and Post Office's target IT supply chain operating model.	Commercial
<b>POL Legal</b>	Interested in the entirety of the contract as they hold responsibility for ensuring that Post Office is not legally exposed.	Commercial
<b>POL HR</b>	Focus is on the parts of the contract that have HR implications for Post Office employees (Schedule 9.1). With a wider interest in Implementation dates and ongoing responsibilities and obligation.	Commercial
<b>Service Management</b>	Interested in the parts of the contract that describe the scope of the services provided, the supporting processes and Performance Management as they will have responsibility for ensuring that Post Office is receiving the SISD services to the agreed quality.	Operation
<b>CTO Organisation</b>	Interested in the parts of the contract that describe the scope of the services provided and the supporting processes and also parts detailing facilities for delivery of change as they will have responsibility for facilitating and maintaining technology change.	Operation Project Delivery
<b>Change Management</b>	Interested in the parts of the contract that describe the Change Control processes.	Project Delivery
<b>Project Managers</b>	Interested in the description of Change and the resource augmentation service provided by the Supplier and information from these processes that could inform their business cases and budgets.	Project Delivery
<b>POL Finance</b>	Interested in the parts of the contract that describe the services and associated charges to Post Office, the processes for charging and invoicing, the performance metrics and financial penalties for failures and the potential financial consequences if Post Office wished to terminate the contract.	Finance



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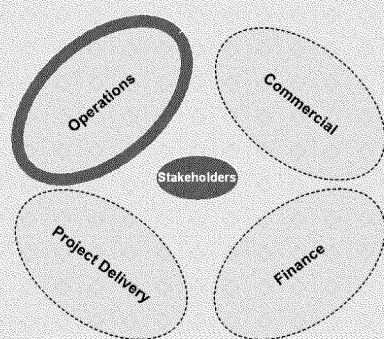
# 1.3 Handbook sections for Stakeholder Groups

Handbook sections of interest to Stakeholder groups

## 1.3.1 For those interested in Operations

Those within the Operations stakeholder group are recommended to read the sections highlighted within the following figures.

**Figure 1.3.1 Handbook sections of interest to those in the Operational Stakeholder group**



**People focused on:**  
Operations Service Management

**Should primarily be interested in:**  
parts of the handbook that describe the scope of the services provided, governance and Performance Management (as highlighted in pink below).

1	Introduction		4	The Services		6	Change Control		8	Other key principles
1.1	Navigating The Handbook	9	4.1	Section Contents	41	6.1	Section Contents	63	8.1	Section Contents
Provides a brief overview of the structure of the handbook			Sets out the structure of the services section			Sets out the structure of the change control section. It highlights that this section is limited to discussion of the change control of SISD services i.e. it excludes the wider change management that the SISD services themselves support			Sets out the structure of the section	
1.2.	Stakeholder Map	10	4.2	The Services Summary	42	6.2	Change Control Summary	64	8.2	Other Key principles
Describing the stakeholders who are expected to find the handbook useful and introduces stakeholder groupings			Summarises the services and the key information relating to the services outlined in the contract			An overview of the types of change processes, principles and service documentation that support change			Sets out other key principles underpinning the contract	
1.3	Handbook Sections for Stakeholder Groups	11	4.3	The Structure Of The Services	43	6.3	Standard Change Procedure	65	8.3	Cooperation and Collaboration
Maps out which sections of the handbook are of interest to the various stakeholder groups identified			Lists the Tier 2 services under each tier 1 category			Description of the standard change process and key steps to agree changes to the SISD services			Sets out the requirements around positive working across the supply chain	
2	Contract Structure		4.4	How Services Change Over The Term	44	6.4	Other Change Procedures	66	8.4	Business Continuity & Disaster Recovery
2.1	Contract Structure	17		Summarises the mechanisms through which the Services can change over time			How other types of change, including 'Fast-Track' and 'Emergency Change' are managed			The obligations and the details of reporting required on the internal business continuity and the disaster recovery testing undertaken on the services
2.2	Stakeholders and Contract Structure	18	5	Performance Management		6.5	Project Work Order Process	67	8.5	IPR, Data and Confidentiality
Sets out the sections of the Contract that different stakeholders groups may be most interested in			5.1	Section Contents	49		How the project work order process operates			Outline of any clauses or obligations on the Supplier and Post Office that relate to IPR, data and confidentiality
				Sets out the performance management section structure		6.6	How Change Control Changes Over The Term	68	9	Appendix
3	Finance and Commercial		5.2	Performance Management Summary	50		Summarises how the 'Change Control processes' change over time		9.1	Appendix - Contents
3.1	Section Contents	23		Summarises the content contained within the performance management section with the key principles, outputs supporting management information, and processes		7	Governance			Provides selected material in support of other sections of the Handbook and a glossary of terms
Sets out the structure of the finance and commercial section			5.3	Service Levels and Credits	51	7.1	Section Contents	71	A	Implementation details
3.2	Finance and Commercial Summary	24		Summarises the services and key information relating to the Service Levels and credit regime. Introducing component and shared Service Levels			Sets out the structure of the governance section		B	Supply Chain Model
Summarises the content contained within the finance and commercial section of the handbook			5.4	SI Component Service Levels and KPIs	53	7.2	Governance Summary	72	C	Post Office Approval / Agreement Required & Incident Severity
3.3	Commercial Framework	25		Summarises the component Service Levels and KPIs for Service Integration within the contract at execution			The guiding principles from which the governance processes and forums have been derived and the key meetings conducted and management information and outputs that are produced		D	Glossary
Covers selected terms and conditions from the agreement that are important to the operation of the contract			5.5	SD Component Service Levels	54	7.3	The Supplier Account Team	74	E	Handbook Version Control
				Summarises the component Service Levels for Service Desk within the contract at execution			The key roles that are responsible for managing and delivering the contract and the Post Office rights over them			
3.4	Financial Management	31	5.6	Shared Service Levels	55	7.4	The Supplier Performance Review	75		
Summarises the key financial management concepts including the charges, payment mechanisms and invoicing				Summarises the shared Service Levels within the contract at execution			Sets out the ongoing performance management activities such as meetings and reporting used			
3.5	Value for Money	35	5.7	Service Credit Calculations	56	7.5	Issue and Dispute Management	76		
Summarises the processes that exist within the contract for supporting the delivery of value for money from the services				Provides an overview of how the service credits are calculated and operate			Overview of the provisions that apply in the event of a Dispute or issue between parties			
3.6	Operating the Financial Model	36	5.8	How Performance Management Changes Over The Term	58	7.6	How Governance Changes Over The Term	77		
Summarises the contents of the Financial Model, how it should operate and how it can be amended				Summarises the mechanisms and triggers for change within performance management			Summarises how the Governance arrangements change over time			
3.7	How Finance and Commercial Change Over The Term	37								
Summarises how the financial and commercial aspects of the agreement change over time										

### Example queries and where appropriate guidance can be found

Query	See Section
What are the Supplier's obligations regarding Knowledge Transfer throughout the term?	3.3.5
What is the process when a service transitions between operational modes?	4.4.2
How do the authorised Post Office personnel change the current Service Levels?	5.8.3
What are the consequences of repeated service level failures?	5.7.1
How does an ICT or technical issue that has not been solved get escalated?	7.5

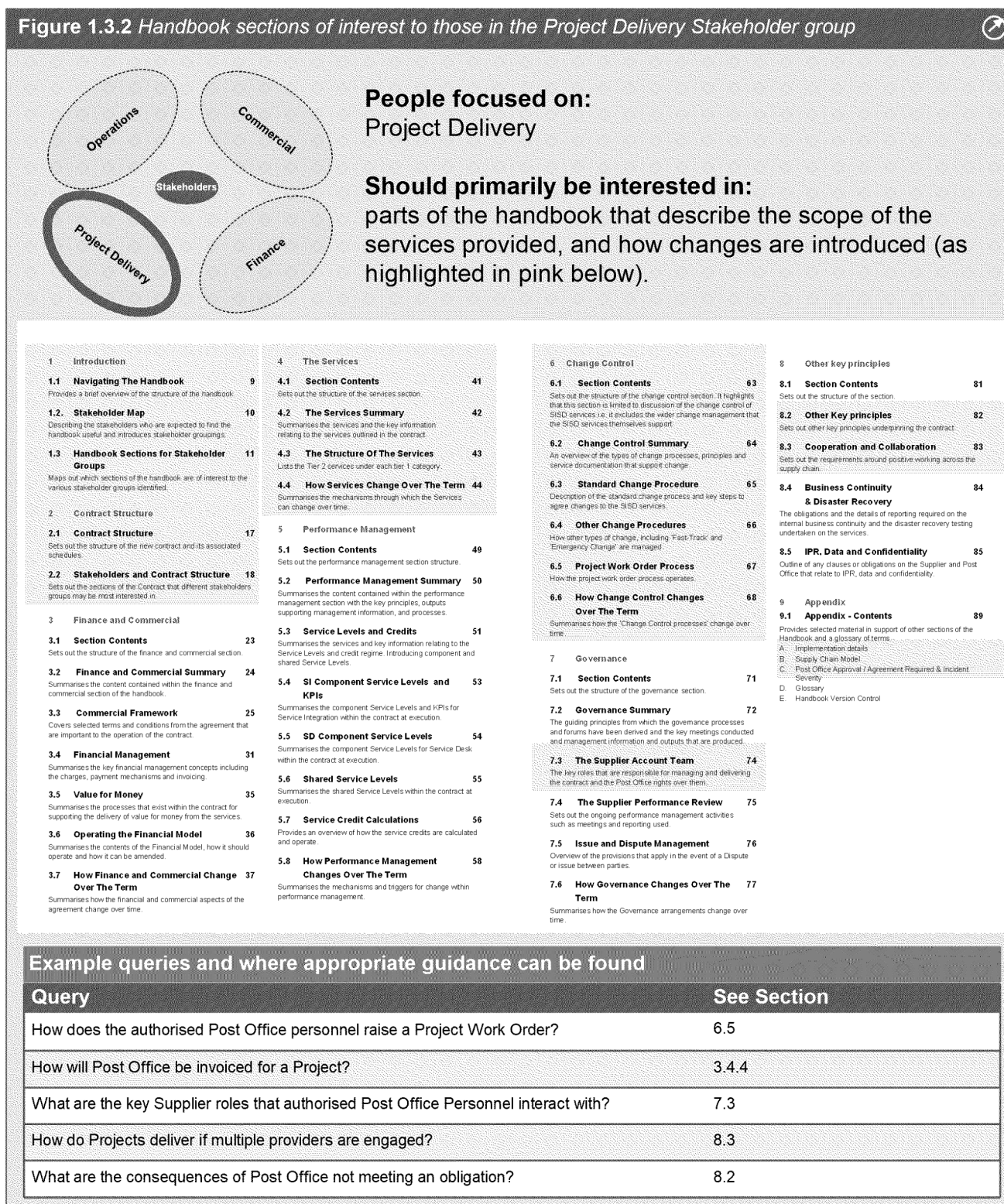


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# 1.3.2 Handbook sections for those interested in Project Delivery

## Handbook sections of interest to Stakeholder groups

Those within the Project Delivery stakeholder group are recommended to read the sections highlighted within the following figure:



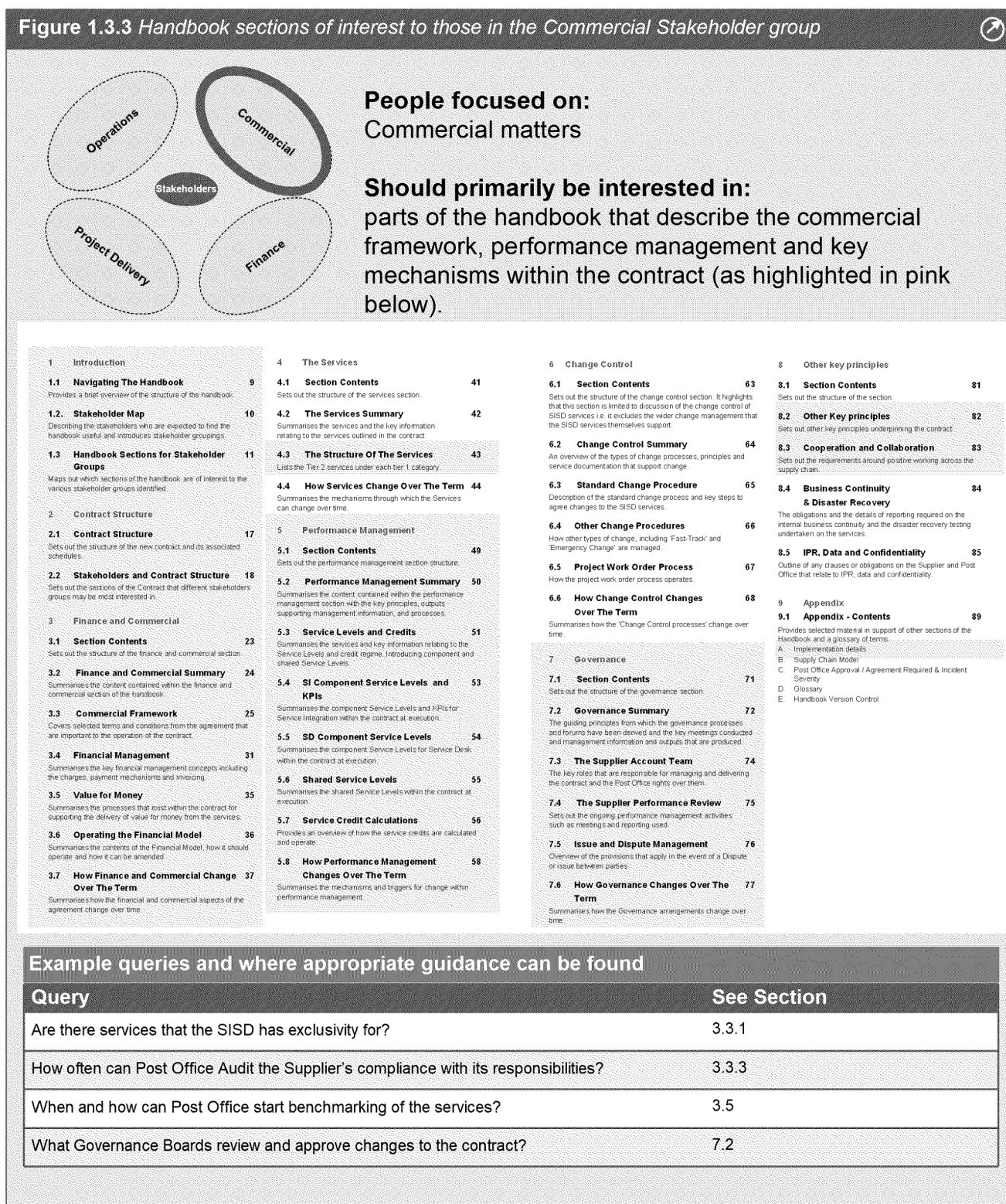


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# 1.3.3 Handbook sections for those interested in Commercial matters

## Handbook sections of interest to Stakeholder groups

Those within the Commercial stakeholder group are recommended to read the sections highlighted within the following figure:





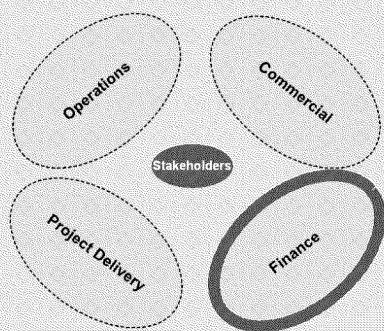
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# 1.3.4 Handbook sections for those interested in Financial matters

## Handbook sections of interest to Stakeholder groups

Those within the Finance stakeholder group are recommended to read the sections highlighted within the following figure:

**Figure 1.3.4 Handbook sections of interest to those in the Financial Stakeholder group**



**People focused on:**  
Financial matters

**Should primarily be interested in:**  
parts of the handbook that describe the financial mechanisms and performance management (as highlighted in pink below).

<b>1 Introduction</b>		<b>6 Change Control</b>		<b>8 Other key principles</b>	
<b>1.1 Navigating The Handbook</b>	<b>9</b>	<b>4.1 Section Contents</b>	<b>41</b>	<b>6.1 Section Contents</b>	<b>63</b>
Provides a brief overview of the structure of the handbook.		Sets out the structure of the services section.		Sets out the structure of the change control section. It highlights that this section is limited to discussion of the change control of SISD services i.e. it excludes the wider change management that the SISD services themselves support.	
<b>1.2. Stakeholder Map</b>	<b>10</b>	<b>4.2 The Services Summary</b>	<b>42</b>	<b>6.2 Change Control Summary</b>	<b>64</b>
Describing the stakeholders who are expected to find the handbook useful and introduces stakeholder groupings.		Summarises the services and the key information relating to the services outlined in the contract.		An overview of the types of change processes, principles and service documentation that support change.	
<b>1.3 Handbook Sections for Stakeholder Groups</b>	<b>11</b>	<b>4.3 The Structure Of The Services</b>	<b>43</b>	<b>6.3 Standard Change Procedure</b>	<b>65</b>
Maps out which sections of the handbook are of interest to the various stakeholder groups identified.		Lists the Tier 2 services under each tier 1 category.		Description of the standard change process and key steps to agree changes to the SISD services.	
<b>2 Contract Structure</b>		<b>4.4 How Services Change Over The Term</b>	<b>44</b>	<b>6.4 Other Change Procedures</b>	<b>66</b>
<b>2.1 Contract Structure</b>	<b>17</b>	Summarises the mechanisms through which the Services can change over time.		How other types of change, including 'Fast-Track' and 'Emergency Change' are managed.	
Sets out the structure of the new contract and its associated schedules.		<b>5 Performance Management</b>		<b>6.5 Project Work Order Process</b>	<b>67</b>
<b>2.2 Stakeholders and Contract Structure</b>	<b>18</b>	<b>5.1 Section Contents</b>	<b>49</b>	How the project work order process operates.	
Sets out the sections of the Contract that different stakeholder groups may be most interested in.		Sets out the performance management section structure.		<b>6.6 How Change Control Changes Over The Term</b>	<b>68</b>
<b>3 Finance and Commercial</b>		<b>5.2 Performance Management Summary</b>	<b>50</b>	Summarises how the 'Change Control processes' change over time.	
<b>3.1 Section Contents</b>	<b>23</b>	Summarises the content contained within the performance management section with the key principles, outputs, supporting management information, and processes.		<b>7 Governance</b>	
Sets out the structure of the finance and commercial section.		<b>5.3 Service Levels and Credits</b>	<b>51</b>	<b>7.1 Section Contents</b>	<b>71</b>
<b>3.2 Finance and Commercial Summary</b>	<b>24</b>	Summarises the services and key information relating to the Service Levels and credit regime. Introducing component and shared Service Levels.		Sets out the structure of the governance section.	
Summarises the content contained within the finance and commercial section of the handbook.		<b>5.4 SI Component Service Levels and KPIs</b>	<b>53</b>	<b>7.2 Governance Summary</b>	<b>72</b>
<b>3.3 Commercial Framework</b>	<b>25</b>	Summarises the component Service Levels and KPIs for Service Integration within the contract at execution.		The guiding principles from which the governance processes and forums have been derived and the key meetings conducted and management information and outputs that are produced.	
Covers selected terms and conditions from the agreement that are important to the operation of the contract.		<b>5.5 SD Component Service Levels</b>	<b>54</b>	<b>7.3 The Supplier Account Team</b>	<b>74</b>
<b>3.4 Financial Management</b>	<b>31</b>	Summarises the component Service Levels for Service Desk within the contract at execution.		The key roles that are responsible for managing and delivering the contract and the Post Office rights over them.	
Summarises the key financial management concepts including the charges, payment mechanisms and invoicing.		<b>5.6 Shared Service Levels</b>	<b>55</b>	<b>7.4 The Supplier Performance Review</b>	<b>75</b>
<b>3.5 Value for Money</b>	<b>35</b>	Summarises the shared Service Levels within the contract at execution.		Sets out the ongoing performance management activities such as meetings and reporting used.	
Summarises the processes that exist within the contract for supporting the delivery of value for money from the services.		<b>5.7 Service Credit Calculations</b>	<b>56</b>	<b>7.5 Issue and Dispute Management</b>	<b>76</b>
<b>3.6 Operating the Financial Model</b>	<b>36</b>	Provides an overview of how the service credits are calculated and operate.		Overview of the provisions that apply in the event of a Dispute or issue between parties.	
Summarises the contents of the Financial Model, how it should operate and how it can be amended.		<b>5.8 How Performance Management Changes Over The Term</b>	<b>58</b>	<b>7.6 How Governance Changes Over The Term</b>	<b>77</b>
<b>3.7 How Finance and Commercial Change Over The Term</b>	<b>37</b>	Summarises the mechanisms and triggers for change within performance management.		Summarises how the Governance arrangements change over time.	
Summarises how the financial and commercial aspects of the agreement change over time.					

### Example queries and where appropriate guidance can be found

Query	See Section
How do the 80/20 charges for Completion Payments work?	3.4.3
What is the process for Supplier invoice delivery to Post Office?	3.4.4
How is the Financial Model constructed and how might it be changed?	3.6
What can the authorised Post Office personnel do if there is a variance in invoices?	3.6



## 2. Contract Structure



**This section provides an overview of the contract structure and its component parts. It should be read by all users who want to gain an insight into the topics covered in the new contract.**

The SISD agreement was originally based upon the OGC Model contract and has been refined throughout the procurement process.







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## 2.1 Contract Structure

### Overview

On 26<sup>th</sup> September 2013 Post Office Limited ("POL" or "Post Office") and ATOS IT Services UK Limited ("Supplier") entered into an agreement for the supply of Service Integration and Service Desk ("SISD") services. An initial term of 4 years from that date with two potential extensions of one year i.e. 4+1+1, was agreed.

This followed the completion of an OJEU Competitive Dialogue Procedure to appoint the SISD provider during which the SISD contract, originally based upon the OGC model contract, was developed and refined.

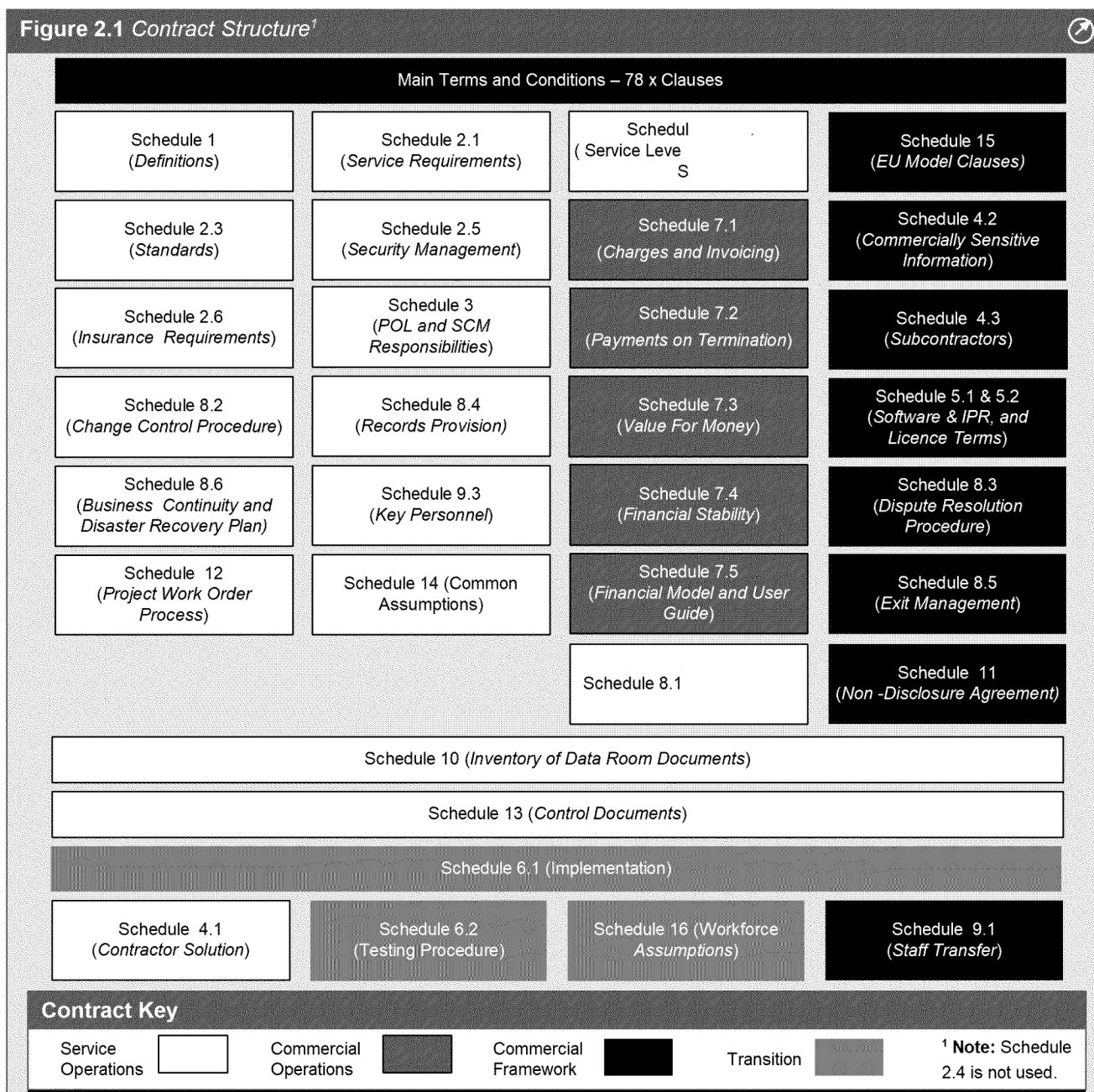
The agreement and establishing an SISD role is a key part of the wider transformation of Post Office's IT Supply Chain (see Appendix B).

The agreement, depicted in Figure 2.1, is constituted of the Main Terms and Conditions, and schedules further describing various aspects.

### Key Points

- In the event of conflicts the following descending order of precedence applies:
  - Main Terms and Conditions (i.e. Clauses) and Definitions;
  - Schedules 2.1. Services and 2.2 Service Levels;
  - Any other Schedules and their Annexes (except 4.1);
  - Schedule 4.1 (Clause 15.8 says it is baseline narrative only, & assumptions not in Schedule 3 have no effect) also 4.1 Part B takes precedence over 4.1 Part C; then
  - Any other document referred to in the Agreement or attached to the Agreement.

Figure 2.1 Contract Structure<sup>1</sup>





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## 2.2 Stakeholders and the Contract Structure

### 2.2.1 Overview

#### Overview

As previously described in Table 1.2, Post Office stakeholder groups have different areas of interest and many will focus on more than one area of the SISD contract, which is shown in Figure 2.2.1 below.

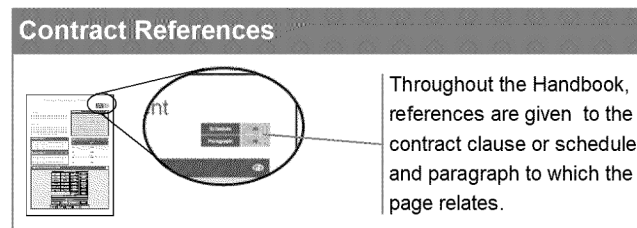
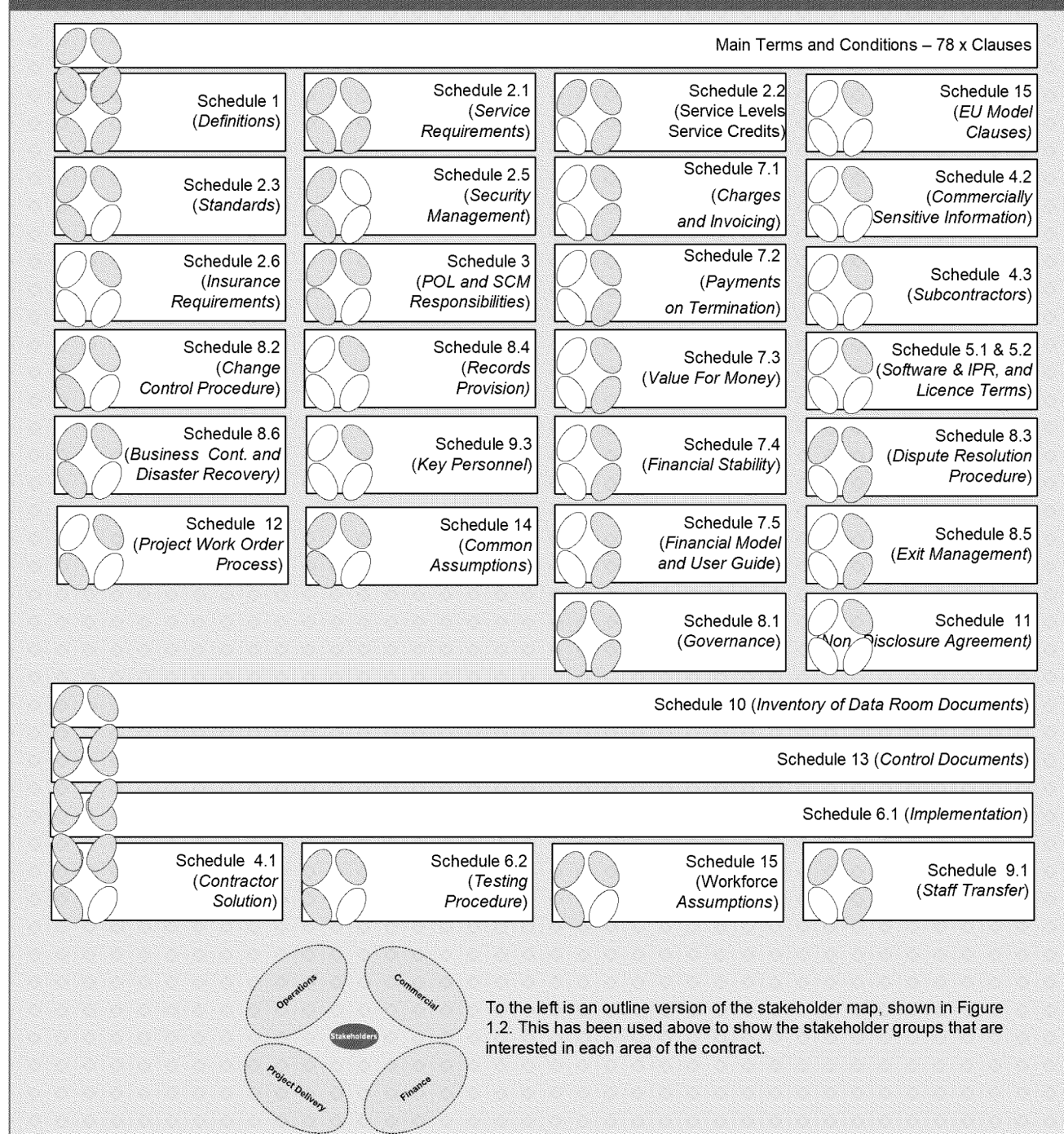


Figure 2.2.1 Stakeholder interests mapped to outline contract Structure






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## 2.2.2 Contract Structure


Listed in the table below, along with descriptions, is the contract structure including additional annexe's not shown on Figure 2.1.

Table 2.2.2 Detailed Contract Structure Listing 	
Document or Schedule	Description and Notes
Main Terms and Conditions	Outlines the key Terms and Conditions of the SISD agreement. Sets out the clauses.
1. Definitions	Defines the contractual terms used throughout the agreement.
2.1. Service Definitions	Defines contractual terms used only in Section 2.1.
2.1. Service Requirements	Sets out the key objectives of Post Office's IT Supply Chain Operating Model and the Service Requirements for the SISD.
2.1. Annex A SCM matrix	Matrix describing the relationship between the SI and other Supply Chain Members.
2.2. Service Levels	Part A (Service Level Management) – general principles applicable to performance. Annex to Part A (Service Levels Tables) – descriptions and definitions of the Service Levels. Part B (Performance Management System) – obligations for managing Services. Part C (Service Credit Regime) – Service Points that will apply and Service Credits payable.
2.2 Service Level Table Annex A	Descriptions and definitions of the Service Levels e.g. details of categorisation as KPI, commencement, expected service levels, measurement periods and calculation methods.
2.3 Standards	The Standards which the Supplier is required to comply with in delivering the Services.
2.5 Security Requirements	The security requirements relating to the suppliers contractual obligations.
2.5 Annex A	Supplier's Security Management Plan. This is now a controlled document.
2.6 Insurance Requirements	Outlines the required insurances that the Supplier should have and maintain.
3.0 POL and SCM Responsibilities	Sets out Post Office and other Supply Chain Members responsibilities that have been expressly allocated as "Post Office Responsibilities" i.e. obligations breach of which may trigger a 'Post Office Cause' or a 'Supply Chain Member Cause' and the relief/compensation mechanisms.
4.1. Contractor Solution	Describes the supplier's solution to the requirements. Part A – Lists specific aspects of the solution that the Supplier cannot change without change control. Part B – Includes clarifications received post ISFT which supersede some of Part A. Part C – Supplier's solution, included for information. Does not supersede other schedules. Note: Part B exists as POL chose not to ask for resubmission with the clarification updates.
4.1. Contractor Solution	Schedules containing the suppliers detailed solution. (documents as listed in Table 2.2.3 (a))
4.2 Commercially Sensitive Information	Identifies the Information that is commercially sensitive and the disclosure of which would be contrary to the public interest.
4.3. Subcontractors	Control document that should be kept current with key and regular sub-contractors.
5.1 Software and IPR	Details Post Office and suppliers IPR and details how the contract deals with Software.
5.2 Licence terms	The Standard Licence Terms granted to Post Office and each Service Recipient in respect of the supplier's IPR and Software.
6.1 Implementation	Requirements for Implementation. including: responsibilities on the SISD with respect to the implementation programme, Completion Payments payable for delivery of it, governance procedures, and a breakdown of the individual initiatives, timelines and completion criteria.
6.1 Annex 4	SISD Implementation Plan. Operational detail supporting the implementation programme.
6.1 Annex 5 Implementation Initiatives	1.0 ATF Tools & Networks, 2.0 Service Management, 3.0 Service Management Centre, 4.0 Governance & Assurance, 5.0 Business & Project Office, 6.0 Commercial & Financial Management, 7.0 Enterprise Architecture, and 8.0 Service Desk.
6.1 Annex 6	The programme management scheme for managing and monitoring the performance of the Implementation Programme.
6.2 testing Procedure	The Testing procedures to demonstrate that Services have been successfully implemented.
7.1 Charging and Invoicing	The principles and procedures that govern charging for the SISD services.
7.2 Payments on termination	The calculation of payments that may be paid upon termination of the agreement.
7.3 Value for Money	The benchmarking exercises that will be undertaken in order to determine whether the Supplier is providing market competitive services.
7.4 Financial Stability	Describes assessment of Supplier financial standing and trigger events with consequences.
7.5 Financial model & User Guide	How the Financial Model is constructed and managed throughout the contract term.
8.1 Governance	The Governance structures that will be used.
8.2 Change Control procedure	The configuration and the proposed management of the change control procedure.
8.3 Dispute resolution procedure	The process of dispute resolution.
8.4 Records Provision	Sets out how records of processes and decisions should be managed.
8.5 Exit Management	How exit from the contract will be managed and who is responsible for the specific activities.
8.6 Business Continuity and Disaster Recovery	The requirements in relation to the Supplier's BCDR Plan and how this will be managed through the term.
9.1 Staff Transfer	The rights and obligations in relation to the application of the Employment Regulations.
9.3 Key Personnel	List of suppliers key personnel and their responsibilities.
10 Inventory of VDR	Inventory of Data Room Documents.
11 Non-Disclosure Agreement	The standard Non Disclosure Agreement.
12 Project Work Order Process	The Project Work Order Process and the accompanying Work Order Process Form.
13 Control Documents	Lists control documents and defines process to manage such control documents.
14 Common Assumptions	Assumptions incorporated after ISFT having been issued so bidders would tender on the same basis. Clause 2.4 sets out how material inaccuracies may lead to changes.
15 EU Model Clauses	Signed separately to main contract. Related to offshore data access. See Main Clause 48.7.
16 Workforce Assumptions	Part A. The Workforce Assumptions paper that PO published at ISFT. Part B. The additional People Assumptions that were made by ATOS in their bid. Clause 2.3 sets out how inaccuracies in these assumptions may lead to changes.




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## 2.2.3 Contract Structure – Supplier Solution and Control Documents

Table 2.2.3 (a) Supplier Solution Documents 	
Document (listed using filenames which may be prefixed with "Atos_ISFT_July 2013_" , removed here for clarity)	
SISD_Schedule_4 1_Contractor_Solution_ISFT_Final_V1.0.DOC	
SISD_Schedule_4 1_Contractor_Solution_ISFT_Final SOLUTION BLUEPRINT V1.0.doc	
Schedule 4.1 Annex C Compliance Matrix_V1.0.DOC	
Schedule 4.1 Tier 2 Response Template - 5.1 service desk services	
People Strategy_V1.0.doc	
Schedule 4.1_0.4 Tools V1.0.DOCX;	
Schedule 4.1_0.5 Refresh and Technical Currency V1.0.DOCX;	
Schedule 4.1_0.6 Innovation V1.0.DOCX;	
Schedule 4.1_0.7 Quality Assurance V1.0.DOCX;	
Schedule 4.1_1.1 Supply Chain Member Management V1.0.DOCX;	
Schedule 4.1_1.2 Issue Resolution V1.0.DOCX;	
Schedule 4.1_1.3 Contract Compliance Management V1.0.DOCX;	
Schedule 4.1_1.4 Performance Analysis V1.0.DOCX;	
Schedule 4.1_1.5 IT Services Risk and Compliance Management V1.1.DOCX;	
Schedule 4.1_1.6 Onboarding V1.1.DOCX	
Schedule 4.1_1.7 Offboarding V1.1.DOCX;	
Schedule 4.1_2.2 Financial Management V1.0.DOCX;	
Schedule 4.1_2.3 Service Portfolio Management V1.0.DOCX;	
Schedule 4.1_2.4 Demand Management V1.1.DOCX	
Schedule 4.1_2.5 Business Relationship Management V1.0.DOCX	
Schedule 4.1_2.6 Customer Satisfaction and Survey Management V1.0.DOCX;	
Schedule 4.1_3.1 Service Catalogue Management V1.0.DOCX;	
Schedule 4.1_3.2 Service Level Management V1.0.DOCX;	
Schedule 4.1_3.3 Capacity Management V1.1.DOCX;	
Schedule 4.1_3.4 Availability Management V1.1.DOCX	
Schedule 4.1_3.5 IT Service Continuity Management V1.1.DOCX	
Schedule 4.1_3.6 Information Security Management V1.1.DOCX	
Schedule 4.1_4.1 Service Asset and Configuration Management V1.1.DOCX;	
Schedule 4.1_4.2 Change Management V1.1.DOCX;	
Schedule 4.1_4.3 Transition Planning and Support V1.1.DOCX;	
Schedule 4.1_4.4 Transition Services v1.2.DOCX	
Schedule 4.1_4.5 Knowledge Management V1.1.DOCX;	
Schedule 4.1_5.1 Service Desk V1.1.DOCX	
Schedule 4.1_5.3 Problem Management V1.1.DOCX	
Schedule 4.1_5.4 Facilities Management V1.1.DOCX	
Schedule 4.1_5.5 Technical Management V1.1.DOCX;	
Schedule 4.1_6.0 Continuous Service Improvement V1.1.DOCX;	
Schedule 4.1_7.1 Solution Design Governance V1.1.DOCX;	
Schedule 4.1_7.2 Programme Office Standards V1.1.DOCX	
Schedule 4.1_7.3 Project Execution Services Function V1.1.DOCX	
Schedule 4.1_7.4 Project Implementation Services V1.1.DOCX	
Schedule 4.1_7.4 Project Implementation Services V1.1.DOCX	
Schedule 4.1_7.5 Requirements Development and Design V1.1.DOCX	
Schedule 4.1_8.0 Resource Augmentation V1.1.DOCX;	

### Control Documents

Schedule 13 lists Control Documents and defines process to manage these. Table 2.2.3 (b) shows those that were listed as at execution of the Contract. See Schedule 13 for the latest list. Notably the Authority Matrix is to detail who can approve changes to Control Documents.

Table 2.2.3 (b) Control Documents 	
Control Documents at Execution	
<b>Post Office Obligations</b>  At the Effective Date, the list of controlled documents is not complete. Post Office needs to work with the Supplier to firm up the list by two months after the effective date.  Change control procedures are to be used to add / remove documents after that.  Post Office to nominate who can approve changes to which control documents by completing the Authority Matrix.	Authority Matrix
	Document Operational Procedures
	itions Manual
	ional Governance Model
	ing Level Agreements or other agreement between the Contractor and Supply Chain Members
	ctor's Security Management Plan
	ctor's BCDR Plan
	plementation Plan
	e Management Note
	e Request note
	Order Process template



### 3. Finance and Commercial



**This section should be read by users with an interest in understanding the key financial and commercial aspects underpinning the contract between the Supplier and Post Office.**

The commercial framework underpins the delivery and operation of all of the services within the contract. It provides the mechanisms and interventions available to both parties through which to manage the contract.

The key financial aspects covered include the Charges, invoicing, benchmarking and the Financial Model.

Benchmarking is the main mechanism used for price control of the SISD services to ensure the Supplier is providing market competitive rates.







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## 3.1 Section Contents

### Section Overview

The Finance and Commercial section covers a broad range of topics spread across numerous schedules as outlined in the contents below.

<i>Finance and Commercial - Contents</i>				
Section	Description	Schedule(s)	Page	
<b>3.1 Section Contents</b>	Sets out the structure of the Finance and Commercial section.	N/A	23	
<b>3.2 Finance and Commercial Summary</b>	Provides an overview of the content of the Finance and Commercial section, highlighting key principles, outputs and the supporting management information.	2.1, 7.1	24	
<b>3.3 Commercial Framework</b>	Covers selected terms and conditions from the agreement that are important to the operation of the contract including; •Minimum Commitments and Exclusivity; •Termination and Cancellation; •General Obligations regarding aspects such as audit, overarching obligations and co-operation; •Delays and Post Office Responsibilities; and •Exit Planning.	T&Cs, 3, 7.2, 8.5	25	
<b>3.4 Financial Management</b>	Summarises the key financial management concepts including: •Service Charges Introduction; •Types of Charges; •Payment Types; and •Invoice Delivery & Management.	7.1	31	
<b>3.5 Value for Money (Benchmarking)</b>	Summarises the Benchmarking process that exists within the contract for supporting the delivery of value for money from the services.	7.1, 7.3	35	
<b>3.6 Operating the Financial Model</b>	Summarises the contents of the Financial Model, how it should operate and how it can be amended.	7.5	36	
<b>3.7 How Finance and Commercial Changes Over the Term</b>	Summarises factors that will give rise to changes in the results of the Finance and Commercial aspects of the agreement and others that may cause recourse to the Change Control Procedures.	7.1, 7.3, 7.5	37	



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## 3.2 Finance and Commercial Summary

### Finance and Commercial Introduction

This section of the handbook covers a broad range of topics relating to the financial and commercial provisions within the SISD contract.

This section will provide, at a manageable level of detail, a description of commercial levers available to Post Office and the Supplier to manage the contract as well as the necessary financial management documentation, processes and mechanisms to provide visibility and control of Post Office's spend with the Supplier.

There is significant detail in the contract that sits behind the finance and commercial aspects of the SISD contract. This includes the actual charges for the service Post Office will receive. Whilst not all stakeholders of the contract require an up-to-date knowledge of these charges it will be of benefit to understand where these charges are represented and how they change through the term of the contract.

The Charges are made up of various Types of Charges (see 3.4.2 Types of Charges), including Service Charges) each of which may be paid for using one or more of the available Payment Mechanisms (see 3.4.1 and 3.4.3).

Schedule	7.5	Schedule	7.1	Schedule	2.1
Paragraph	4	Paragraph	All	Paragraph	All

### Key Points

- There are no minimum revenue guarantees in the contract and no minimum commitments for volume based charges but Post Office have committed to certain Periodic Service Charges and implementation related charges.
- The Supplier is granted exclusivity for a sub set of services subject to conditions and exceptions e.g. exclusivity does not apply where Post Office considers it uneconomical or no longer in their best interests.
- For Completion payments 20% of the charge is not due until all Acceptance Certificates have been issued for all FMO Services.
- The charges are detailed in the Financial Model that will be maintained by the Supplier, made visible to Post Office and supplied to Post Office each time it is updated through change control.
- Delayed completion of implementation or projects can lead to Delay Credits which reduce the amount due from Post Office.
- Post Office must pay within 30 days of receiving a valid & final invoice.
- After 3rd September 2015 Post Office may initiate Benchmarking Reviews of any Tier 2 Services and its Charges.
- Post Office can require the Supplier to provide Termination Services and the associated access to information or personnel for up to 12 months beyond expiry or termination.

### Service Structure and its use in Finance and Commercial Provisions

Prior to understanding how each service might be charged for, leveraged, exited etc. it is important to understand how services are structured in the contract (and the surrounding terminology).

- There are nine Totals/Tier 1 Service categories (numbered 0 to 8) grouped into:
  - 0: Overheads.
  - 1-6: SISD Services.
  - 7, 8: Projects & Resource Augmentation.
- The SISD services are structured using a Tier 1, Tier 2 and Tier 3 hierarchy.
- A Charges hierarchy table lists all of these Services and can be found in Schedule 7.1, Appendix 1:
  - Each Tier 1 service category comprises a number of Tier 2 Services.
  - Tier 3 is only shown to explicitly detail the requirements within a couple of Tier 2 Services where clarity has been requested.
  - Service Charges are *not* mapped to Tier 1 or 3 Services. They only map to Tier 2 Services.
- The specific services charges are detailed in the Financial Model that will be maintained by the Supplier (see 3.6 Operating the Financial Model).
- Schedule 7.1 Appendix A, identifies the charging type and mechanism applicable for each service.
- Additionally during exit there are Termination Services (scope to be specified in the Termination Notice). Additional charges for Termination Services may be agreed through the Change Control Procedure in circumstances specified in Schedule 8.5.

### Supporting Documentation

The material contained in this section of the handbook is a summary of:

- Main Terms and Conditions;
- Schedule 2.1 (Service Requirements);
- Schedule 7.1. (Charges and Invoicing);
- Schedule 7.2 (Payments on Termination);
- Schedule 7.3 (Value for Money);
- Schedule 7.5 (Financial Model);
- Schedule 8.5 (Exit Management); and
- Schedule 6.1 (Implementation).

In addition to the contract Schedules, further detail supporting the finance and commercial topics is available within

- Operations Manual (provided and maintained by the Supplier); and
- SISD Financial and Commercial Principles Summary (Developed by Post Office during procurement)

### Financial and Commercial Principles

The capabilities and processes captured in this section have been designed based on a set of principles and objectives. An appreciation of these principles and objectives will provide an insight into many of the processes and ways of working which underpin the delivery of the contract. They are as follows:

- Market pricing (and benchmarking) is the best form of cost control.
- Services should be defined as IT Service Outcomes: i.e. a unit that accrues business benefit and not an IT, predecessor input.
- Payment should be based on the volume of used IT services. Where practical, utility principles should apply i.e. the service is entirely priced via incremental units of consumption.
- Best value is derived through acceptance of industry standard services.
- Ideally, Suppliers own the Service Assets.



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## 3.3 Commercial Framework

### 3.3.1 Minimum Commitments & Exclusivity

#### Overview

There are relatively few obligations on Post Office in terms of minimum commitments and exclusivity. However, commitments have been made that should be observed and will need to be considered by Post Office when making procurement decisions.

#### Minimum commitments

Post Office has made no commitment to purchase any volume or minimum order of services from the Supplier but it has committed to:

- All Periodic Service Charges up to the end of the Initial Term;
- All Completion Payments (in respect of the Implementation); and
- The first three months of Implementation Management, i.e. the project in which the SISD provider will manage the stand-up of the other Tower Suppliers and the exit of selected Incumbents.

#### Exclusivity

The contract with the SISD provider is primarily based on the premise of non-exclusivity, offering greater flexibility to Post Office. However, exclusivity is provided for the services listed in Table 3.3.1 for the duration of the initial term, with this exclusivity commencing from exit from the relevant Incumbent Supplier or the date of receipt of the Acceptance Certificate for that FMO Service, whichever is later.

To limit its exposure, Post Office included a number of carve outs from the exclusivity provisions:

- Exclusivity will not apply to services or similar services provided by a third party entered into between Post Office and/or Royal Mail Group Limited for the benefit of the Royal Mail Group, and such third party prior to the effective date.
- Exclusivity ceases upon the service of a notice of termination of the SISD Agreement by either party for any reason whatsoever, or during exit management. Exclusivity ceases if Post Office has a right to terminate (but has not exercised that right).
- The key carve out relates to circumstances where Post office considers (in its absolute discretion) that provision of the proposed exclusive services by the SISD would be uneconomical or otherwise not in the best interests of Post Office. This broad carve out was designed to mitigate the impact of exclusivity.

Exclusivity applies strictly in Supplier's capacity acting as a Service Integrator under the Supply Chain Matrix.

The Supply Chain Matrix is a spreadsheet that indicates where a relationship exists between the SISD and a particular third party supplier (see Figure 3.3.1 & Appendix B.3.). The rows list individual services, whilst the columns list each individual third party supplier. The matrix indicates via a tick where there is a relationship between the SISD and the relevant supplier in respect of that service.

Therefore to ascertain whether the exclusive services are in scope for any individual supplier, we have to refer to the matrix to see whether there is a relationship between that supplier in respect of the services listed in Table 3.3.1 (e.g. Change Management). If there is a tick against the service, the SISD will be the exclusive service integrator for that service in respect of that supplier.

Schedule	T&Cs
Clause	13

#### Key Points

- There are no minimum revenue guarantees in the contract and no minimum commitments with regards to volume based charges.
- Post Office have committed to certain Periodic Service Charges and implementation related charges.
- The Supplier is granted exclusivity for a sub set of services subject to conditions and exceptions e.g. exclusivity does not apply where Post Office considers it uneconomical or no longer in their best interests.

Table 3.3.1 Services Subject to Exclusivity

Service	Payment Mechanism
4.2 Change Management Services	Volume-based
5.1 Incident Management Services	Volume-based
5.1 Request Fulfilment Services	Volume-based
5.1 Access Management Services	Volume-based

Figure 3.3.1 Supply Chain Matrix

An excerpt is shown here of the Supply Chain Matrix from Annex A of Schedule 2.1 as at execution.

Third party suppliers e.g. Towers/Frameworks/Other suppliers

SI Services  
The rows of the matrix list the Tier 2 Services that the SI will provide as per the Schedule 2.1. requirements

	NEW SUPPLIERS				IT SERVICES INCUMBENT SUPPLIERS											
	TOWERS & FRAMEWORKS	Suppliers	Frameworks	Other suppliers	Group services	Limited management	Managed services	Managed services	Managed services	Managed services	Managed services	Managed services	Managed services	Managed services	Managed services	Managed services
Overhead:																
Process Setup And Refresh & Governance																
Operational Governance Support																
Information Sharing																
Tools																
Refresh And Technical Currency																
Innovation																
Quality Assurance																
Supply Chain Member Introduction And Removal																
Supply Chain Member Management																
Issue Resolution																
Contract Compliance Management																
Performance Analysis																
IT Services Risk & Compliance Management																
Onboarding																
Offboarding																
Service Strategy																
Strategy Management																
Financial Management																
Service Portfolio Management																
Demand Management																



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## 3.3.2 Termination & Cancellation

Schedule	8.5	Schedule	7.2	Schedule	T&Cs
Paragraph	6	Paragraph	All	Clause	62

### Overview

The contract provides mechanisms by which to terminate services. These may be used under different scenarios, each have specific pre-conditions and implications in terms of process, notice and cost. The different types of termination are summarised in Table 3.3.2. and outlined in detail within the agreement including in the Main Terms and Conditions, Schedule 7.2 (Termination Payments) and Schedule 8.5 (Exit Management).

### Key Points

- Schedule 8.5 paragraph 6 provides a set of termination services and obligations that the Supplier should comply with if any type of termination is invoked.
- Schedule 7.2 outlines the payments due to either party upon the termination of the contract, dependant on the circumstances in which it was terminated.

**Table 3.3.2 Termination Types**

Type	Description	Notice Period	Cost Implications
<b>for Cause</b>	Example situations where Termination for Cause can apply include the Supplier: <ul style="list-style-type: none"> <li>•commits an irremediable material breach of the agreement or fails to remedy a material default.</li> <li>•fails to achieve a Service Adjustment to which termination for cause applies (as identified in Schedule 6.1) or fails to comply with a Correction Plan (see 3.3.4).</li> <li>•fails to achieve a project milestone to which termination for cause applies (as identified in the Project Work Order).</li> <li>•performance results in a Critical Service Failure (see 5.7.2).</li> </ul> See Main Terms and Conditions Clause 62 for details.	None specified, but written notice is required	Post Office will not be liable to pay any costs if terminating for cause.  Post Office will be entitled to reclaim any completion payments (including any TMO completion payments) which fall within a 12 month window preceding the termination for cause date.
<b>for Convenience</b>	Post Office can terminate the whole agreement or any part of the agreement at any time and at their discretion.	None specified, but notice given affects the payments.	Amount of notice affects the payments due. Payments cover: <ul style="list-style-type: none"> <li>•Termination payment;</li> <li>- Unrecovered costs;</li> <li>- Breakage costs; and</li> <li>•Compensation payment (see call out below).</li> </ul>
<b>for Change of Control</b>	Post Office may terminate the agreement by written notice without penalty if there is a change of control within the Supplier which Post Office reasonably considers may have a materially adverse effect on the Services.	By written notice.	No penalty if there is sufficient evidence of the effect on the service.
<b>Partial Termination</b>	Post Office have the right to invoke partial termination of services where the Supplier cannot or will not remedy a default. The Supplier will not be entitled to an increase in other charges if partial termination arises	One month prior written notice.	As for Termination for Cause. Agreement and change control for changes to other charges.
<b>Termination by Supplier</b>	The Supplier can terminate the contract where undisputed charges in excess of £200,000 have become due and have remained unpaid by Post Office for more than ninety days	45 days	The amount of notice given affects the payments due. Payments cover: <ul style="list-style-type: none"> <li>•Termination payment;</li> <li>- Unrecovered costs;</li> <li>- Breakage costs; and</li> <li>•Compensation payment (see call out below).</li> </ul>
<b>for Continuing Force Majeure Event</b>	Post Office may terminate the agreement if a Force Majeure Event affects part of the services it receives.	30-60 days depending on service affected.	Each party bears the costs they incur.

### Compensation Payment ( For Convenience )

Compensation Payment is calculated as being equal to the Supplier's Forecast Profits that would have been earned for the 'shortfall period'. (See Forecast Profits definition in Schedule 1.1)

In this case, the 'shortfall period' is the difference between 6 months and the actual number of months notice of termination given by Post Office.

### Compensation Payment ( By Supplier )

Compensation Payment is calculated as equal to the Supplier's Forecast Profits that would have been earned for the 'shortfall period'. (See Forecast Profits definition in Schedule 1.1)

In this case, the 'shortfall period' is between the date on which the Supplier's right to terminate is exercisable and the date on which termination takes effect (up to a maximum of 6 months).

### Supplier's Financial Stability

Schedule 7.4. outlines the responsibilities the Supplier has to itself and its contractors regarding their financial standing. It also outlines the trigger events relating to changes in financial standing, such as credit rating dropping below a specified level. If these trigger events occur the Supplier specifies consequences including the potential need to construct and follow a Financial Stability Service Continuity Plan.



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### 3.3.3 General Obligations Summary

Schedule	8.4	Schedule	3	Schedule	T&Cs
Paragraph	All	Paragraph	All	Clause	3, 30, 31

#### Overview

Whilst all aspects of the agreement are important, this section describes selected terms surrounding key topics that have significant relevance to the business as usual operation of the services.

#### The Supplier's Overarching Obligations

The Supplier is obliged to provide the defined services to Post Office not only in accordance with the Service Levels, service descriptions and broader contract terms but also in line with applicable legislation and Good Industry Practice.

The Supplier also needs to use all reasonable endeavours to comply with Post Office's IT policies and business principles. In practice the Supplier may comply with its own internal policies where Post Office agrees that this provides protection which is above their own internal policies.

In turn Post Office has general obligations described throughout the agreement and specific responsibilities in Schedule 3 breach of which may trigger a 'Post Office Cause' or a 'Supply Chain Member Cause' and the relief/compensation mechanisms. See Section 3.3.4.

#### Co-operation Requirements

The Supplier is obliged to be open, co-operative and provide reasonable assistance to any third party providing services to Post Office where there is an interaction or overlap in the services delivered. As part of this, where the interaction or overlap presents a material relationship between the services, the Supplier has primary responsibility for liaising with the necessary supply chain members. Any disputes or disagreements with other supply chain members must be notified to Post Office, but the Supplier should use reasonable endeavours to resolve these.

In the event that co-operation requires the use of additional resource, the Supplier is entitled to make incremental charges. It would need to demonstrate that additional resource was required as a result of co-operation and agree these through change control.

#### Audit

As part of the audit clause, the Supplier and each key subcontractor has a set of responsibilities with respect to providing access to the information, sites, systems and personnel, that fall within the scope of the audit. Post Office (not more than twice a contract year – unless a regulatory body imposes otherwise ) may conduct an audit for purposes such as to review:

- the accuracy of the service charges and Management Information;
- the integrity, confidentiality and security of Post Office data; and
- the Supplier's compliance with obligations including performing them in accordance with standards and practices listed in clause 15.3;

Or to Fulfil any legally enforceable request by any governmental authority or regulatory body.

The Supplier is also required to maintain and provide upon request Records of processes and decisions taken relating to the performance and management of the Agreement as described in schedule 8.4.

Post Office will endeavour to provide at least 15 working days' notice of an audit. Post Office are to use reasonable endeavours to ensure that the conduct of each audit does not unreasonably disrupt the Supplier or delay the provision of the Services. Actions following audits vary by outcome see Table 3.3.3.

#### Key Points

- Up to twice per contract year, Post Office may conduct audits for specific purposes such as reviewing performance of obligations, accuracy of information and compliance with standards. Compliance of the Supplier and any key sub-contractors with audit obligations should be free of charge.
- The Supplier is obliged to be open, co-operative and provide reasonable assistance to third parties providing services to Post Office where there is an interaction in the services delivered.
- Schedule 3, sets out responsibilities that have been expressly allocated as "Post Office Responsibilities" i.e. obligations breach of which may trigger a 'Post Office Cause' or a 'Supply Chain Member Cause' and relief/compensation mechanisms. Many of these are summarised within this handbook but familiarity with the full list of these obligations in Schedule 3 is important for those managing and working with the Supplier.
- Outside schedule 3 Post Office does have other responsibilities and obligations that are binding which the SISD will be able to enforce in the usual way. However breach of those other obligations will not trigger the relief/compensation mechanisms.

#### Key Sub-Contractors

- A key subcontractor is described as follows:
  - Any sub-contractor which performs a business critical role in the provision of the services; or
  - Any sub-contractor with a sub-contract that has a contract value in excess of 10% of the aggregate charges.
- The Supplier needs approval from Post Office prior to appointing a material subcontractor;
- Requests for approval should be supported by basic due diligence information describing the sub-contractor;
- Notified key sub-contractors (and regular sub-contractors) must be maintained in Schedule 4.3; and
- It should be noted that a percentage mark-up applies to materials or services provided by subcontractors incorporated into a Change or Project. The maximum percentage mark-up that the Supplier can charge Post Office can be found in Schedule 7 Part F paragraph 14.3.3.

**Table 3.3.3 Resulting Action Upon Audit Outcomes**

Outcome of Audit	Resulting Action
Supplier has failed to perform its obligations under the agreement in a material manner	Both parties will agree and implement a remedial plan.
Post Office has overpaid any charges	The Supplier will pay to Post Office the amount overpaid within 25 working days.
Post Office has underpaid any charges	Post Office will pay the amount of the under-payment less the cost of the audit if this was due to a default by the Supplier, in relation to invoicing within 25 working days.



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## 3.3.4 Delays and Post Office Responsibilities

Schedule	3	Schedule	T&Cs
Paragraph	All	Clause	6-12, 17, 18

### Overview

Clauses 6 to 12 address issues or Delays that may arise in the course of the Supplier providing Implementation Services, Service Adjustments or Project Services.

They explain how the Supplier should notify Post Office of Delays, submit a Correction Plan and work with other to make a determination of Fault Allocation.

If the Supplier wishes to make a claim for reimbursement of any costs and expenses), the Supplier must detail the costs and expenses in the Correction Plan and notify Post Office of additional costs and expenses.

### Delay

- Delays are the period of time by which the achievement of Service Adjustments are delayed with reference to the SISD Implementation Plan; or in relation to a Project, the period of time by which the Project Services are delayed arising from a failure to Achieve a Project Milestone.
- Regardless of the responsibility or cause for the delay It is the responsibility of the Supplier to, as soon as reasonably practicable, notify Post Office in writing of the fact of the delay and also within five working days to give full detail in writing to Post Office of the reasons for the Delay, its consequences and the steps the Supplier is taking to minimise the Delay.
- If it becomes apparent that there will be a delay then the Supplier should endeavour to eliminate or mitigate the consequences of the delay including working with Post Office, the Supply Chain Members or any third party directed by Post Office, and agreeing with each sub-contractor to take steps to eliminate or mitigate any losses and expenses.

### Correction Plan

- Where a Service Adjustment or Project Milestone is likely to be delayed the Supplier is to submit a correction plan with contents as described in Clause 6.9. within 10 days of the initial notification that there would be a delay.
- The draft plan needs to be signed off by Post Office as it will contain information such as steps that the Supplier recommends that all parties, including Post Office, take to mitigate the delay. Where Post Office does not approve the draft Correction Plan it must inform the Supplier promptly.
- Each party will comply with its obligations under the Correction Plan following its approval by Post Office. Note that approval of Correction Plan does not constitute approval of any claim within the plan for reimbursements.
- Where the Supplier has failed to include relevant cost and expense information in the Correction Plan or hasn't notified Post Office of additional costs and expenses within five days the Supplier will not be entitled to claim reimbursement of any costs incurred in complying with the Correction Plan.

### Other Relief Due To Post Office or SCM Cause

If a Post Office Cause or Supply Chain Member Cause means:

- a failure to meet Expected Service level, clause 17 may apply.
- Supplier incurs additional costs, clause 18 may apply.

### Key Points

- Schedule 3, sets out responsibilities that have been expressly allocated as "Post Office Responsibilities" i.e. obligations breach of which may trigger a 'Post Office Cause' or a 'Supply Chain Member Cause'.
- Fault Allocation may only determine that a Delay occurred (in whole or in part) due to a Post Office Cause or a Supply Chain Member Cause where a specific Post Office Responsibility or Supply Chain Member Responsibility that has not been met.
- Delays caused by Post Office or another Supply Chain Member may lead to increased cost.

### Fault Allocation

- In the event of Delay the overriding objective of the Supplier is to work with Supply Chain Members to remedy or resolve, the Delay.
- Unless agreed otherwise, on the earlier of the date that the Correction Plan is agreed or 30 days after the Delay occurred the Supplier and relevant Supply Chain Members will work together to determine whether the delay occurred due to a
  - due to a Contractor Default;
  - due to a Post Office Cause or a Supply Chain Member Cause;
  - in part due to a Contractor Default and in part due to a Post Office Cause/Supply Chain Member Cause; or
  - due to a Force Majeure Event.
- The Supplier may not cause or allow Fault Allocation to adversely affect the resolution of the Delay as soon as reasonably possible.
- Fault Allocation may only determine that a Delay occurred (in whole or in part) due to a Post Office Cause or a Supply Chain Member Cause where a specific Post Office Responsibility or Supply Chain Member Responsibility that has not been met.
- Post Office will consider the fault allocation and accept or reject it.
- If the parties are not able to agree the responsibility for the Delay or Post Office does not accept the determination; any party may refer the matter to Governance and, failing resolution within ten working days, such party may refer the matter for resolution in accordance with the Dispute Resolution Procedure.

### Fault Allocation Determines Applicable Clause

- If a Delay occurred due to a Contractor Default, the provisions of clause 8 (Delays due to Contractor Default) apply;
- If a Delay occurred due to a Post Office Cause or a Supply Chain Member Cause, and that is accepted by Post Office, the provisions of clause 9 (Delays to Service Adjustments or Project Milestones due to Post Office Cause or Supply Chain Member Cause) will apply;
- If a Delay occurred for which the Supplier was only partly responsible, and Post Office has accepted that, the provisions of clause 12 (Delays Not Due to One Party) will apply; or
- If the Delay occurred due, in whole or in part, to a Force Majeure Event, and Post Office has accepted that, the provisions of clause 57 (Force Majeure) will apply. (See Table 3.3.4)



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**Table 3.3.4 Summary Of Cross Relief And Compensation Clauses**

Clause	Summary
clause 8 (Delays due to Contractor Default)	<p>If a Deliverable, Service Adjustment or Project Milestone does not satisfy the Test Success Criteria; and/or the Fault Allocation Procedure determines that a Delay is due to the Supplier's Default, then Post Office will issue a Non-conformance Report to the Supplier. Post Office may choose to:</p> <ul style="list-style-type: none"> <li>▪ Issue an Achievement Certificate and/or Project Milestone Achievement Certificate conditional on the remediation of the Test Issues, or the non-conformities of the Deliverable, in accordance with an agreed Correction Plan (and optionally revise the failed Adjustment Point and/or Project Milestone Date and any subsequent Adjustment Points and/or Project Milestone Dates; and/or</li> <li>▪ Refuse to issue a conditional Achievement Certificate and/or Project Milestone Achievement Certificate and notify the Supplier of a further date on which the Supplier must remediate the issue, then apply a further round of correction and Testing; and escalate the matter in accordance with schedule 8.1 (Governance); and failing resolution within 5 Working Days, refer the dispute for resolution in accordance with the Dispute Resolution Procedure. If then the matter cannot be resolved exercise any right it may have under clause 62.1 (Termination Rights); and/or</li> <li>▪ Require the application of Delay Credits where schedule 7.1 (Charging and Invoicing) identifies that Delay Credits are applicable in respect of the relevant TMO Service Adjustment and/or Project Milestone. See 3.4.1.</li> </ul>
clause 9 (Delays to Service Adjustments or Project Milestones due to Post Office Cause or Supply Chain Member Cause)	<p>For Delays to Service Adjustments or Project Milestones due to Post Office Cause or Supply Chain Member Cause where the Supplier followed its obligations to notify the Post Office of a Delay and the Supplier could not reasonably have taken steps in accordance with Good Industry Practice and also the delay has not arisen or been contributed to by Supplier's negligence, fraud, or wilful default then the Supplier may seek rights and reliefs as follows:</p> <ul style="list-style-type: none"> <li>▪ right to apply for an extension of time to Achieve the relevant Service Adjustment or Project Milestone</li> <li>▪ relief from the application of Delay Credits in respect of the relevant TMO Service Adjustment and the relevant Project Milestone that is Delayed</li> <li>▪ claim for reimbursement of additional costs and expenses reasonably and necessarily incurred by the Supplier in complying with its obligations under the agreed Correction Plan</li> </ul> <p>Costs incurred must be reasonable, demonstrable, necessarily and reasonably incurred and the Supplier must use all reasonable endeavours to minimise such costs; The Supplier shall provide any additional information Post Office may reasonably require in order to assess the validity of the Supplier's claim.</p> <p>If Post Office accepts the Supplier's submission the agreed costs will be shown as an addition to the Completion Payment (or the applicable Project Milestone Payment).</p>
clause 10 (Pricing adjustment impacted by post office cause or supply chain member cause)	<p>Irrespective of all Delays, Pricing Adjustments (see 3.4.1) take effect on the associated Adjustment Point date. Thus if the Supplier has lowered its price while having been delayed or prevented from implementing a material cost saving that would have otherwise been implemented as a direct result of a Post Office Cause or Supply Chain Member Cause then the Supplier may be entitled to seek reimbursement of additional costs and expenses.</p>
Clause 11 (Service level adjustment impacted by post office cause or supply chain member cause)	<p>Irrespective of all Delays, Service Level Adjustments (see 4.4.1) take effect on the associated Adjustment Point date. Thus if the Supplier has been materially affected as a result of being unable to meet the adjusted Service Level having been delayed or prevented from meeting the Service Level as a direct result of a Post Office Cause or Supply Chain Member Cause then the Supplier may be entitled to seek reimbursement of additional costs and expenses.</p>
clause 12 (Delays Not Due to One Party)	<p>The provisions of clause 8 (Delays Due to Contractor Default) will apply in relation to the part of the Delay for which the Supplier was responsible; and</p> <p>The provisions of clause 9 (Delays to Service Adjustments or Project Milestones due to Post Office Cause or Supply Chain Member Cause), will apply to the part for which the Delay was due to a Post Office Cause or a Supply Chain Member Cause.</p> <p>If there is any Dispute as to the extent to which Post Office, Supply Chain Member or the Supplier respectively has contributed to the Delay, the parties may escalate the matter for resolution in accordance with schedule 8.1 (Governance) and, failing resolution in accordance with that schedule within ten Working Days, the Supplier may refer the matter for resolution in accordance with the Dispute Resolution Procedure.</p>
Clause 17 (Effect on service levels of post office cause or supply chain member cause)	<p>If the Supplier would have provided the Services in accordance with the Expected Service Level but has failed to do so as a direct result of a Post Office Cause, or a Supply Chain Member Cause, the Supplier will continue to provide the Services in accordance with the Service Levels but may apply for relief as set out in clause 17.2.</p>
Clause 18 (Costs incurred due to post office cause or supply chain member cause)	<p>If the Supplier reasonably believes that Supplier has incurred significant additional costs and expenses as a direct result of steps taken by the Supplier in carrying out any additional work or services to remedy or mitigate an issue caused by a Post Office Cause or Supply Chain Member Cause, then the Supplier may be entitled to claim for reimbursement of those additional costs and expenses in accordance with the claim process set out in clause 18.2.</p>
clause 57 (Force Majeure)	<p>Either party may claim relief from liability for non-performance of its obligations to the extent this is due to a Force Majeure Event.</p>



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## 3.3.5 Exit Planning

Schedule	8.5
Paragraph	All

### Overview

Exit and service transfer is governed by an agreed exit plan between the parties. This plan is developed and maintained by the Supplier for use upon expiry or termination of the agreement.

### Exit Management Planning

Within six months after the Effective Date the Supplier is required to provide an exit plan setting out a Supplier's proposed methodology for achieving an orderly transition of services on the expiry or termination of the agreement. Following submission of the exit plan, the contents should be agreed within 30 calendar days.

The exit plan should contain as a minimum:

- Separate mechanisms for ordinary exit and emergency exit;
- The management structure;
- A list of current key personnel and a high level summary of the additional resource employed in delivering the services by activity; and
- A detailed description of both the transfer and cessation processes.

Within 30 calendar days after service of notice of termination or no less than six months prior to the expiry of the agreement, the Supplier is required to submit an exit plan in its final form.

### Exit Responsibilities

The Supplier is obliged to provide all assistance reasonably necessary to Post Office and/or the replacement service provider during the exit period to support the transfer of services. Minimum obligations include:

- Compliance with the obligations defined in the exit plan;
- Provide to Post Office an up to date Business Process Manual;
- Any information required by Post Office to assist on re-tendering of services;
- The Supplier will take all steps, which are necessary and consistent with its continuing obligations, to mitigate any losses, costs, liabilities and expenses;
- Advise Post Office of the Net Book Value of any equipment that Post Office elects to have transferred;
- Erase any software containing the specially written software and all Post Office data; and
- Erasing all confidential information of the other party and certifying that it does not retain the other party's confidential information.

### Other Supplier Obligations

In addition to exit responsibilities, Supplier will throughout the term:

- Maintain an asset register, showing ownership and status of all assets as well as their Net Book Value. The asset register will also include details of all sub-contracts and other relevant agreements.
- Maintain a configuration management database detailing the technical infrastructure through which the Supplier provides the services.
- The Supplier will also appoint an exit manager within three months of the effective date who will ensure that the Suppliers employees, agents and sub contractors comply with the relevant exit activities.
- The full list of Supplier obligations for assisting on the re-tendering of services is in paragraph 3 of Schedule 8.5.

### Key Points

- Draft Exit plan to be submitted by Supplier and is then to be agreed upon within thirty days.
- Knowledge transfer should be on-going through the contract term, with specific obligations to transfer knowledge to Post Office and others during exit.
- 'Termination Assistance Period' is the period during which the Supplier provides Termination Services (the scope of which is detailed in Schedule 8.5, paragraph 6.14).
- Post Office can require the Supplier to provide Termination Services and the associated access to information or personnel for up to 12 months beyond expiry or termination.

### Knowledge Transfer

The Supplier is responsible for transferring knowledge to both Post Office and other supply chain members throughout the life of the contract and during Termination Assistance Period.

The Supplier should also manage the on-going and effective knowledge transfer between all Supply Chain Members and manage and execute an on-going knowledge transfer process across the Supply Chain by conducting analysis to identify knowledge gaps.

During exit the Supplier must:

- Transfer all training material and provide training to the relevant Post Office and replacement suppliers' staff;
- Provide all knowledge reasonably required for the provision of the services; and
- Provide access to relevant members of the Supplier's or its sub-contractors' personnel.

### Notification of Termination Services

Post Office can request termination services by notifying the Supplier in writing ("Termination Assistance Notice") at least three months prior to the date of termination or expiry or as soon as possible following a notice to terminate.

A Termination Assistance Notice should include the:

- Date from which termination services are required (which cannot be earlier than 12 months prior to expiry of the contract;
- The nature of the termination services required; and
- The period during which it is anticipated that Termination Services will be required which shall continue no longer than 12 months after the date that the Supplier ceases to provide the Services.

Post Office shall have an option to extend the period of assistance beyond the period specified in the Termination Assistance Notice. The specific length of time Post Office can extend assistance depends on the relevant Service.

### Post Office Diary Reminder

Written notice 6 or more months before expiry (or end of extension) is needed to extend the term into each of the extensions of one year.



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## 3.4 Financial Management

### 3.4.1 Charges Introduction

#### Overview

The charges that Post Office will pay the Supplier are comprised of the following:

- Service Charges;
- Implementation Management Charges;
- Implementation (Completion Payments);
- Pass Through Charges; and
- Project Fees and charges resulting from changes.

Each type of charge may be paid for using one or more of the available Payment Mechanisms. Table 3.4.1 matches the charge types with the payment types.

Payment mechanisms are the categories that a payment to the Supplier could fall under. These will be dictated by the type of work that has been performed. They include:

- Periodic Charges;
- Volume Charges;
- Time & Materials Charges;
- Project Milestone Payments;
- Completion.

The following pages discuss the different types of charges and payments in more detail.

Schedule	7.1
Paragraph	All

#### Key Points

- The specific charges per service are set out in the Financial Model. This model is described in Schedule 7.5 and Section 3.6.
- Each Tier 2 Service maps to a payment mechanism<sup>1</sup>.
- All charges should be in Great British Pounds (GBP).
- Charges are stated exclusive of VAT, which will be added at the prevailing rate as applicable and paid by Post Office following delivery of a valid VAT invoice
- Service Credits and Delay Credits are the clearest mechanisms that Post Office have to be reimbursed for non-performance by the Supplier in relation to the services it provides.

**Table 3.4.1 – Types of Charge and the associated Payment Mechanism**

Charge Context (see 3.4.2)	Applicable Payment Mechanisms (See 3.4.3)
<b>Service Charges</b>	<ul style="list-style-type: none"> <li>• Periodic Charges.</li> <li>• Volume Charges.</li> <li>• Time &amp; Materials Charges.</li> <li>• Project Milestone Payments.</li> </ul>
<b>Implementation Management Charges</b>	<ul style="list-style-type: none"> <li>• Project Milestone Payments.</li> </ul>
<b>Implementation (Completion Payments)</b>	<ul style="list-style-type: none"> <li>• Completion Payments.</li> </ul>
<b>Project Fees and charges resulting from changes</b>	<ul style="list-style-type: none"> <li>• Project Milestone Payments.</li> <li>• Time &amp; Materials Charges.</li> </ul>

#### Other factors that affect the invoiced amounts

Invoices are for:

- Service Charges net of Service Credits relating to the previous Service Period and net of the impact of any price changes or pricing adjustments;
- Completion payments (if any) net of any delay credits; and/or
- Any other charges (if any) payable.

#### Service Credits

Service failures lead to the accrual of Service Points, which convert into a deduction from charges known as Service Credits. Service Credits are set off against the next period's Service Charges thereby reducing that invoice.

See 5.7.1. for details on their calculation and limits.

#### Price Changes

Price Changes or Pricing Changes are an increase in the price triggered by a Service Adjustment (i.e. they only take effect when the Completion Criteria have been achieved)

#### Pricing Adjustments

Pricing Adjustments are a reduction in the pricing of a Service triggered by an Adjustment Point (i.e. they take effect when the date for the adjustment in the implementation plan is reached).

#### Delay Credits

Delay credits are:

- The amounts to be credited against a Completion Payment arising from a Delay to TMO Service Adjustment and specified in Schedule 7.1 (Charges and Invoicing); or
- In relation to a Project, the amounts to be credited against a Project Milestone Payment as specified in the relevant Project Work Order.

<sup>1</sup> Note: With the exception of 'Information Security Management' split into four Tier 2 services three of which have a volume based payment mechanism and one of which has a periodic charge.



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## 3.4.2 Types of Charges

Schedule	7.1
Paragraph	All

### Overview

The charges are comprised of the following:

- Service Charges;
- Implementation Charges (Completion Payments);
- Implementation Management Charges;
- Pass Through Charges; and
- Project fees and charges resulting from Changes.

The descriptions below provide more detail on each type of charge. Additional pertinent charging considerations are described in Table 3.4.2.

### Key Points

- Schedule 7.1 Appendix A, identifies the charging type and payment mechanism applicable for each service.
- Implementation management charges will be classed as Project Milestone Charges.
- Overhead Services are not chargeable in their own right and are instead allocated across the services they enable.
- A Service Catalogue will contain Resource Units chargeable using Volume or Time and Materials.

### Service Charges

The majority of the charges in the contract will be through the service charges. Service charges are split into TMO Service Charges and FMO Service Charges. The charges linked to both categories are set out in Schedule 7, Appendix D and E respectively.

In each category there are three types of payment mechanism. Schedule 7.1 Appendix A gives a breakdown of the payment mechanism that applies to each Tier 2 service.

### Implementation Charges (Completion Payments)

Charges which relate to the Implementation of the SISD Tower. These are charged as Completion Payments (described further in 3.4.3).

### Implementation Management Charges

These are the charges incurred with respect to the programme management of the Implementation Programme governing and assuring the other Tower Implementations.

Post Office may be invoiced for the applicable Implementation Management Charges monthly in arrears at the end of the month to which the relevant Implementation Management Charges relate.

The charges for implementation management are described in Schedule 6.1 (Implementation) and unless agreed by both parties, the Implementation Management Charges will be charged as Project Milestone Charges.

### Project fees and charges resulting from Changes

Charges for projects and other changes should be proposed under the Change Control Procedure (for changes) and/or the Work Order Process (for project work) as follows:

- On a fixed price basis chargeable as milestone are accepted;
- On a fixed price chargeable on acceptance of deliverables; or
- On a Time and Materials basis, with a cap if required.

When evidencing any charge relating to a potential project or a change, the Supplier should use the Financial Model to demonstrate that any proposed revisions or Project Fees are appropriate and have incurred the correct level of due diligence.

The costs proposed by the Supplier will be presented to the same level of detail as for the Services specified in Schedule 2.1. Furthermore, If the change or project is agreed by Post Office the Supplier will update the Financial Model.

**Table 3.4.2 – Other Charging Considerations**

Other consideration	Description
<b>Pass Through Charges</b>	<p>Pass through charges will be charged to Post Office at the direct cost of supply to the Supplier without mark up. pass through charges include:</p> <ul style="list-style-type: none"> <li>▪ Expenses - Where the Supplier provides Services on a Time and Materials Basis, travel and subsistence can be expensed within Post Office's expenses policy.</li> <li>▪ Exceptional Staff Transfer Costs (this charge is non-recurring) - Following the transfer of Post Office employees and Fujitsu employees to the Supplier, employment related costs are incurred and later invoiced by the Supplier (subject to the Supplier complying with obligations set out in paragraph 17.3 of Schedule 7.1).</li> </ul>
<b>Overhead Service Charges</b>	<p>Where a service is categorised as an 'overhead', this denotes that the tier 2 service is not chargeable in its own right. Instead the costs are allocated to the other services that they enable.</p> <p>Overhead service charges are proportionately allocated to the services that the overhead service enables. There should be no cross subsidisation. This ensures that a benchmarking review will be able to accurately assess the market competitiveness of individual tier 2 services.</p>
<b>Service Catalogue</b>	<p>The catalogue will be agreed during Implementation. Once agreed Service Catalogue Resource Units will be charged via Volume Charges or Time and Materials Charges or other appropriate Payment Mechanisms as agreed.</p>



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## 3.4.3 Payment Mechanisms

Schedule	7.1
Paragraph	All

### Overview

Payment mechanisms are the categories that a payment to the Supplier could fall under. These will be dictated by the type of work that has been performed. They include:

- Periodic Charges;
- Volume Charges;
- Time & Materials Charges;
- Project Milestone Payments; and
- Completion Payments.

The descriptions below provide more detail on each type of payment and when it can be applied.

### Key Points

- Services will typically be charged on either a:
  - Periodic;
  - Volume; or
  - Time and material basis.
- Completion payments can be categorised as TMO or FMO. 20% of the charge for these services is not due until Acceptance Certificates have been issued for all services at FMO.

**Table 3.4.3 – Payment Mechanisms**

Type	Description
<b>Periodic</b>	<p>This is a fixed charge for the applicable services to be paid at the end of the relevant service period. Subject to Post Office's acceptance of the service it receives, the Supplier may issue a monthly invoice, in arrears at the end of the month to which the applicable periodic charges relate.</p> <p>It is fixed for the initial term of the agreement and any termination assistance period but the charges are subject to indexation should Post Office extend the contract.</p>
<b>Volume</b>	<p>Volume charges apply to each resource unit consumed by Post Office during the relevant service period. Schedule 7.1 Appendix B details a list of initial resource units.</p> <p>Subject to Post Office's acceptance of the service it receives, the Supplier may issue a monthly invoice, in arrears at the end of the month in which the Resource Units were consumed.</p>
<b>Time and Materials</b>	<p>Services on a T&amp;M basis are calculated through multiplying the total number of man days with the relevant rate card rate (or for catalogue items through multiplying resource units with the catalogue item price). The Supplier shall maintain and provide a breakdown of any time and materials charges as and when required by Post Office.</p>
<b>Project Milestone</b>	<p>A Project Milestone is an event or task described in a Project Work Order which, if applicable, will be completed by the relevant Project Milestone Date.</p> <p>Schedule 6.2 (Testing Procedures) sets out the circumstances in which a Project Milestone will be considered to have achieved the required milestone.</p> <p>If any Project Milestone is not Achieved by its associated Project Milestone Date then the Delay Credits ( see section 3.7) if specified during the Change Control Procedure and/or the Project Work Order Process may be applied.</p>
<b>Completion</b>	<p>Completion Payments are due should a service be set-up or change modes of operation and pass the relevant testing requirements i.e. achieve a Service Adjustment (planned to occur at the Adjustment Points).</p> <p>Charges can be categorised into the TMO Services Completion Payments and FMO Services Completion Payments. Delays to these adjustments may incur Delay Credits ( see section 3.7) which are offset against Completion Payments.</p> <p><b>TMO Services Completion Payments</b> 80% of the corresponding Completion Payment is payable at the relevant TMO Service Adjustment upon receipt of a validly completed Test Certificate.</p> <p><b>FMO Services Completion Payments</b> 80% of the corresponding Completion Payment is payable when that service has received its corresponding Acceptance Certificate.</p> <p>The remaining 20% of all TMO and FMO Completion Payments may be invoiced as a lump sum when FMO Acceptance Certificates have been issued for all FMO services.</p> <p>i.e. once Supplier is in receipt of an Acceptance Certificate for each and every Service in all SISD Implementation Initiatives, the Supplier can invoice for this final 20%.</p>



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## 3.4.4 Invoice Delivery & Management

Schedule	7.1
Paragraph	Part H

### Overview

The Supplier is responsible for the administration of the billing processes with a set of guidelines and exceptions covering the delivery, format and contents of invoices to Post Office.

Within 5 working days of the start of a Service Period, the Supplier will provide a **pro forma** invoice for:

- Service Charges net of Service Credits <sup>1</sup> relating to the previous Service Period and net of the impact of any price changes or pricing adjustments;
- Completion payments (if any) net of any delay credits; and/or
- Any other charges (if any) payable

While charges are exclusive of VAT, it should be added at the prevailing rate as applicable and will be paid by Post Office following delivery of a valid VAT invoice

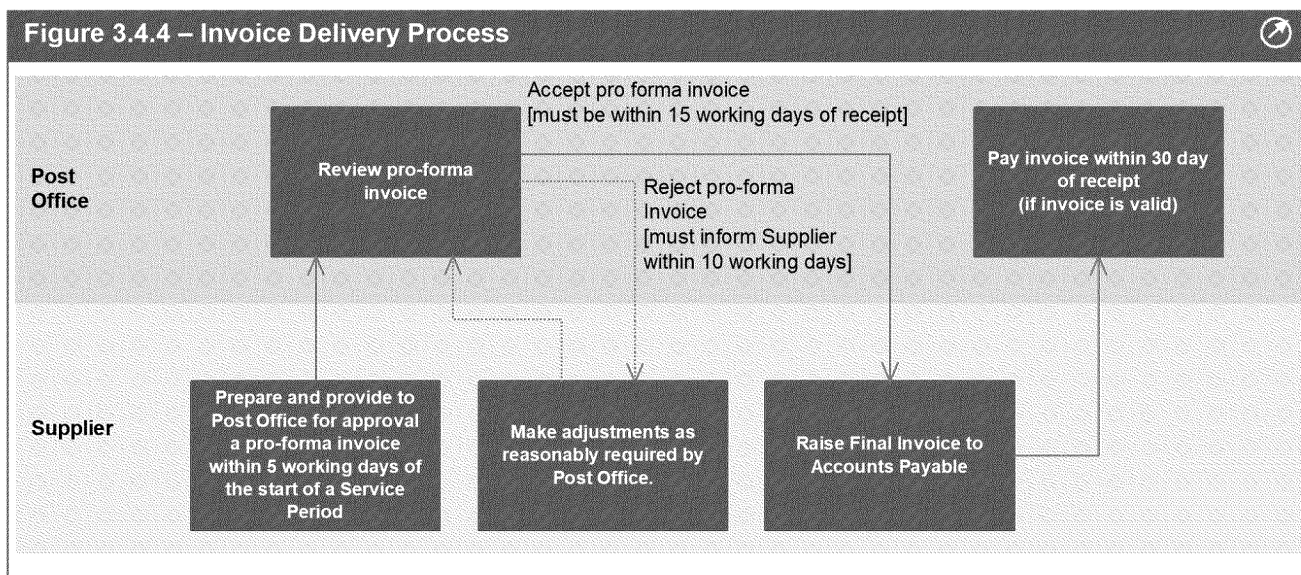
The figure below illustrates the Invoicing process and the relevant responsibilities:

### Key Points

- Each invoice should include, as a minimum, the details set out in Schedule 7.1, paragraph 18.5 together with such other information as Post Office may reasonably require.
- Each invoice should be accompanied by supporting documentation to substantiate the invoice.
- Both pro forma and final invoices should be sent to Accounts Payable by the Supplier.
- Post Office must pay the Supplier within 30 days of receipt of a valid and final invoice.

### Scope Of This Page Limited To SISD Invoices

This page outlines how the Supplier should invoice Post Office for SISD services. It does not discuss the activities regarding invoices for other Supply Chain Members, as these are set out within the Operations Manual.



**Table 3.4.4 Key Definitions for Invoice Delivery and Management**

Term	Definition
Service Period	This is defined in the contract as one calendar month.
Payment Terms	Subject to the Supplier's compliance with the invoicing process (summarised above and detailed in Schedule 7.1, paragraph 18) Post Office pay the Supplier within 30 days of receipt of a valid and final invoice.

### Post Office Obligations

- Inform Supplier of rejections and acceptances promptly.
- Post Office must pay the Supplier within 30 days of receipt of a valid and final invoice. (Interest is payable on late payments of any undisputed charges).



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## 3.5 Value for Money (Benchmarking)

Schedule	7.3	Schedule	7.1
Paragraph	All	Paragraph	4, 11

### Overview

Benchmarking will be the main mechanism used for price control of the SISD services to ensure the Supplier is providing market competitive services. Cost and charges transparency also applies, through prescription of the Financial Model as a reference for changes, although Post Office has not prescribed typical Open Book arrangements.

There are key principles which will govern benchmarking activity and these are summarised below.

### Benchmarking Principles

- Post Office can initiate a benchmarking review at any point after 3rd September 2015 (i.e. 12 months after the Service Commencement date which was agreed as 3rd September 2014).
- Any Tier 2 service can be benchmarked, however they can not be benchmarked more than once within a 12 month period.
- Tier 2 service charges can be benchmarked individually.
- A third party benchmarker will be chosen by Post Office, it will consult with the Supplier during the selection process.
- The benchmarked service charge will include the allocated costs of standard transition activities which have been apportioned across the relevant service charges. Post Office Specific Implementation Charges will not be included<sup>1</sup>.
- Market Competitive is defined as the Service Charges falling within the upper quartile of those in selected Reference Group.
- If any services are found to be not market competitive, the Supplier will be obliged to reduce the associated charges, commencing in the month following the benchmark report.
- All communications, data and information provided by the Post Office, Supplier or benchmarker will be sent to all parties.

### Benchmarking Costs

Benchmark expenditure will be borne by Post Office, subject to the following:

- If the benchmark finds that all services are NOT market competitive then Post Office can recover the total cost from the Supplier.
- If the benchmark finds that some but not all services are not market competitive then Post Office will be entitled to recover a proportion of the cost from the Supplier. The proportion will be calculated to reflect the number of benchmarked services found not to be market competitive of the total number of services benchmarked.

### Key Points

- Benchmarking exercises are to be used to determine if the Supplier is providing Market Competitive services.
  - Market Competitive being defined as the Service Charges falling within the upper quartile of those in the selected Reference Group.
- Post Office can initiate a benchmarking review at any point after 3<sup>rd</sup> September 2015.
- Schedule 7.1 contains requirements for transparency and annual % reductions for some FMO services from 2016/17.
- Schedule 7.3 Value for Money (Benchmarking) provides a detailed view of the benchmarking process and the underpinning calculations.

### Benchmarking set-up

Benchmarking set-up is the time required by the benchmarker to be in a position to conduct a benchmarking review. It allows the benchmarker to familiarise themselves with the requirements of Schedule 7.3 (Value for Money) and recommend any changes to the Schedule if they believe any are required.

### Diary Reminder

Preparation will be required if Post Office wish to conduct the first benchmark one year after the Service Commencement Date.

The activities that should be considered are as follows:

- Determining which services to benchmark;
- Appointment of an agreed benchmarker; and
- Benchmarking set-up.

### Supplier Obligations

The Supplier is required to:

- Appoint a benchmark team for each benchmark review;
- Carry out the activities detailed within the benchmark plan within the agreed timescales;
- Cooperate fully with the benchmarker including providing information as may reasonably be requested and granting access to information and personnel pertinent to the benchmark; and
- Reduce service charges if they are found not to be market competitive.

### Cost & Charges Transparency

Schedule 7.1 sets out transparency measures where Supplier will:

- Provide full and complete accurate accounting and financial information relating to the services provided;
- Allow Post Office to audit the Supplier's records;
- Provide charging proposals, including any rates and mark-ups, for any potential change or project to Post Office in line with the principles in the Financial Model and Schedule 7.1; and
- Use the Financial Model to demonstrate that proposed charges for changes are reasonable and appropriate.

<sup>1</sup> **Note:** As acknowledged in the schedule 1 definition of 'Post Office Specific Implementation Charges' there are no Post Office Specific Implementation Charges in scope pursuant to implementation activities described in schedule 6.1.



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## 3.6 Operating the Financial Model

Schedule

7.5

Paragraph

All

### Overview

The Financial Model is the key document that records the charges that will be payable by Post Office.

It should enable Post Office to identify how the charges are calculated. Furthermore it is the basis for evaluating any changes to the charges proposed by the Supplier through change control or a project work order.

This section gives an overview of the construct of the model, who maintains and updates it, and how upon updates it is to be supplied to Post Office.

<b>Evidencing the contents of the Financial Model</b>	<p>It is the supplier's responsibility to promptly evidence and verify any queries that Post Office have regarding the model or the charges it uses.</p> <p>This includes promptly supplying reasonably skilled and experienced personnel to explain and propose modifications to any assumptions made in the model.</p>
<b>Custody of the Financial Model</b>	<p>The Supplier will be responsible for the custody of the Financial Model.</p> <p>Post Office have the right to meet with the Supplier within 5 working days of the end of a service period (end of the month) to discuss and review the Financial Model, including any variances seen in the invoicing.</p> <p>If the parties don't meet at the end of the Service Period and the charges invoiced under the Agreement in the previous Service Period exceed the Charges specified in the current Financial Model for that Service Period by 5% or more, the Supplier should inform Post Office.</p>
<b>Updates to the Financial Model</b>	<p>The Supplier is responsible for maintaining the Financial Model making a limited set of operational updates to provide the required detail. Any updates to the underlying principles, methodologies, formulae, calculations and any other items in the Financial Model shall be subject to the Change Control Procedure.</p> <p>Where a Change or Project is agreed through the Work Order Process or the Change Control Procedure, the Supplier updates the Financial Model.</p> <p>Where updates are made through change control procedures to the Financial Model, the Supplier will deliver:</p> <ul style="list-style-type: none"> <li>Two soft copies of the updated Financial Model to Post Office</li> <li>Two hard copies of the following Financial Model worksheets: <ul style="list-style-type: none"> <li>the summary of Charges worksheet; and</li> <li>the worksheet "04 Charges!";</li> </ul> </li> </ul> <p>Each Financial Model shall be certified as accurate and unambiguous by a director of the Supplier.</p>

### Key Points

- Data in the form of anticipated business volumes set out in the Financial Model is indicative only.
- The Supplier will have custody of the Financial Model and is responsible for making any updates required.
- The construct of the model must remain consistent and logical. This is the Supplier's responsibility.
- Post Office can meet with the Supplier within 5 working days of the end of a service period (end of the month) to discuss and review the Financial Model, including any variances seen in the invoicing.

### Content of the Financial Model

It is the responsibility of the Supplier to ensure that Post Office have sufficient access to the right level of detail with regards to:

- Labour FTE Charges (man day rates and SFIA Level);
- Pass Through Charges for Exceptional Staff Transfer Costs;
- Implementation Charges;
- Periodic Charges;
- Volume Charges at Anticipated Business Volume (ABV);
- Volume Charges as actual;
- Cost of Changes or Project Work Orders;
- Expenses;
- Time and Materials Charges;
- Project Services;
- Pass Through Charges;
- Costs of Sub-contractors (including details of any supplier mark-ups on such costs);
- Service Charges;
- Completion Payments; and
- Project Milestone Payments.

### Construct of the Financial Model

- All monetary values should be quoted in Great British Pounds (GBP).
- All Charges should be exclusive of any VAT.
- All prices (including man day rates and resource unit prices) used to calculate the charges should be quoted.
- Any indexation calculations should be described.
- The model should be constructed in MS Excel.
- No parts of the model should be hidden, protected or locked.



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## 3.7 How Finance and Commercial Changes Over The Term

Schedule	7.5	Schedule	7.3	Schedule	7.1
Paragraph	All	Paragraph	All	Paragraph	All

### Overview

While the commercial framework itself is expected to remain stable there are several factors that will give rise to changes in the results of the Finance and Commercial aspects of the agreement and some that may cause recourse to the Change Control Procedures. The below table summarises these factors and potential changes.

<b>Adjustment Points and Service Adjustments</b>	<p><b>Adjustment Points</b> - are dates in the Implementation Plan at which benefits for Post Office such as the transition between modes of operation of a service are delivered.</p> <p><b>Service Adjustments</b> – are the delivery of transitions between modes of operation of a service. (e.g. from Current Mode of Operation to a Transformation Mode of Operation; or when it moves between Transformation Modes of Operation; or when moving to Future Mode of Operation)</p> <p>The successful implementation of these Service Adjustments attracts Completion Payments. Missing the Adjustment Point may attract Delay Credits.</p> <p><b>Delay Credits for Service Adjustments</b></p> <p>For TMO Service Adjustments but not FMO Service Adjustments, if a Service Adjustment has not been achieved by the relevant Service Adjustment Date and a Completion Payment is associated with that Service Adjustment, the Supplier shall pay to Post Office Delay Credits for each calendar day of Delay from and including the relevant Service Adjustment Date until and including the date when the Service Adjustment is Achieved, at the daily accrual rate in schedule 7.1 appendix F (Delay Credits).</p>
<b>Delay Credits that apply to on-going projects and changes</b>	<p>Unless otherwise agreed Delay Credits shall apply to all Projects and Changes.</p> <p>The parties shall agree the amount of Delay Credits to be payable to Post Office by the Supplier for any Delay associated with any Change and/or Project in accordance with the Change Control Procedure and/or the Project Work Order Process.</p> <p>If a Project Milestone has not been achieved by the applicable Project Milestone Date and a Project Milestone Charge is associated with that Project Milestone the Supplier shall pay to Post Office Delay Credits. If no further Project Milestone Charges fall due after Delay Credits accrue, the Supplier shall issue a credit note to Post Office and a sum equal to any such Delay Credits then outstanding shall be repayable by the Supplier to Post Office as a debt.</p>
<b>Post Office responsibility regarding the provision of a 'Quarterly Business Forecast'</b>	<p>Post Office will provide to the Supplier a forecast of Post Office's future business requirements and forecast Business Volumes (together, the "<b>Quarterly Business Forecast</b>") including the potential effect of those forecasts on numbers of Users, application usage and sites together with any other information as may be reasonably requested by the Supplier or other Supply Chain Members in line with the frequency defined in the Operations Manual.</p> <p>These forecasts will be used to predict the potential charges Post Office will incur (actual charges being based on the actual volumes)</p>
<b>Annual Efficiencies for FMO Services</b>	<p>Some FMO Service Charges are subject to annual reductions in the unit prices. The services and their percentage efficiency reductions are detailed in schedule 7.1, appendices E (FMO Service Charges: Volume Charges).</p> <p>The efficiency reductions shall apply to the relevant unit price at the start of each Financial Year from 2016/17 to the end of the term. The percentage shall be applied cumulatively to the previous Financial Year unit price, as set out in the Financial Model.</p>
<b>Benchmarking</b>	<p>Benchmarking may result in the need to change the charges, these changes are expected to go through the Change Control Process as either a standard or fast-track change. (See also 3.5)</p>
<b>The Financial Model</b>	<p>The Supplier is required by paragraph 2.2 of schedule 7.5 to maintain the Financial Model 'to provide sufficient detail for Post Office to have visibility ' of a list of aspects. Given the changing services that Post Office will require there is likely to be need for updates. See Section 3.6. for the update process.</p>
<b>Indexation</b>	<p><b>Indexation – of Rate Card:</b> The Rate Card rates (used by the Supplier when costing Time and Material jobs) shall be subject to indexation from 1 April 2015. Indexation for the Rate Card will then apply each subsequent financial year of the contract.</p> <p><b>Indexation – of FMO Services during extension:</b> Changes for the FMO services may have indexation applied at the start of each extension period.</p> <p><b>Index</b> - "Index" for UK rates means: UK Consumer Price Index (CPI) published by the Office of National Statistics or its replacement. "Index" for non-UK rates means: the CPI as published by the Economist Intelligence Unit where applicable, and a pre-agreed index for any countries outside that scope<sup>1</sup>.</p>

<sup>1</sup>Not it is believed that it was agreed that the indexation for the offshore rate card would be at the UK rate.



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## 4. The Services



**This section should be read by users with an interest in understanding the services which are delivered by the Supplier to Post Office under this contract.**

The services are divided into several categories based on the capabilities delivered, to provide a structure to the way that they are articulated.

This structure and the associated definitions supports the operation of the services and is key to many of the terms and conditions of the contract.

All users who are involved with the delivery of Service Integration and Service Desk services by the Supplier should have a basic understanding of the service structure and definitions.








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## 4.1 Section Contents

### Section Overview

The Services Section provides a summary of the services and a description of the Tier 2 Services as outlined in the contents below.

<i>The Services – Contents</i> 				
	Section	Description	Schedule(s)	Page
4.1	<b>Section Contents</b>	Sets out the structure of the services section.	N/A	41
4.2	<b>The Services Summary</b>	Summarises the services and the supporting documentation relating to the services.	2.1	42
4.3	<b>The Structure Of The Services</b>	Lists the Tier 2 services under each tier 1 category.	2.1	43
4.4	<b>How Services Change over the Term</b>	Summarises the mechanisms through which the Services can change over time.	6.1	44



DRAFT

## 4.2 The Services Summary

Schedule	6.1	Schedule	4.1	Schedule	2.1
Paragraph	Annex 4 & Annex 5	Paragraph	All	Paragraph	All

### Services Introduction

The Service Integrator Service Desk (SISD) Supplier plays a pivotal role in the operation of Post Office's IT Supply Chain and the co-ordination of the members of that supply chain. They are to deliver and perform a range of Services and do this in a manner that facilitates achievement of Post Office's key objectives for the supply chain, delivers measurable benefit to Post Office and enables other parties to provide IT services. Post Office's key objectives for the supply chain are set out in Appendix B.

The services are specified in Schedule 2.1. Requirements being grouped up into sets known as "Tier 2 Services" under 9 Tier 1 categories. See Tables 4.2 & 4.3. Detail of the Supplier's solutions to provide the services are in Schedule 4.1. The implementation of the Tier 2 Services is through eight initiatives, as described in the implementation initiatives in Schedule 6.1 Annex 5.

### Supporting Documentation

The material contained in the handbook is a summary of detailed information contained in several documents. To obtain a full appreciation of this topic, readers should also consult the following:

- Schedule 2.1 (Definitions);
- Schedule 2.1 (Service Requirements);
- Schedule 2.2 (Service Levels);
- Schedule 4.1 (Contractor Solution);
- Schedule 7.1 (Charges and Invoicing); and
- Schedule 8.2 (Change Control Procedure).

In addition to the contract schedules, further detail on the services are provided in supporting documents produced and maintained by the Supplier including the:

- Operations Manual;
- Services Portfolio, Service Catalogue and OLAs;
- Supply Chain Governance library material;
- Quality Assurance Programme material;
- Deliverables and Obligations Tracker;
- Service Levels Tracker;
- Continuous Service Improvement Plans;
- Capacity Plan;
- IT Service Continuity Plan; and
- Configuration Management Asset life-cycle plan.

### SISD Services and IT Services

This handbook defines the SISD services provided to achieve an effective supply chain. It does not cover the IT services, provided by other suppliers that SISD facilitates.

### Principles Of The Services

The services have been designed based on a set of principles. An appreciation of these principles will provide an insight into many of the processes and ways of working which underpin delivery of the contract.

- Services are defined as IT Service Outcomes.
- Best value is derived through acceptance of industry standard services, unique requirements are clearly defined.
- Payment for the services is based on the volume of consumed IT services i.e. pay for what you use.
- The service provider delivers and performs Design, Build Plan, Implement and Maintain for all services.
- The services enable an IT organisation that is business focused, reliable and efficient.

**Table 4.2. The Tier 1 Service Categories**

Tier 1 Category	Summary Description
<b>Overheads</b>	A set of services that are not distinct but rather enable or relate to one or more of the other services. For example, 'Quality Assurance' applies across all services.
<b>Supply Chain Member Management</b>	The management and coordination of Supply Chain Members to ensure that Post Office requirements are delivered in line with agreed Service Levels and quality.
<b>Service Strategy</b>	The responsibilities of supporting Post Office in establishing and maintaining a Service Strategy based on Post Office business strategic and tactical planning and IT Strategy.
<b>Service Design</b>	The responsibilities for designing the service, governing practices, processes and policies that are required in order to realise the service provider strategy and introduce the services into supported, secure environments.
<b>Service Transition</b>	The responsibilities for ensuring that new and updated IT Services are transitioned into the business successfully.
<b>Service Operation</b>	Delivery and management of services at agreed levels to business users and customers through the coordination and completion of day to day activities and processes.
<b>Continuous Service Improvement</b>	Management of improvements to service performance by continually measuring/reporting and making improvements to processes and Services to increase efficiency and effectiveness.
<b>Systems Integration</b>	The responsibilities for provision of a variety of disciplines including requirement development, solution design, solution governance and project activities to link multiple IT Services to meet a defined business need.
<b>Resource Augmentation</b>	The facility for Post Office to procure resources with the appropriate skills and knowledge to deliver Post Office activities. This service is provided on an 'on request' basis to deliver services beyond those described in the other categories.

### Project requests

Where Post Office requires a discrete unit of work or services outside the scope of the Services, that will be treated as a Project request and dealt with according to the processes in Schedule 12 (Project Work Order Process)



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## 4.3 The Structure of the Services

### Services Structure

Services are structured by the requirements detailed in Schedule 2.1 (*Service Requirements*) as shown below.

Schedule	2.1
Paragraph	All

Table 4.3 The list of Tier 2 services by Tier 1 category <span></span>		
Overheads	0.1	Process Setup And Refresh & Governance Support
	0.2	Operational Governance Support
	0.3	Information Sharing
	0.4	Tools
	0.5	Refresh And Technical Currency
	0.6	Innovation
	0.7	Quality Assurance
Supply Chain Member Management	1.1	Supply Chain Member Management
	1.2	Issue Resolution
	1.3	Contract Compliance Management
	1.4	Performance Analysis
	1.5	IT Services Risk & Compliance Management
	1.6	Onboarding
	1.7	Offboarding
Service Strategy	2.1	Strategy Management
	2.2	Financial Management
	2.3	Service Portfolio Management
	2.4	Demand Management
	2.5	Business Relationship Management
	2.6	Customer Satisfaction And Survey Management
Service Design	3.1	Service Catalogue Management
	3.2	Service Level Management
	3.3	Capacity Management
	3.4	Availability Management
	3.5	IT Service Continuity Management
	3.6	Information Security Management
	3.6.1	Information Security Health Checks (ISHe)
Service Transition	3.6.2	Information Security Health Check – New Supply Chain Services or Systems
	4.1	Service Asset and Configuration Management
	4.2	Change Management
	4.3	Transition Planning and Support
	4.4	Transition Services
	4.4.1	Release and Deployment Management
	4.4.2	Validation and Testing
Service Operation	4.4.3	Change Evaluation
	5.1	Service Desk Services
	5.1	Objectives and Requirements
	5.1	Communications
	5.1	Tooling
	5.1	Language
	5.1	Locations
	5.1	Personnel
	5.1	Service Desk Function
	5.1	Incident and Service Request Management
	5.1	Role in Problem Management
	5.1	Role in Access Management
	5.1	Role in VIP Support
	5.1	Self Service
	5.1	End-User Training
	5.1	Reporting
	5.1	Access Management
	5.1	Request Fulfilment
	5.1	Incident Management
	5.2	Event Management
	5.3	Problem Management
	5.4	Facilities Management
	5.5	Technical Management
Continuous Service Improvement	6.0	Continuous Service Improvement
Systems Integration	7.1	Solution Design Governance
	7.1	Solution Design Services
	7.2	Programme Office & Standards
	7.3	Project Execution Services
	7.4	Project Implementation
	7.6	Requirement Development & Design
Resource Augmentation	8	Resource Augmentation



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## 4.4 How Services Change Over The Term

### 4.4.1 Overview

Schedule	6.1	Schedule	3	Schedule	2.1
Paragraph	All	Paragraph	All	Paragraph	All

#### Overview

The key mechanisms through which the Services Change over the period are listed below:

<b>On-going Change outside the change control process</b>	The services are defined with reference to Control Documents (see 2.2.3) and the need to describe and agree many elements of the services. This provides flexibility to change some aspects of the SISD solution and how the SISD delivers the service outside of the formal change control procedures.
<b>Implementation</b>	<p>SISD Implementation establishing the Tier 2 Services is staggered as shown in Appendix A Figure A.1 each moving through modes of operation. Each move is a Service Adjustment point. See 4.4.2.</p> <p>Implementation of the supply chain model involves implementation programmes to establish towers and manage the exit of the incumbents. See 4.4.2. These changes will effect the relationships between the SISD and third party suppliers with respect to the SISD Services, this is to be recorded in the Supply Chain Matrix (see 3.3.1) .</p>
<b>The Change Control Process</b>	SISD Services are subject to the change control procedures as described in Section 6 of this handbook

#### On-going Change outside the change control process

Post Office have a number of obligations placed on them by the contract that relate to agreement and approval of processes and documentation which amount to operational changes outside the change control process.

Operations Manual	Post Office Obligations
<p>The Operations Manual describes processes and procedures across the supply chain to deliver many of the services. It is produced by the Supplier who must obtain written approval of it from Post Office.</p> <p>There are many requirements that define the Operations Manual and its contents:</p> <p>Some of these requirements govern the creation of the operation manual and/or explicitly specify Operations Manual content (See Table C.2 in handbook Appendix C).</p> <p>A number of other requirements (See Table C.3) refer to the existence of information within the operations manual thereby listing content "expressed to be set out in the Operations Manual" which is then required to be included in the Operations Manual by Requirement 0.1.10.5c.</p>	<p>Post Office has obligations in the on-going change of Services and needs to review, approve and input as appropriate to many items and activities:</p> <ul style="list-style-type: none"> <li>Schedule 2.1 contains requirements for items for which the Supplier must get approval from Post Office. Table C.1 in the Appendix lists these.</li> <li>Schedule 2.1 also puts requirements on the Supplier to collaborate with or to undertake activities in ways agreed with Post Office. Table C.1 also lists these.</li> </ul> <p>The Operations Manual is a notable item to review and approve as Schedule 3 obliges Post Office to adhere to processes and policies contained within it e.g. those for Demand Management and Incident Management.</p>

#### SISD Implementation

The SISD services are specified in Schedule 2.1, through sets of requirements for "Tier 2 Services".

The implementation of the Tier 2 Services is through eight initiatives, as described in the implementation initiatives in Schedule 6.1 Annex 5.

Implementation will move most services directly from current mode of operation (CMO) to a future mode of operation (FMO). A minority (See Appendix A) also go through a transformation mode of operation (TMO).

Each of these transitions between modes of operation is a Service Adjustment. The SISD Implementation plan has dates for when these Service Adjustments should occur, the label for these dates is 'Adjustment Point'.

implementation testing (see 4.4.2) is required to assure that the Service Adjustment had been successfully achieved.

**Table 4.4.1 Adjustment Definitions**

Term	Description (précis of definition)
<b>Service Adjustment</b>	A type of "Principal Benefit" delivered by implementation, in this case to do with a service's transition between modes of operation. e.g. CMO→FMO and TMO→FMO
<b>Service Level Adjustment</b>	A type of "Principal Benefit" delivered by implementation, in this case to do with a service's transition between required service levels. e.g. no Service Level to a new TMO Service Level; and a TMO Service Level to the FMO Service Level.
<b>Adjustment Points</b>	The dates from the SISD Implementation Plan at which Principal Benefits are to be delivered.
<b>Principal Benefit</b>	The Pricing Adjustments <sup>1</sup> and/or Service Level Adjustments and/or Service Adjustments to be delivered as detailed in the SISD Implementation Initiatives in annex 5 (Implementation Initiatives) of schedule 6.1.

<sup>1</sup> Note: Pricing Adjustments are described in handbook section 3.4.1.



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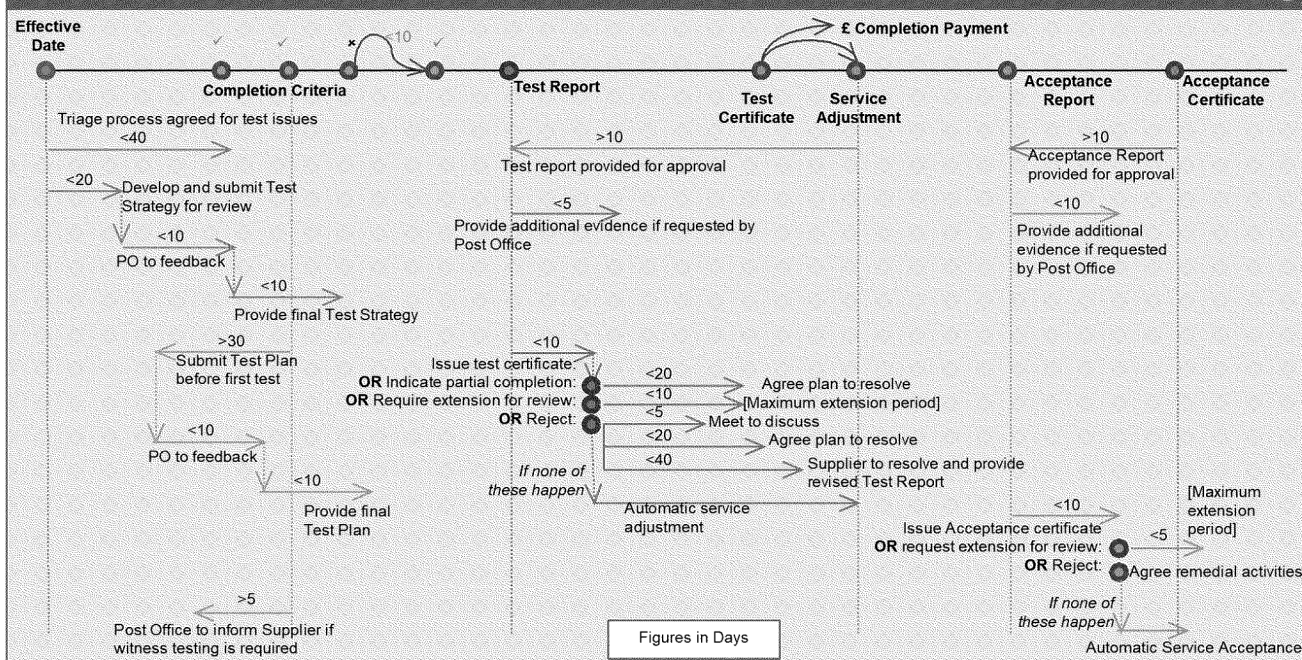
## 4.4.2 Implementation

Schedule	6.2	Schedule	6.1	Schedule	2.1
Paragraph	All	Paragraph	All	Paragraph	All

### Implementation Testing

Each point at which a service transitions between modes of operation is known as a Service Adjustment. The Supplier activities and interactions around Service Adjustment testing are depicted in Figure 4.4.2 and Post Office have obligations listed in Table 4.4.2.

**Figure 4.4.2 Testing Activities To Be Completed By The Supplier Through Implementation**



**Table 4.4.2 Post Office Service Adjustment Testing Obligations**

Post Office Obligation	Timescale
Agree triage process for categorisation of test issues.	<40 days after Effective Date.
Provide feedback on Test Strategy.	<10 days after Supplier has submitted their Test Strategy (<20 days after Effective Date).
Provide feedback on Test Plan.	<10 days after Supplier has submitted their Test Strategy (<20 days after Effective Date).
Inform Supplier if witness testing is required on a particular test.	>5 days before the particular test takes place.
Request additional evidence (if required).	Once Test Report or Acceptance Report has been submitted to Post Office.
Issue test certificate OR indicate partial completion of the Service or Request an extension (max 10 days) to review the Test Report or Reject it.	<10 days after the Test Report is submitted by the Supplier.
Meet to discuss rejected Test Reports.	<5 days after Post Office have notified the Supplier that the Test Report has been Rejected.
Agree a plan to resolve Partially Completed or Rejected Test Reports.	<20 days after Post Office have notified the Supplier that the Test Report has been Partially Completed or Rejected.
Issue Acceptance Certificate or Request extension (max 5 days) to review the Acceptance Report or Reject the Acceptance Report.	<10 days after the Acceptance Report is submitted by the Supplier.

### Implementation Management Period

Between the 1st Tower Contract Award and the end of the implementation of the last Tower Contractor the Supplier (see A1.2) shall put in place and management and monitoring of the performance of the Implementation Programme, as described in Annex 6 of schedule 6.1. The scope of the Supplier Implementation Management Responsibilities under Implementation Management is:

- To onboard Tower suppliers after establishing SISD FMO Services as per the Onboarding service described in schedule 2.1;
- To manage the delivery of the Tower Supplier implementation Programmes (getting the Tower to an FMO state); and
- To manage the exit of Post Office's Incumbent Suppliers ("Incumbent Exit Management").



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## 5. Performance Management



**This section should be read by users with an interest in understanding the service level regime which is the key mechanisms to support performance management. The section describes aspects of the regime including the Service Levels and credits mechanisms associated with operating the SISD Services and the aspects of the regime that can be changed.**

The Service Level Agreements for the Services are tailored to meet the key objectives of Post Office. Post Office can allocate Service Points according to the impact on the business that would arise from failure.

The Service Points, allocated to a service level, accrue upon failure to meet a service level. Service Points convert into service credits which are amounts by which subsequent invoices are reduced.

Users involved in the operation and delivery of changes to the SISD services should use the content in this section to gain an understanding of the Service Levels, the responsibilities of both parties within the process and the key management information that is critical to the operation of the services.







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## 5.1 Section Contents

### Section Overview

The Performance Management section provides a summary of the Service Levels and performance management activities as outlined in the contents below.

Performance Management – Contents				
Section		Description	Schedule(s)	Page
5.1	Section Contents	Sets out the structure of the service management section.	N/A	49
5.2	Performance Management Summary	Provides an overview of the content of the Performance Management section, highlighting key principles, outputs and the supporting management information.	2	50
5.3	Service Levels and Credits	Summarises the services and key information relating to the Service Levels and credit regime. Introducing component and shared Service Levels.	2	51
5.4	SI Component Service Levels and KPIs	Summarises the component Service Levels and KPIs for Service Integration in operation under the contract.	2	53
5.5	SD Component Service Levels	Summarises the component Service Levels for Service Desk in operation under the contract.	2	54
5.6	Shared Service Levels	Summarises the shared Service Levels in operation under the contract.	2	55
5.7	Service Credit Calculations	Provides an overview of how the service credits operate.	2	56
5.8	How Performance Management Changes Over The Term	Summarises the mechanisms and triggers for change within performance management.	2	57



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## 5.2 Performance Management Summary

Schedule

2.2

Paragraph

All

### Performance Management Introduction

The service level regime is the key mechanisms to support performance management and the delivery of high quality services by the Supplier. The intention is that the Supplier will manage the Services and Service Levels to meet the key objectives of the Service Level Regime.

There are Service Levels covering the operation of the SISD services (Component Service Levels) and also the operation of wider services (Shared Service Levels). These should reflect performance metrics that are aligned to the successful delivery of key business services.

Performance targets for Service Levels have been set so that failures of the Service Levels will typically reflect a significant impact on business operations.

To support the Service Levels, and to motivate the Supplier in delivering the Service Levels, a service credit mechanism is in place that puts a proportion of the service charges 'at risk' against delivery of the Service Levels. Where the Supplier fails to meet the Service Levels, the Supplier shall return a proportion of the service charges to Post Office as service credits to reflect this poor performance.

Additional metrics known as Key Performance Indicators will be monitored and may through a change process described in 5.8 become Service Levels and vice versa.

Service Levels and KPIs are mostly measured and reported on a monthly basis then discussed at Performance Reviews (see 7.4). Information is provided in a Performance Management System (see 5.8.2).

### Supporting Documentation

The material contained in this section of the handbook is a summary of:

- Main Terms and Conditions;
- Schedule 2.1 (Service Requirements);
- Schedule 2.2 (Service Levels);
- Schedule 2.2 Service Level Table Annex A; and
- Schedule 8.2 Change Control procedure.

In addition to the contract schedules, further detail supporting this topic is provided and maintained by the Supplier including in the Key Reports and Performance Management System.

### Key Products

- Performance Management System (5.8.2).
- Performance Management Reports (Table 5.2).
- Performance Reviews (7.4).

(Note If reports not provided Supplier will be taken to have performed below the Expected Service Level (but above the Service Threshold Level) in respect of each unreported Service Level.

### Performance Management Principles

- Align the interests and behaviour of Post Office and the Supplier through a clear process that is fair to both parties.
- Establish objective measures of quality service components delivered by the Supplier and Supply Chain Members.
- Encourage collaboration in multi supplier (external and internal) environments.
- Provide Post Office with the ability to modify Service Level priorities based on evolving technology and business needs without renegotiation.
- The Supplier will meet the TMO Service Levels and FMO Service Levels from the relevant TMO and FMO Start Dates (Adjustment Points) described in the Service Level tables set out within the Annex to Part A.
- That the Supplier will manage the Services and Service Levels to meet the key objectives of the Service Level Regime.

### Key objectives of the Service Level Regime

Key objectives of the Service Level Regime include:

•**Business Impact** – support business requirements through capture in regime of business impact of failures, thereby enabling informed decisions

- Service Level performance measures and targets focus on what matter most to Post Office's customers, clients and employees.
- Supplier will have a strong understanding of Post Office's priorities and be accountable for the performance of Services Levels.

•**Flexibility** - To support short and long term changes to business priorities through ability to flex Service Levels and Key Performance Indicators.

•**Collaboration** - Honest and open discourse to ensure service delivery issues are quickly and efficiently resolved. Support to collaboration across the supply chain in order to ensure 'end to end' services are delivered.

•**End User Experience** - to deliver key business services and recognise the importance of the user experience and perception:

- End-to-end Service Levels to ensure effective integration of components from across supply chain, that deliver key business services.
- Supplier to ensure appropriate communications and feedback loops exist.
- Service Levels are customer centric where possible. Openly challenged and changed to support Post Office's changing business needs.

•**Enhanced monitoring** – Better analysis and input to the Supplier's proposals for service improvements through monitoring of performance not covered by formal Service Levels using Key Performance Indicators.

•**Remediation of Services** – regime is to encourage collaborative working and service improvement. This includes:

- Flexible management of Service Points where the Supplier can implement long term improvements; and
- In some circumstances, Post Office can reinvest Service Points.

Table 5.2 Key Reports for Performance Management

Report Title	Summary Description	Frequency
Performance Management Report	A set of reports provided within 8 Working days of the end of each Measurement Period to verify performance and compliance with Service Levels.	Monthly
Quarterly Summary	A quarterly written summary of the monthly Performance Management Reports.	Quarterly
Maintenance Schedule	A Schedule of maintenance to be agreed with Post Office and updated through the governance.	Continuous
Satisfaction Surveys	Consolidated report from across the Supply Chain on satisfaction to inform the delivery of the customer experience throughout the term.	Periodic TBD in Sched. 6.1



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## 5.3 Service Levels and Credits

### 5.3.1 Overview

Schedule 2.2

Paragraph All

#### Overview

The Supplier is to implement and manage the end-to-end Service Level management and reporting processes and is required to operate collaboratively with other Supply Chain Members and other third parties in the delivery of seamless, cohesive services to Post Office.

The Supplier is to perform the Services so that the Service Level Performance will, in each reporting period, meet, or exceed, the Service Levels and KPI's. Service Levels and KPIs have been described in the Annex to Part A of schedule 2.2. Each having an Expected Service Level describing what the required performance is and also a Service Threshold Level describing a level with an adverse effect on Post Office (Figure 5.3.1).

There are mechanisms for reflecting the impact of repeat failures and also for reflecting the impact of low volumes on the measurements. (See 5.7).

Service Points convert into Service Credits (See 5.8).

The Service Level regime can be changed see section 5.8.

#### Commencement of Service Levels

Measuring and Reporting for each SL / KPI Commences at:

- The relevant TMO Service Level Adjustment Point for the TMO services; and
- The relevant FMO Start Date for the FMO services.

Shared Service Levels become effective for the Supplier, on FMO Start Date relating to Shared Service Level.

See 4.4.1 and Implementation Timeline in Appendix A.1.1

#### Types of Service Level

There are two types of Service Level:

- Component Service Levels – these are unique to each supplier and each supplier is responsible for their own.
- Shared Service Levels – there is shared accountability, failure to meet Expected Service Level (regardless of which supplier this was due to) will result in the accrual of Service Points by Supplier (& other relevant suppliers).

#### Service Level Reporting

Performance is measured over the Measurement Period which is 1 month unless specified otherwise.

Performance reported according to Performance Management System (see 5.8.3) and discussed at the Performance Review (see 7.4).

#### Failure and Service Points

Service Points accrue to the Supplier when the performance against an applicable Service Level for the Measurement Period is below the Expected Service Level (unless the low volume events algorithm applies) see 5.7 for more detail.

#### Service Credits

Service credits are a reduction in the amount payable for services (so do not include VAT). Service Credits apply:

- From the relevant TMO Service Level Adjustment Point for the TMO services; and
- From the relevant FMO Start Date for the FMO services.

#### Key Points

- There are two types of Service Level:
  - Component Service Levels – unique to each supplier.
  - Shared Service Levels – where there is shared accountability.
- KPIs are treated and reported in much the same way as Service Levels. Except KPI failure does not accrue Service Points.
- KPIs can be made into Service Levels and vice versa. See 5.8.
- Two Performance Target types : Expected Service Level (ESL) & Service Threshold Level (STL) See Figure 5.3.1.
- Service Points can accrue for failure to meet Service Level ESLs.
- Service Points are used to calculate Service Credits which are amounts by which a subsequent invoice is to be reduced See 5.8.

#### Key objectives of Service Levels, Service Points and Service Credits:

Key objectives of Service Levels, Service Points and Service Credits include:

- Services are of a consistently high quality and meet requirements;
- Provision of a mechanism whereby Post Office can attain; recognition of inconvenience or loss resulting from Supplier's failure to deliver;
- Incentivises meeting Service Levels and expeditious remedy of failure;
- Supporting management of Supply Chain Members and other third parties (as agreed to by Supplier) to meet applicable Service Levels;
- That Supplier proactively and collaboratively meets Shared Service Levels and cooperates and collaborates with third parties.

#### Categorising Performance Metrics - SLs & KPIs

##### Service Levels (SL)

- Essential to welfare of business.
- Missing targets will result in significant financial or business impact.
- Financial Service Level Credits are DUE for Service Level Failure.

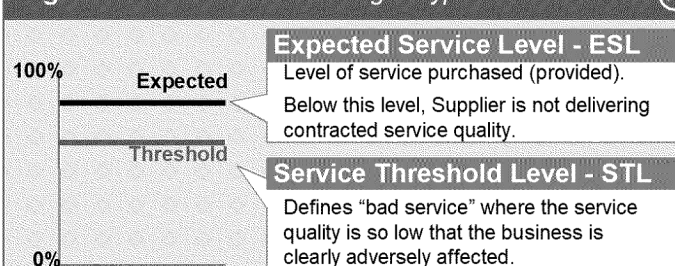
##### Key Performance Indicators (KPI)

- Meaningful to the business.
- Missing targets will result in minor financial or business impact.
- Financial Service Level Credits NOT DUE for failure to attain.
- May be candidates for Service Levels.

Key Performance Indicators are treated the same as Service Levels (monthly reporting, Performance Improvement...) except they do not have Service Level Points associated with them.

Key Performance Indicators can become Service Levels and vice versa.

Figure 5.3.1 Performance Target Types





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## 5.3.2 Service Level articulation & management

Schedule	2.2	Schedule	2.2	Schedule	2.2
Paragraph	Part B: 2.12	Paragraph	Part A Annex A	Paragraph	Part A: 5

### Service Level Articulation

The Service Levels are articulated within Tables 1 and 2 of Schedule 2.2 Service Level Table Annex A. These are in the formats shown in Figure 5.3.2 (a) and Figure 5.3.2 (b). These figures show example text for the descriptors that can change for each Service Level in black within chevrons and replace numbers that are variable with # e.g. <example text that uses a number in it : #>.

Table 1 of Schedule 2.2 shows if measure is categorised as a Service level or KPI, start point for TMOs with reference to Adjustment points, variation to ESL during TMOs, start date for Future Mode of Operation, periodicity of measurements and Service Point Allocation.

**Figure 5.3.2 (a) Example extract of Table 1 from Schedule 2.2 Service Level Table Annex A**

Ref	Service Measure	SL or KPI	TMO 1 SLAP	TMO 1 ESL	TMO 2 SLAP	TMO 2 ESL	TMO 3 SLAP	TMO 3 ESL	FMO Start Date	Measurement Period	Service Points allocated
<SI or SD> <Shared SL or Component SL or KPI>											
<REF#>	<SL Title>	<SL or KPI>	<Adj point refs>	<FMO SL>	<n/a>	<n/a>	<n/a>	<n/a>	<M#-D#>	<Monthly>	<###>

Table 2 of Schedule 2.2 gives a description, method for the performance calculation, hours of service, what is measured, and sets out the Expected Service Level and Service Threshold Level for Future Mode of Operation.

**Figure 5.3.2 (b) Example extract of Table 2 from Schedule 2.2 Service Level Table Annex A**

SERVICE MEASURE <ABCx> <Service level title>	
Service Level Description	<Target time of Target Time1 Measurement clock to start at event 1 for each occurrence. Clock to stop at event 2 when status of occurrence becomes xyz>
Service Level Calculation	< $\frac{A}{B} \times 100$ WHERE: A = Total number of item occurrences meeting Target B = Total number of item occurrences in Measurement Period. >
Hours Service Data Capture	<24 hours per day, all year.> <To carry out the FMO service level calculation, Supplier will capture: •Time and date of occurrence lifecycle event 1 that marks the start of measurement; •Time and date of occurrence lifecycle event 2 that marks successful completion; >
FMO Expected Service Level	<##%>
FMO and TMO Service Threshold Level	<##%>

### Service Level Management

The Supplier is required to investigate and correct all Incidents and Problems, regardless of whether they constitute Service Level Failures, in accordance with Schedule 2.1 requirements. This is to include all commercially reasonable efforts to restore services & meet Service Levels as soon as practicable, and provision of Recovery Plans and evidence that root causes have or shall be corrected.

#### Manage incidents according to severity

The Supplier is to manage Incidents categorised by severity. Sub categorisation of 'priority' may also be used to assist prioritisation.

The severity levels are described in terms of the impact, and summarised in Appendix C.5. The full categorisation of Incidents to Severities will be defined in the Operations Manual.

#### Escalation

Supplier may escalate issues arising from failure to achieve Service Levels in accordance with Schedule 8.1 Governance and failing resolution through the Dispute Resolution Procedure. The Service Level regime continues to apply during an escalation or dispute and supplier is to continue proactively resolving outstanding issues.

#### Remediation of Shared Service Level

Where Supplier fails to achieve a Shared Service Level, it is to identify the causes, and thereby determining a responsible party.

- If failure is due to the Supplier it will remediate following the same procedure as for Component Service Levels.
- If failure is due to another Supply Chain Member the Supplier this may result in that supply Chain Member preparing a service remediation plan. The Supplier is responsible for managing the supply Chain Member's service remediation plan.

#### Increasing severity / priority by request

A facility by which Post Office can request an Incident be given a higher Severity or Priority is to be provided. This re-prioritisation will be subject to agreement and incidents will be reported against based on their original classification.

For incidents raised to a higher Severity Level, the service level clock will either restart at the higher severity level or continue with the time remaining on the lower severity (whichever is shorter).

In the event that a Severity is raised, there will be a review after the Incident is resolved to see if there is a requirement to amend the severity setting guidelines for that type of Incident.

#### Remediation of Component Service Level or KPI

Where Supplier fails to achieve a Component Service Level or Key Performance Indicator, at its own cost, it is required to:

- Identify underlying causes of failure.
- Submit within 5 Working days a Recovery Plan for improving performance, specifying remedial actions and recovery period.
  - Post Office review the Recovery Plan to decide if Supplier should proceed or should submit a revised plan.
- Upon approval implement the Recovery Plan, and conduct weekly reviews of that implementation until it is complete.



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## 5.4 SI Component Service Levels and KPIs

Schedule	2.2
Paragraph	Annex A

### Overview of the SI Component Service Levels

SI Component Service Levels are measures that cover the operation of the SISD services for Service Integration.

The Service Levels are articulated within the agreement as set out in 5.3. The list in Table 1 of Schedule 2.2 Service Level Table Annex A is split into the categories of:

- Component SI Service Levels;
- Component Service Desk Service Level;
- Shared SI Service Levels; and
- SI KPIs.

### Key Points

These were the Service Levels and KPIs at execution, they can change through the mechanisms described in 5.8. Consequently:

- Some details of description may now differ;
- Measures may have been removed or new ones added;
- There is much less detail here than in Schedule 2.2 Service Level Table Annex A as the detail is also subject to change; and
- Some measures listed here as KPIs may now be Service Levels and vice versa.

To see the latest details consult the current Schedule 2.2 Annex A or Performance Management Reports.

Table 5.4(a) gives a feel for what the Component SI Service Levels cover by listing the original set, note these may now differ. Reference is made below to severity levels. See Appendix C.5. for a summary of severity levels and the Operations Manual for detail.

Service Level Ref	Service Measure Title from Table 1	Précis of Service Level Description from Table 2
<b>SISD1</b>	SISD Incident Response (for Severity Level 1 and 2 Incidents)	Percentage of Severity Level 1 and Severity Level 2 Incidents from across the Supply Chain for which the response actions listed in service level description are completed within the target time: 15 minutes for Severity 1; 20 minutes for Severity 2 Incidents.
<b>SISD2</b>	Incident Response (for Severity Level 3 and 4 Incidents)	Percentage of Severity Level 3 and Severity Level 4 Incidents raised within the hours of operation from across the Supply Chain for which the response actions listed in service level description are completed within the target time of 2 hours.
<b>SISD3</b>	SI Incident Resolution	Percentage of Incidents assigned to the Supplier in each period for resolution that are completed to the User's satisfaction within target times for their severity ranging from 4 hours to 5 days. Note there is a 30 day grace period following service take on.
<b>SISD4</b>	Report Delivery (including Security Reports)	The percentage of reports (including the Performance Management Report and all reports required to be provided by the Supplier in accordance with Schedule 8.4 (Records Provisions)) that the Supplier delivers on time.
<b>SISD5</b>	Failed Changes	The number of Change Requests which are scheduled for implementation, but which are failed and/or backed out.
<b>SISD6</b>	Failed Critical Security Patches	The number of Critical Security Patches (security patches outside formal releases) which are scheduled for implementation across the supply chain, but which are failed and/or backed out (excluding failures through no fault of Supplier e.g. faulty patches).
<b>SISD7</b>	Accuracy and Completeness of the CMDB	The number of items within a sample from the CMDB item-level records which are accurate, combined with the number of samples of actual Supplier configuration items for which the corresponding record exists and is accurate.
<b>SISD8</b>	Service Catalogue Requests - Completed on Time	Percentage of Service Requests for which the Supplier is responsible, that are fulfilled in accordance with the agreed time frames in the Service Catalogue. Measurements to exclude time periods of Supply Chain member(s) activities.
<b>SISD9</b>	Accuracy, Timeliness & Completeness of Service Catalogue	The number of samples of Service Catalogue items delivered by the Contactor within 10 working days (including updates or changes to Supply Chain Member services). 100 items to be measured per Measurement Period.

Table 5.4(b). gives a feel for what the SI KPIs cover by listing the original set, note these may now differ.

Service Level Ref	Service Measure Title from Table 1	Précis of Service Level Description from Table 2
<b>SISD KPI1</b>	Problem Management : Root Cause Analysis (RCA) report published	RCAs published to Post Office for Severity 1 Incidents in accordance with the agreed Operation Manuals
<b>SISD KPI2</b>	Problem Management : RCA actions completed within agreed timescales	The percentage of RCA actions delivered within committed timescales. N.B Actions can be re-scheduled with the express written agreement of Post Office
<b>SISD KPI3</b>	Problem Management aged cases	The percentage of monthly problem management aged case analysis reports for Cross Supply Chain Member problems provided by 8th Working Day of month. Where a Cross Supply Chain Member problem is an Incident or Problem caused by more than one Supply Chain Member.



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## 5.5 SD Component Service Levels

Schedule	2.2
Paragraph	Annex A

### Overview of the SD Component Service Levels

SD Component Service Levels are measures that cover the operation of the SISD services for Service Desk.

The Service Levels are articulated within the agreement as set out in 5.3. The list in Table 1 of Schedule 2.2 Service Level Table Annex A, is split into the categories of:

- Component SI Service Levels;
- Component Service Desk Service Level;
- Shared SI Service Levels; and
- SI KPIs (Note: the contract doesn't preclude SD KPIs in future).

### Key Points

These were the Service Levels and KPIs at execution, they can change through the mechanisms described in 5.8. Consequently:

- Some details of description may now differ;
- Measures may have been removed or new ones added;
- There is much less detail here than in Schedule 2.2 Service Level Table Annex A as the detail is also subject to change; and
- While no KPIs are listed here new KPIs are not precluded and re-categorisation may move Service Levels to be KPIs and vice versa.

To see the latest details consult the current Schedule 2,2 Annex A or Performance Management Reports.

Table 5.5 gives a feel for what the Component SD Service Levels cover by listing the original set, note these may now differ. Reference is made below to severity levels. See Appendix C.5. for a summary of severity levels and the Operations Manual for detail.

Service Level Ref	Service Measure Title from Table 1	Précis of Service Level Description from Table 2
<b>SISD10</b>	First Contact Resolution	Percentage of 'Fixable Call's (excluding Severity Level 1 Incidents) where the issue has been completed to the user's satisfaction during first Call to the Service Desk. 'Fixable Call' is where a solution in the knowledge base can resolve an issue remotely.
<b>SISD11</b>	Incident Assignment accuracy	Percentage of Incidents not Resolved on first contact between User and Service Desk which are then assigned by Service Desk to the appropriate Supply Chain Member. 'Resolved' is to identify root cause, and deploy permanent fixes to correct the Incident.
<b>SISD12</b>	Incident Update Time	Percentage of Severity Level 1 and Severity Level 2 Incidents whose records are updated in accordance with the Target Times. Which, for Level 1, is not less frequently than every thirty minutes and Level 2, not less frequently than every sixty minutes.
<b>SISD13</b>	Speed to Answer (telephone)	Percentage of telephone calls made to Service Desk in each period which are answered by a Service Desk Agent within 20 seconds of caller selecting the option an IVR menu; or call being directly routed. Note there is relief when call volume spikes.
<b>SISD14</b>	Speed to Answer (email)	Percentage of emails to Service Desk in each period which are answered by a Service Desk agent within 4 hours. Where answered means taking actions as specified in Service Level description and excludes Automated acknowledgement responses.
<b>SISD15</b>	Call Abandonment Rate	Percentage of calls made to Service Desk during each period which are abandoned. i.e. caller terminates call after thirty seconds of not being connected to a Service Desk Note there is relief when call volume spikes.
<b>SISD16</b>	Customer Satisfaction with the Service Desk	The percentage of Customer respondents to a Service Desk customer satisfaction survey carried out in a Measurement Period whose overall rating was satisfied or very satisfied or an equivalent.
<b>SISD17</b>	Service Desk availability	The availability of the Service Desk to receive reports of Incidents, Service Requests and Change Requests from a user authorised to access the Service Desk expressed as a percentage for each Measurement Period.
<b>SISD18</b>	User Administration Requests - Completed on time	Percentage of User Administration Requests within the required timeframes in the Operations Manual. User administration includes adding, deleting, updating access rights and account suspension. For example: Account additions, emergency removals.
<b>SISD19</b>	User Setup Accuracy	The number of users set-up with all services and training ordered and delivered without fault or service omission.



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## 5.6 Shared Service Levels

Schedule	2.2
Paragraph	Annex A

### Overview of the Shared Service Levels

Shared Service Levels are measures that cover the wider services and their management by the SISD.

The Service Levels are articulated within the agreement as set out in 5.3. The list in Table 1 of Schedule 2.2 Service Level Table Annex A is split into the categories of:

- Component SI Service Levels;
- Component Service Desk Service Level;
- Shared SI Service Levels; and
- SI KPIs (Note the contract doesn't preclude Shared KPIs in future).

### Key Points

These were the shared Service Levels at execution, they can change through the mechanisms described in 5.8. Consequently:

- Some details of description may now differ.
- Measures may have been removed or new ones added.
- There is much less detail here than in Schedule 2.2 Service Level Table Annex A as the detail is also subject to change.
- While no KPIs are listed here new KPIs are not precluded and re-categorisation may move Service Levels to be KPIs and vice versa.
- To see the latest details consult the current Schedule 2.2 Annex A or Performance Management Reports.

Table 5.6 gives a feel for what the Shared Service Levels cover by listing the original set, note these may now differ.

**Table 5.6** *Shared Service Levels (at signing date)*

Service Level Ref	Service Measure Title from Table 1	Précis of Service Level Description from Table 2
<b>SHARED1</b>	Overall Customer Satisfaction with the IT Services	The percentage of Customer respondents to an IT Service customer satisfaction survey of a random sample of 10% Post Office Users across all IT Services, carried out in a Measurement Period whose overall rating was satisfied or very satisfied.
<b>SHARED2</b>	Reduction in Unique Incident Volume	<p>A % reduction in the volume of Incidents from the first Measurement Period. (Note the measurement period is annually.)</p> <p>In the first period Supplier just needs to provide details of the volumes, thereafter this Service Level is calculated.</p> <p>In the second period the ESL is to be a 3% reduction.</p> <p>The ESL for the third and subsequent periods is to be agreed using an agreed baselining process to be documented in the Operations Manual.</p> <p>There is relief to allow for 'bedding in time' where incidents within three months of a change can be disregarded from the calculation if caused by that change and Supplier had fulfilled their obligations.</p> <p>Measurement and reporting only commence for this Shared Service Level once the Shared Service Level is effective with respect to one or more Supply Chain Member(s) who are party to the same Shared Service Level.</p>



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## 5.7 Service Credit Calculations

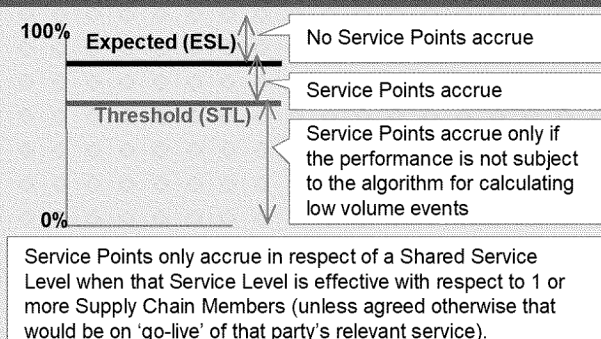
### 5.7.1 Overview

#### Overview

Failure to attain an Expected Service Level is a Service Level Failure. Service Points can accrue for Service Level Failure. The amount of points is based on the point allocation recorded in Schedule 2.2 Annex A and the mechanisms for reflecting the impact of repeat failures and also for reflecting the impact of low volumes on the measurements.

Service Points convert into a deduction from charges known as Service Credits. Service Credits are set off against the next period's Service Charges thereby reducing that invoice.

**Figure 5.7.1 Service Point Accrual**



#### Service Point Allocation, Accrual and Limits

The Total Monthly Service Points Available for allocation is 2500. i.e. the sum total of Service Points allocated to Service Levels in Table 1 of Annex A is to be 2500 or less.

Service Points, when accrued are in the amount allocated to that Service Level in Schedule 2.2 Annex A. (unless amended by other mechanisms as further described in this section 5.7.1 and 5.7.2 e.g. exemptions or multiple failures).

The Total Service Points accrued across all Service Levels is:

- Limited in each Month to 2000; and
- Limited in a Contract Year to 12,000.

#### Calculation of Credits given Service Points

Each Service Point results in a Service Credit equating to a certain percentage (specified in Schedule 7.1) of the aggregate Monthly Service Charges (for the month in which the points accrued) e.g. 1pt = 0.0125%. Service Credits are set off against the charges in the following period.

#### Limits on Credits

Services Credits are calculated and apply monthly and limited:

- (a) in each month to 25% of the Service Charges paid, due or which would have been payable during that month; and
- (b) in each Contract Year to 12.5% of the Service Charges paid, due or which would have been payable.

#### Critical Service level Failure

If a Critical Service Failure occurs, Post Office may exercise rights and remedies (including Termination & seeking damages.) They are deemed to have occurred if a Component Service Level allocated more than 175 points fails to meet the STL two months in a row and in other circumstances where high numbers of points are repeatedly accrued. See 5.7.2.

Schedule	7.1	Schedule	2.2	Schedule	T&Cs
Paragraph	18	Paragraph	Part C	Clause	59

#### Key Points

Service Points equal to the allocated number for effective Service Levels accrue upon Service Level Failures unless:

- Low volume event algorithm is triggered by less than 100 events.
- Repeat Failures mean a multiplier amends the allocation.
- Exemptions apply or it isn't selected after a Single events has lead to multiple failures.

Subject to limits, Service Points accrued are totalled and converted to service credits to be set off against the charges in next invoice.

#### Service Downtime and Service Points

Service Points will accrue in relation to Availability Service Levels, if any Service Downtime occurs as a result of maintenance undertaken by the Supplier (including Emergency Maintenance) exceeds four (4) hours in any Measurement Period. See 5.7.2.

#### Low Volume Events Algorithm

For performance measured in percentage terms, when less than 100 of the measured items occur, then the measurement is subject to the Low Volume Events algorithm and the number of compliant items to be successfully completed for the Service Level (either ESL or TSL) to be considered as achieved is calculated using the algorithm.

**Method:** the number of items occurring during such Measurement Period will be multiplied by the Expected Service Level percentage and the product rounded down to the nearest whole number.

**Note:** Supplier may propose alternative calculation methods for particular Service Levels. Where Post Office approve an alternative it will apply and the Supplier incorporates it in the Operations Manual.

#### Repeat Service Level Failure

Repeat Service Failures change the amount of Service Points to be accrued for a failure through a multiplier. See 5.7.2. They are failures of a particular Service Level that are the:

- Third (or subsequent) failure in any six month rolling period; or
- Second (or subsequent) failure in consecutive months.

#### Exemptions

Events or periods will be disregarded in calculating performance against a Service Level where Supplier demonstrates its cause was:

- A requested resource reduction and Supplier had warned of failure.
- Equipment identified and agreed in writing to be 'Unserviceable' Equipment Prior to the failure and Post Office failed to repair it and Supplier has met its Refresh and Technical Currency obligations.
- An unresolved cause, existing at the time of transition of Service to the Supplier for which Supplier is excused until agreed as resolved.
- Post Office or Supply Chain Member failure to meet a responsibility.

#### Single events leading to multiple failures

Where a single event or occurrence results in the failure to meet more than one Service Level's ESL or STL, and Supplier establishes this to Post Office's reasonable satisfaction. Then either:

- Post Office select one of the failures to accrue Service Points; or
- A default selection made, selecting the failure with highest points.

Service Points do not accrue for the multiple failures not selected.

Where the same event then results in further Service Level Failure in a subsequent month, Service Points may be accrued (regardless of whether points were accrued in the month of the event's occurrence).



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## 5.7.2 Service Downtime, Repeat Failures and Critical Failures

Schedule	2.2	Schedule	2.2
Paragraph	Part C 4	Paragraph	Part C 2

### Service Downtime and Maintenance Schedule

The Supplier will maintain a Maintenance Schedule to be agreed with Post Office and updated through the governance.

Supplier can arrange for maintenance to the Supplier's system (other than Emergency Maintenance or activities already in agreed Maintenance Schedule) through getting approval for planned maintenance from the Post Office Representative (see Schedule 9.3). It is then entered onto the Maintenance Schedule. Once approved the planned maintenance is known as "Permitted Maintenance". Supplier can book a maximum of four hours Service Downtime for Permitted Maintenance in a Measurement Period.

This four hours (or less) will be subtracted from the total number of hours in the Measurement Period when calculating Availability or measuring performance against the Availability Service Levels.

### Repeat Service Level Failure

A Repeat Service level Failure is a Service Level Failure for a particular Service Level that is the:

- a) Third (or subsequent) failure in any six month rolling period; or
- b) Second (or subsequent) failure in consecutive months.

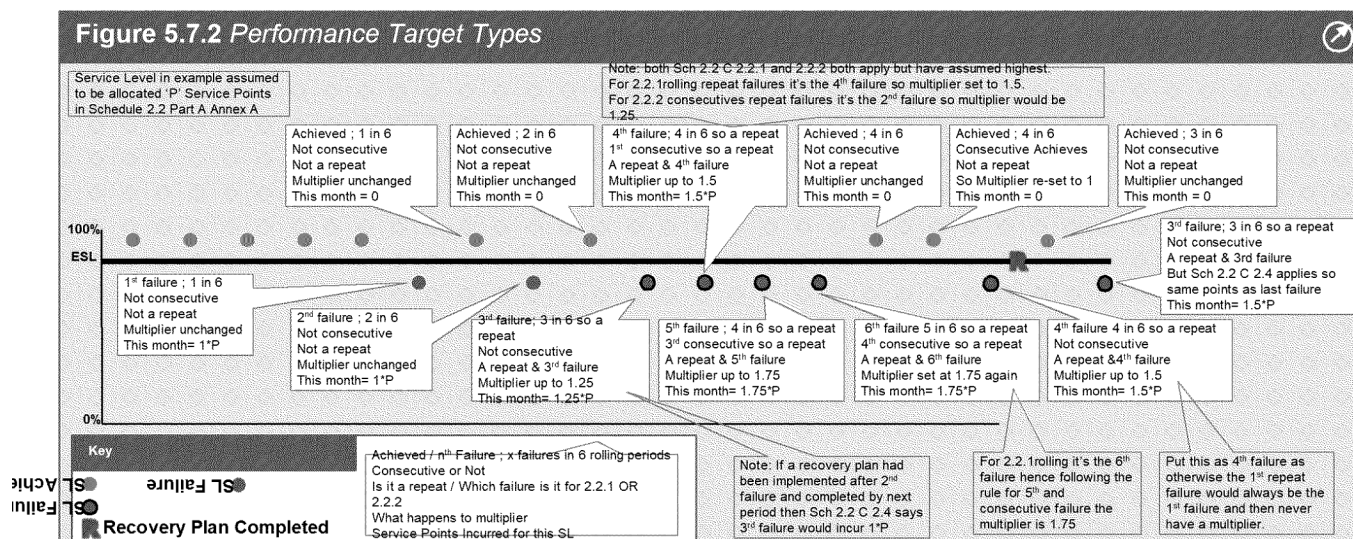
Repeat Service Failures change the amount of Service Points to be accrued next time there is a Service Failure through a multiplier applied to the Service Point allocation.

The multiplier remains in place or increases until two consecutive months of achieving the Service Level which resets the multiplier to 1.

If a recovery plan is completed and there is only one month of achieving the Service Level then, the subsequent Service Level Failure will be allocated the same number of Service Points as the previous Service Level Failure i.e. the multiplier that may otherwise have been used is replaced by the use of the same number of Service Points as previous failure. See the note on the 1<sup>st</sup> repeat failure in Figure 5.3.1.

Multiplier due to 6 month rolling period repeats	
Event	Multiplier
From the date of the third Service Level Failure of the same Service Level	1.25
From the date of the fourth Service Level Failure of the same Service Level	1.5
From the date of the fifth or any subsequent Service Level Failure of the same Service Level	1.75

Multiplier due to consecutive months repeats	
Event	Multiplier
From the date of the second Service Level Failure of the same Service Level	1.25
From the date of the third Service Level Failure of the same Service Level	1.5
From the date of the fourth (or any subsequent) Service Level Failure of the same Service Level	1.75



### Critical Service Level Failure

Critical Service Failure are deemed to have occurred in any of the following circumstances:

- The Service Threshold Level for a Component Service Level allocated 175 Service Points or more (known as a Critical Service Level), has not been achieved in two consecutive Measurement Periods, or in any three periods in a rolling six period window; or
- All Service Levels accrue a total of 1250 Service Points within each of two consecutive periods; or
- The sum of Service Points accrued across any three periods in a rolling six period window is 3500.

If a Critical Service Failure occurs, Post Office will be entitled to exercise its rights and remedies described in the Agreement (including Termination Rights and/or the right to seek damages).



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## 5.8 How Performance Management Changes Over The Term

### 5.8.1 Overview

Schedule	2.2 Part A
Paragraph	4

#### Overview

The contract anticipates that while Performance Management processes may remain stable that various aspects of the regime such as point allocation and Service Levels should change over the term of the contract without a need for invoking the Change Control Procedures.

Implementation	<p>The applicable Service Levels come into effect in line with Service Level Adjustment Points and FMO start dates.</p> <p>Wider implementation and the 'go-live' of services provided by Supply Chain Members (e.g. incident management services) can trigger changes to the operation of the Service Level regime (e.g. accrual of Service Points for Shared Service Levels).</p> <p>Establishment of the Performance Management System. See 5.8.2.</p>
Control Documents	<p>There are Control Documents, changes to which would affect the operation of Performance Management. By their nature these may change over the term, but at the time of writing these include:</p> <ul style="list-style-type: none"> <li>• Change Management Note;</li> <li>• Change Request Note;</li> <li>• Work Order Process template; and</li> <li>• Operations Manual (in which procedures for Service Point allocation may be defined).</li> </ul>
Changes possible outside the Schedule 8.2 (Change Control Procedures)	<p>Several types of changes can be made outside of Schedule 8.2 Change Control Procedures including:</p> <ul style="list-style-type: none"> <li>• Allocation of Service Points;</li> <li>• Re-designation and promotion of Performance measures between being SLs and KPIs; and</li> <li>• Annual reviews.</li> </ul>
The Change Control Procedures	<p>Should either Post Office or the Supplier wish to change the fundamental processes, this should be dealt with through the Change Control Procedures.</p> <p>Post Office may where necessary (i.e. it is a type of change not achievable through the other mechanisms) use the Schedule 8.2 (Change Control Procedures) to change Service Levels. Including from April 2014 onwards Additions, Deletions, and Modifications to Service Levels. See 5.8.3.</p>

#### Changes possible outside the Schedule 8.2 Change Control Procedures

<b>Reallocate Points</b> <p>This may, for example, be required to highlight importance of the Services during peak periods; for example during December and March.</p>	<b>Service Point allocation</b> <p>Post Office may unilaterally review and amend the Service Points allocation for Service Levels. Allocations in any month may not exceed the Total Monthly Service Point Available for Allocation.</p> <p>The procedure for notifying the Supplier of changes is either as agreed within the Operations Manual or if that is not yet agreed for Post Office to give the Supplier 30 days written notice.</p>
<b>Re-designation</b> <p>For example, to reflect the delivery performance in support of Key Business services.</p>	<b>Movement of KPIs and SLs</b> <p>Post Office may re-designate existing Service Levels as Key Performance Indicators. Also, Post Office may promote existing Key Performance Indicators into being Service Levels.</p> <p>The procedure for notifying the Supplier of changes is to give the Supplier 30 days written notice.</p>
<b>Scheduled Reviews</b> <p>With a view to more accurately reflecting the changing business needs of Post Office and other Service Recipients.</p>	<b>Annual Review - Review and Revision of KPIs and SLs</b> <p>Annually (less often if desired/more often as agreed) Post Office and Supplier review the Service Levels. Reviewing the achievement of the service level regime objectives; alignment with Post Office's business conditions; quality and delivery of the Services; changes required to the Service Level regime to align Service Levels to the Services, and to improve performance of the Services.</p> <p>Entering into good faith negotiations within 30 days of completing a review to adjust Service Levels if requested by Post Office. Supplier to act reasonably in considering new Service Level structures.</p>



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## 5.8.2 Establishment of the Performance Management System

Schedule	2.2
Paragraph	Part B 2 & Part B 4

### Overview

The Performance Management System that will be established during implementation is to provide the method for managing the Services:

- To ensure that the Supplier is complying with the Service Levels; and
- For identifying any Service Level Failures in the performance of the Supplier and/or delivery of the Services.

### Establishing the System

Within thirty working days of the Effective Date the Supplier will provide Post Office with a draft Performance Management System for approval.

Post Office will notify the Supplier within ten working days of its approval or rejection:

- If the draft Performance Management System is approved by Post Office it will be implemented immediately.
- If rejected Post Office will identify the changes it requires and the Supplier is to amend the draft Performance Management System to incorporate the changes required and re-submit within five working days.
- If Post Office does not approve the resubmitted version, the matter may be escalated in accordance with Schedule 8.1 (Governance).
- Failing resolution in accordance with that schedule within ten working days, it can be referred for resolution in accordance with the Dispute Resolution Procedure.

### Revising the System

- The Supplier may wish to make changes to the Performance Management System and can provide Post Office with an updated draft Performance Management System description for approval.
- Post Office may require reasonable amendments and the Supplier will make such amendments and re-submit.
- Until such time as an updated Performance Management System is approved by Post Office the existing Performance Management System will continue to apply.
- The Performance Management System is also to be reviewed at the relevant governance forum.

### Key Points

The Performance Management System:

- Details method for managing the Services:
  - To ensure that the Supplier is complying with the Service Levels; and
  - For identifying any Service Level Failures in the performance of the Supplier and/or delivery of the Services.
- Is provided by Supplier in draft within thirty working days of the Effective Date for approval by Post Office.
- Is to be implemented immediately upon approval revised and resubmitted upon rejection or escalated if resubmission is rejected.
- Is to be reviewed at the relevant governance forum.
- Is to be documented within the Operations Manual according to requirement 3.3.9.
- Approval of the Performance Management System will not relieve the Supplier of any obligation it has under this Agreement (including the obligation to meet the Service Levels and KPI's).

### Performance Management System

The Performance Management System includes details of the Supplier's responsibilities in respect of the following:

- Notifications to the Service Desk of service failures and other defects in the Supplier's performance and/or delivery of the Services;
- Self-monitoring using industry recognised and current service management processes and tools;
- Satisfaction surveys;
- Performance review;
- Post Office audit;
- The processes and systems to monitor effectively performance of the Services as against the Service Levels and KPI's;
- The format and content of the Performance Management Report; and
- How the Supplier will comply with the obligations set out in Parts A (Service Level Management) and C (Service Credit Regime) of Schedule 2.2 (Service Levels).

The Performance Management System, the Service Level log, any reports, summaries produced, and any other document or record reasonably required by Post Office are required to be available to Post Office on-line and capable of being printed.

### Post Office Obligations

- Post Office will notify the Supplier within ten working days of its receipt of the initial draft Performance Management System and of its response (approval or rejection) to it. If rejecting it the notice doing so is to identify the changes required.
- Post Office need to work with the Supplier to calibrate the Customer Satisfaction survey e.g. ensure definition of good aligns with that expected.

### Performance Report Data

Post Office can raise any additional questions and/or request any further information regarding any Incident and/or any Service Level Failure and the Supplier is required to provide such documentation to verify the level of the performance.

The Supplier is to keep appropriate documents and records (e.g. Service Desk records, Service Failure log, training programmes, goods received documentation, Supplier accreditation records, complaints received etc.) in relation to the Services and other requirements to be satisfied. Maintaining accurate records of Incident histories for a minimum of 7 years and providing prompt access to such records to Post Office upon request. The records and documents of the Supplier will be available for inspection by Post Office and/or its nominee at any time and Post Office and/or its nominee may make copies of any such records and documents.



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## 5.8.3 Addition, Deletion and Modifying Service Levels

Schedule	2.2 Part A
Paragraph	4

### Service Level Additions, Deletions, & Modifications

After 6 months from the Effective Date, Post Office may add, delete or change the Service Levels by sending written notice to the Supplier.

The Supplier must respond to Post Office within 30 days of receipt of the written notice with a Service Level Change Proposal.

It is anticipated that this will be done with a view to more accurately reflecting the changing business needs of Post Office and other Service Recipients.

Before adding a new Service Level or KPI, Post Office will provide the Supplier with an opportunity to express any concerns (including the availability of measuring tools).

Post Office will consider any reasonable concerns before making its decision whether to add a new Service Level or KPI.

### Key Points

- After 6 months from the Effective Date, Post Office may add, delete or change the Service Levels. The procedure for achieving this involves consultation with the Supplier, the sending of written notices and the Change Control Procedure.

### Post Office Obligations

- The agreement specifies that Service Levels will be quantifiable, measurable and objective.
- Post Office must provide the Supplier with an opportunity to express concerns.
- Before making its decision whether to add a new Service Level or KPI Post Office will consider any reasonable concerns expressed by the Supplier.

### Written Notice

May contain multiple additions, deletions, and/or changes.

### Service Level Change Proposal

These specify additional costs and expenses (with reasons) to implement the changed Service Level (based on actual direct costs, no allowance for profit or risk).

### Final Costs

The final amount of Supplier's direct costs incurred as a result of implementing the changed Service Level will be determined via the Change Control Procedure.

### Service Point Allocation after changes

Service Point allocations for all Service Levels in a month must equal the Total Monthly Service Points Available for Allocation.

Where a Service Level has not had a Service Point allocation defined for it, then the Service Point allocation will be zero.

### Expected Service Levels and Service Threshold Levels for New Service Levels

The Expected Service Level and Service Threshold Level for new Service Levels will be agreed between the parties.

If not agreed then these performance targets are to be calculated as follows:

- If at least four consecutive months of the service measurements exist then these will be used to discuss and agree the values to be set.

- If still unable to agree, either party may escalate the matter for resolution in accordance with Schedule 8.1 (Governance).
- If the matter is not resolved within 5 working days through that escalation then either party may refer the matter for resolution in accordance with the Dispute Resolution Procedure.

If the relevant measurements do not exist, then the Supplier will begin providing monthly measurements within sixty calendar days after receipt of Post Office's written request, subject to agreement on such measurements through the Change Control Procedure.

• Meaning eventually there will (or should be) 4 or more actual Service Level Performance measurements captured at which point Post Office can request in writing that these be used to discuss setting the target values as if they had originally existed as above.

• When there is (or should be) 4 or more actual Service Level Performance measurements but one or more is missing:

- Then when one measurement is missing it is constructed by just using the value of the highest of the 3 actual measurements; or
- If multiple measurements are missing they are constructed by using the highest actual measurement in formulas as follows<sup>1</sup>.

For the first missing measurement:

(Highest actual) plus (20% of (100% minus Highest Actual))

e.g. where the highest actual = 95%

Then  $95\% + (20\% \times (100\% - 95\%)) = 96\%$

For each remaining missing measurement after the first:

(Highest actual) plus (35% of (100% minus Highest Actual))

e.g. where the highest actual = 95%

Then  $95\% + (35\% \times (100\% - 95\%)) = 96.75\%$

<sup>1</sup> Note: These formula assume 100% is perfect. If 0% is actually perfect performance then formulas are to be amended appropriately



## 6. Change Control



**This section should be read by users with an interest in understanding the mechanisms through which the Supplier and Post Office interact to deliver changes to the SISD services and the associated terms and conditions under which the SISD services are operated.**

The processes captured in this section cover the key capabilities required to manage change to the services, contract and Service Levels through the standard, fast-track and emergency change procedures.

Users involved in the delivery of change to the SISD services should use the content in this section to understand the overall process, the responsibilities of both the Supplier and Post Office within the process and the key management information available to Post Office.

It does not cover the SISD ITIL related services for Change Management as schedule 2.1 (and also the content within the Operations Manual called for within schedule 2.1) document these and the processes for changes to the IT services that the SISD facilitates delivery of.







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## 6.1 Section Contents

### Section Overview

The Change Control section provides a summary of the various mechanisms for managing change within the contract as outlined in the contents below.

Change Control – Contents				
Section	Description	Schedule(s)	Page	
6.1	<b>Section Contents</b>	Sets out the structure of the change control section. Highlighting that this section is limited to discussion of the change control of SISD services i.e. excluding the wider change management that the SISD services themselves support.	NA	63
6.2	<b>Change Control Summary</b>	An overview of the types of change processes, principles and service documentation, that support change.	8.1	64
6.3	<b>Standard Change Procedure</b>	Description of the process and key aspects of the process to make changes to the SISD services that are consumed by Post Office.	8.1	65
6.4	<b>Other Change Procedures</b>	How other types of change, including 'Fast-Track' and 'Emergency' Change are managed between Post Office and Supplier.	8.1	66
6.5	<b>Project Work Order Process</b>	The process which the parties will follow when Post Office wishes to consider procuring Project Services from the Supplier.	12	67
6.6	<b>How Change Control Changes Over The Term</b>	Summarises the mechanisms and triggers for changes within the management of contract change.	NA	68



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## 6.2 Change Control Summary

Schedule	8.2
Paragraph	All

### Overview

This section gives an overview of the procedures for Change i.e. changes that could affect the Agreement between Post Office and the Supplier. Contract changes must follow the Change Control procedures. See Table 6.2 and Sections 6.3 and 6.4 for descriptions of the procedures.

In addition to the Change Control procedures Post Office may also wish to consider procuring Project Services from the Supplier and will do this via a Project Work Order. See Section 6.5.

Note that Change has multiple meanings within the agreement (see call out below)

### Key Change Control Points

- Except for in schedule 2.1, a Change is defined as "any Contract Change (For the avoidance of doubt excluding any operational change)."
- Three types of Change Control procedure: Standard, Fast-track and Emergency.
- Each party bears its own costs in agreeing Changes, except when Supplier pays as use of Change Control Procedure is a result of their error or Default.
- Changes in charges must be proportionate to changes in required resources
- Post Office may also procure additional Project Services using a Project Work Order.
- There are two key Control Documents relating to Change (Control Documents can be amended outside of Change Control Procedures see schedule 13): Change Management Notes and Change Request Notes.

### Costs

Each party shall bear its own costs in relation to the preparation and agreement of each Change. When the use of the Change Control Procedure is as a result of any error or Default by the Supplier then both parties' costs incurred shall be paid for by the Supplier.

Changes shall be calculated and charged in accordance with the principles and day rates set out in schedule 7.1. The Supplier is only entitled to increase the Charges in proportion to the required additional resources, Sub-contractor services and/or materials (providing it can demonstrate that these are required in the Change Management Note).

### Change Principles

- Where either Post Office or the Supplier identifies the need for a Change, either party may at any time request a Change.
- No Change shall be valid until such time as it has been authorised and until such time the Agreement shall continue in force as if the Change Request had not been made.
- Any discussions, negotiations or other communications which may take place in connection with any proposed Change, prior to approval, will not be binding for either Post Office or the Supplier.
- In the event that the Supplier implements a Change which has not been authorised, such Change shall not be valid and shall not be binding on Post Office
- Unless stated, where there is a change of circumstance that affects the Supplier's ability to comply with the Agreement, the Supplier shall bear the costs of implementing any such Change.

**Table 6.2 Types of Change Procedure**

Type of Change	Description	Schedule
Standard Change Procedure	The standard procedure for either Post Office or the Supplier to raise a change request and see it through to a Change being approved.	8.2
Fast-Track Change Procedure	A change that needs to be implemented via an expedited process. If both parties agree that a change should be a 'Fast-Track' change then the period of the following timings will change: <ul style="list-style-type: none"> <li>15 working days is reduced to 5 working days</li> <li>10 working days is reduced to 2 working days</li> <li>5 working days is reduced to 1 Working Day</li> </ul>	8.2
Emergency Change Procedure	If the Supplier needs to make a Change to the contract in order for it to comply with its obligations the Supplier is able to, at its own risk and expense, to proceed with an 'Emergency Change'. Within 15 working days of implementing the Emergency Change the Supplier must provide Post Office with a signed Change Management Note. Post Office can choose to accept or reject this (outright or for modification).	8.2

### Change has multiple meanings within the agreement.

Note there is a distinction between changes to the contract and changes to the IT services that the SISD facilitates delivery of.

In most of the agreement (i.e. all but schedule 2.1) 'Change' is the term used to describe changes to the SISD contract made via the Change Control Procedure as described in schedule 8.2 and explicitly excludes Operational change.

In schedule 2.1 'Change' has the meaning defined in the ITIL framework. Schedule 2.1 describes the SISD ITIL related services for Change Management thus schedule 2.1 (and also the content within the Operations Manual called for within schedule 2.1) is where the processes are documented for changes to IT services i.e. the kind of change that alters information in the Post Office configuration management database or configuration management systems.

Schedule 2.1 describes how as part of Change Management Services the SISD define and document within the Operations Manual the change processes and a Change Authorisation Matrix to approve cross Supply Chain Member Changes. It also requires the SISD to manage the Change Advisory Board (or "CAB") in accordance with the governance schedule.



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## 6.3 Standard Change Procedure

Schedule	8.2
Paragraph	All

### Overview

The processes to be followed in case of a Standard Contractual Change is depicted in Figure 6.3.

The figure includes responsibility charts for these processes, defining roles and responsibilities between Post Office and the Supplier.

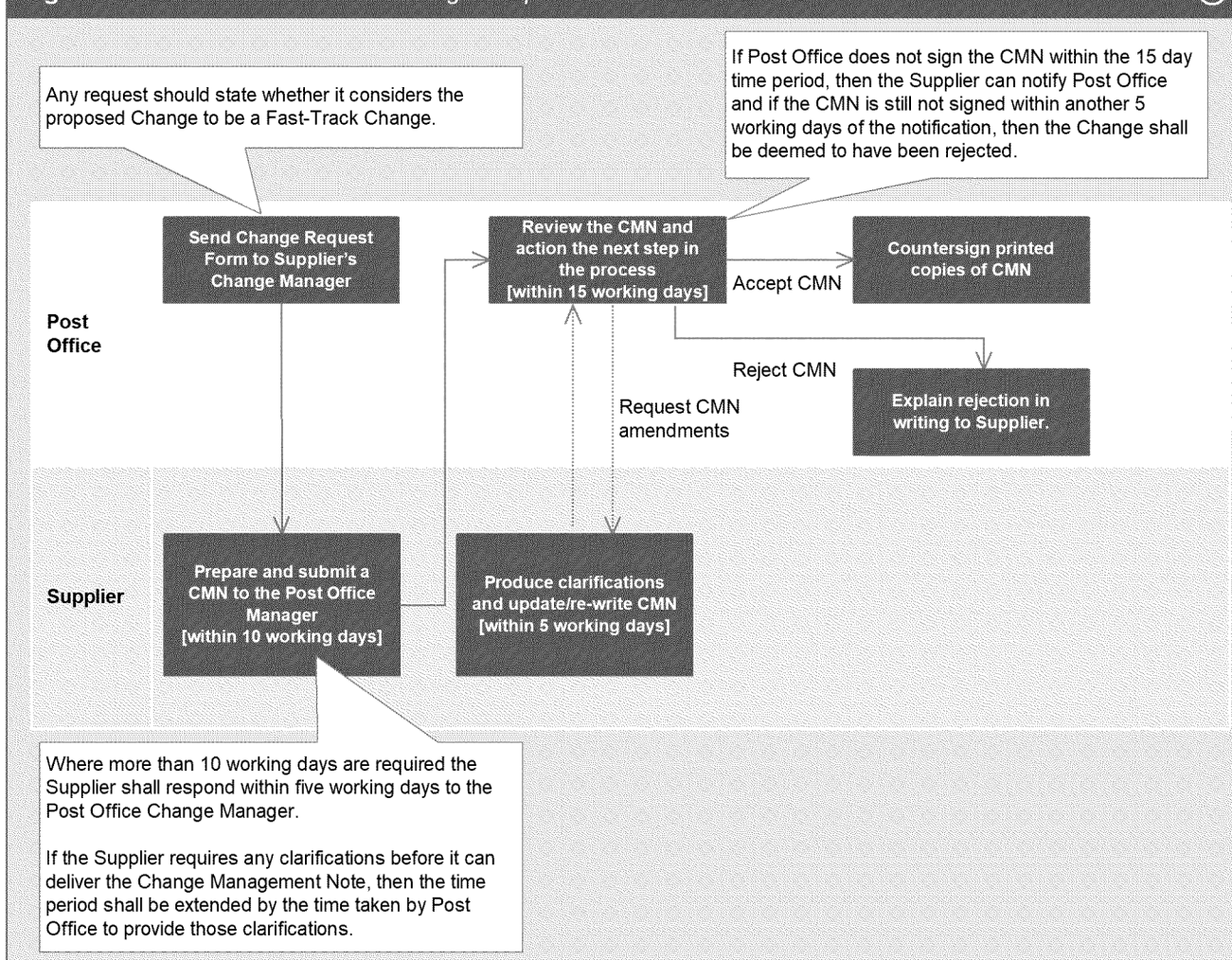
The detailed SISD Standard Change Management Process can be found in Schedule 8.2 and the Operations Manual.

Post Office send a Change request, the Supplier responds with a Change Management Note, which is then reviewed, clarified and either signed or rejected.

### Key Points

- Either party may request a change to the SISD contract.
- Post Office shall initiate a change by issuing a Change Request to the Suppliers Change Manager.
- The Supplier shall initiate a change by issuing a Change Management Note (CMN) to Post Office's Contract Manager.
- Both forms are accessible in Schedule 8.2.
- The Supplier shall assess and document the potential impact of a proposed Change in a CMN before the Change can be either approved or implemented.
- Post Office shall have the right to request amendments to a Change Request, approve it or reject it.
- No proposed Change shall be implemented by the Supplier until such time as a Change Management Note has been signed and issued by Post Office.

Figure 6.3 Standard Contractual Change Responsibilities





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## 6.4 Other Change Procedures

Schedule

8.2

Paragraph

All

### Overview

Outside of the Standard Change Procedure other change processes can be used should the circumstances dictate. These procedures are described below. The specific processes should be described in detail in the Operations Manual.

### Emergency Change

#### Change proposed by Post Office

Post Office can verbally request the SISD Supplier immediately implement an Emergency Change, provided that Post Office shall, as soon as practicable after implementation of the Emergency Change, provide a Change Request for the retrospective change which shall then be progressed via the Standard Change Procedure.

#### Change proposed by Supplier

If the Supplier determines that a change is strictly necessary in order for it to comply with its obligations and there is insufficient time to comply with the Standard Change Procedure the Supplier can at its own risk and expense to proceed with the Emergency Change.

The Supplier must obtain prior written approval from Post Office's Contract Manager to proceed with each Emergency Change.

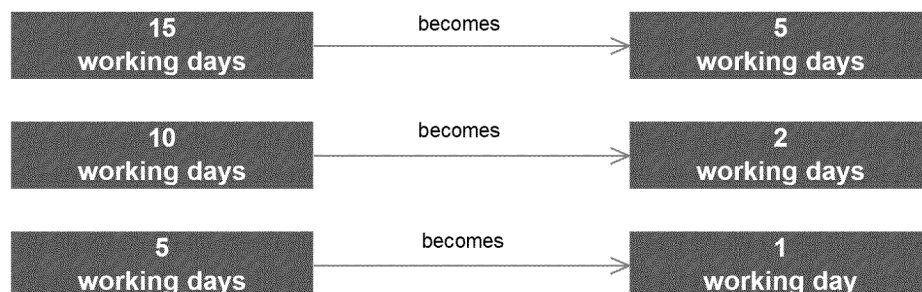
15 working days after implementing the Emergency Change the Supplier must provide Post Office with a signed Change Management Note by e-mail.

### Key Points

- Emergency changes can be raised by both parties to expedite implementation of critical changes.
- Following implementation of the emergency change a change request shall be raised to document this.
- Fast-Track changes can be made in circumstances where it is desirable to expedite the processes set out in the Standard Change Control Procedure. Timescales are reduced.
- Changes to the Service Levels can happen through the Change Control Procedure; or through implementation of written notices requesting change as described in 5.8.1.
- Settlement agreements reached and documented in the course of resolving a dispute, may unless it is agreed to implement the resolution in the form of a separate Change Management Note, constitute a Change to the Agreement to the extent necessary.

### Fast-Track Changes

To ensure efficiency, there may be circumstances where it is desirable to expedite the processes set out in the Standard Change Control Procedure. If both parties agree that a change should be fast-tracked and this is confirmed in writing, then the following timescales shall apply. Note that these reductions can be further revised by agreement between the parties in writing.



### Changes To Service Levels

Various aspects of the Service Level regime can change over the term of the contract without a need for invoking the Change Control Procedures e.g. point allocation, designation as a KPI or Service Level and revisions after annual reviews. See section 5.8.1.

### Settlement Agreements

It is possible that in the course of resolving a dispute (see section 7.5) that the parties either accept a mediator's recommendations or otherwise reach agreement on the resolution of the Dispute. The agreed resolution shall be recorded in writing and signed by each party. It is then binding on both parties, and unless it is agreed to implement it in the form of a separate Change Management Note, the resolution constitutes a Change to the Agreement to the extent necessary.



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## 6.5 Project Work Order Process

Schedule	12
Paragraph	All

### Overview

It is expected that outside of its core SISD activities the Supplier will work with Post Office, providing resource when staffing project work.

This section outlines the process which the parties will follow when Post Office wishes to consider procuring Project Services from the Supplier.

#### Supplier and Post Office were to agree changes to this process

At contract signing the Project Work Order process (Schedule 12) required further refinement to be agreed between the parties within 30 days of the Effective Date or Change Control thereafter. (This page reflects that original version as revisions were not available at time of writing).

### Key Points

- There is a difference in the process by which Post Office acquires Project Services and Resource Augmentation from the Supplier.
- Resource Augmentation are the Services procured to deliver Post Office activities outside of project work. These should be ordered via the Service Catalogue.
- A list of Project Services can be found in Schedule 12. This section outlines the process to procure them (The Work Order Process).
- Unless otherwise specified in the Project Work Order, the Supplier has agreed to put twenty per cent (20%) of any Project Fees at risk.

### Initial Project Assessment

Post Office may request an Initial Project Assessment to enable early assessment of the viability of a potential Project. The table below shows the types of Initial Project Assessments that Post Office can request and the outputs that will be obtained from the Supplier. Post Office is not required to request an Initial Project Assessment before requesting that the Supplier prepare a draft Project Work Order.

Project Request Type	Description	Delivery of Initial Project Assessment request Timescale
Request for Information	Will be varied in nature and may involve a vague, speculative or business need as opposed to a defined requirement.	Two working days from receipt of the Project request unless otherwise agreed.
Budgetary Estimate	Requests primarily concerned with obtaining outlined pricing as opposed to detailed design and implementation methodology.	Five working days from receipt of the Initial Project Assessment request unless otherwise agreed.

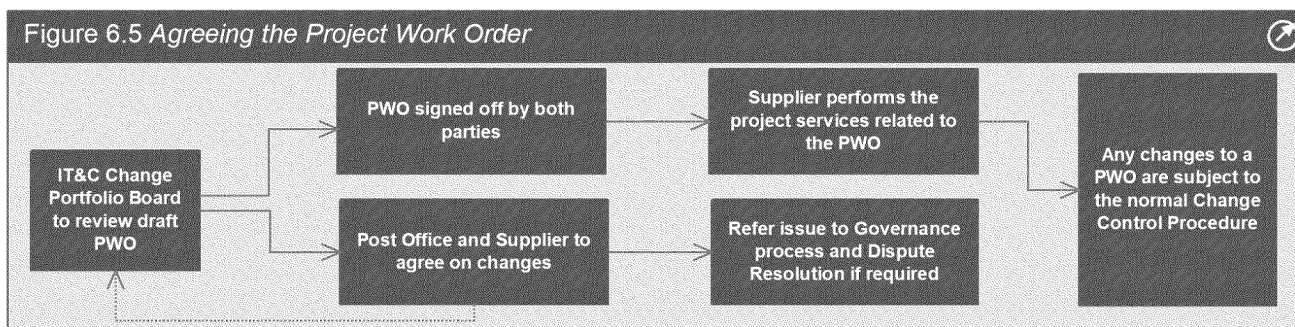
### Project Initiation

If Post Office wishes to consider procuring Project Services from the Supplier, Post Office may provide its high level project requirements and may request that the Supplier prepares a draft Project Work Order. The template of a Project Work Order can (at execution) be found in Schedule 12, Appendix 1 of the contract.

Project Request Type	Description	Delivery timescale of PWO post Project Initiation request
Formal Proposal	Project requests requiring a full draft Project Work Order. Project requests for well defined activity which is highly likely to proceed.	Fifteen working days from receipt of the request unless otherwise agreed.
Small Project Proposal	Small Projects involve a co-ordination of activities, but do not require formal project management. A draft Project Work Order for small Projects is required, but with less detail.	Ten working days from receipt of the request unless otherwise agreed.

### Agreeing the Project Work Order

Schedule 12, paragraph 5 lists the minimum information that a work order should contain. It is the Suppliers responsibility to ensure the Project Work Order has sufficient detail required to enable Post Office to carry out its assessment of the project. The below flow chart summarises the steps to agreeing a Project Work Order.





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## 6.6 How Change Control Changes Over The Term

Schedule

8

Paragraph

All

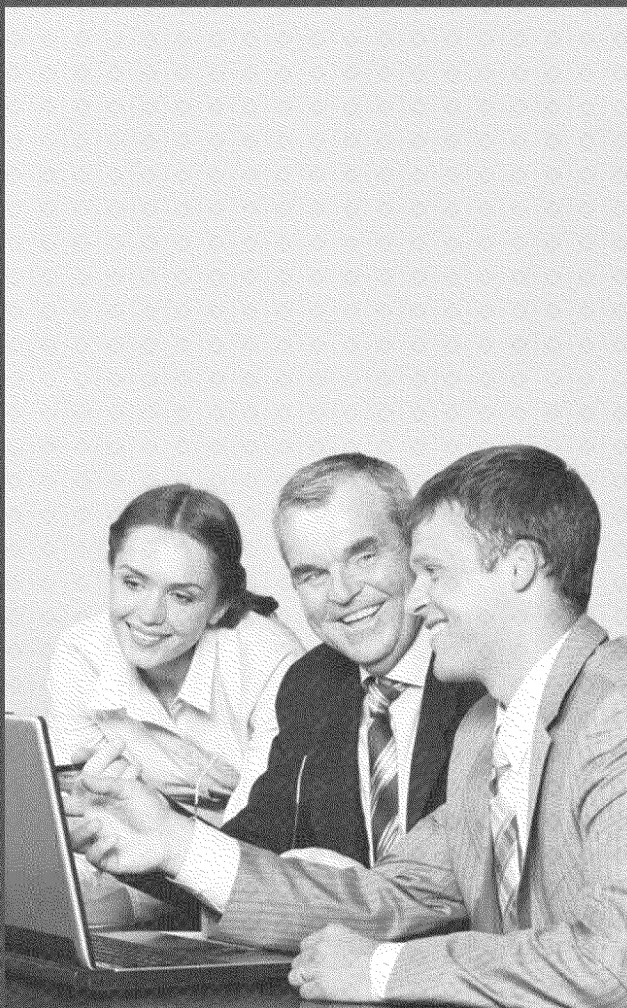
### Overview

In the contract it is not anticipated that the Change Control Process or the associated documents will change over the term of the contract. There are however processes in place should either Post Office or the Supplier wish to amend the Change Process or any of the associated documentation. These processes are outlined below:

The Change Control Process	There are no plans in the contract to amend the Change Control Process post the effective start date. However, should either Post Office or the Supplier wish to change the process, this should be dealt with through the Change Control Process that is currently in effect.
Change Control Documents	<p>There are three documents concerned with Change that are classed as Control Documents:</p> <ul style="list-style-type: none"><li>• Change Management Note;</li><li>• Change Request Note; and</li><li>• Work Order Process template.</li></ul> <p>This means that these documents are subject to the "Control Document Operational Procedures" should they need to be amended. This process was undefined at execution and was to be agreed within 3 months of the Effective Date.</p> <p>No change to a Control Document can take effect until the amended Control Document has been signed as approved by the relevant individual for each party identified in the "Authority Matrix" Control Document. Contents of the matrix were to be agreed within 3 months of the Effective Date.</p> <p>Both parties are responsible for ensuring that all Control Documents remain current and fit for purpose.</p>
Change Management during SISD Implementation	Any change during the Implementation Period is also expected to go through the Change Control Process as either a standard or fast-track change.



## 7. Governance



**This section should be read by those with an interest in understanding the governance forums and processes that are used by the Supplier and Post Office to manage and deliver the SISD contract.**

Governance is implemented for delivery of the SISD contract and also for the wider delivery of services. Both are key to successful delivery of the contract objectives. Only governance of the SISD contract is covered by this handbook.

The forums, processes and activities described in this section provide a framework for clear accountability across the Supplier management team and an embedded culture of continuous performance improvement.








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## 7.1 Section Contents

### Section Overview

The governance section provides a summary of the formal governance arrangements in place between Post Office and the Supplier as outlined in the contents below.

Governance – Contents 			
Section	Description	Schedule(s)	Page
7.1	<b>Section Contents</b>	Sets out the structure of the governance section.	NA 71
7.2	<b>Governance Summary and Scheduled Meetings</b>	Provides an overview of the guiding principles from which the governance processes and forums have been derived, highlighting key outputs and management information that are produced in this area and the regular joint forums that will be used to manage the contract.	8.1 72
7.3	<b>The Supplier Account Team</b>	The key personnel that are responsible for managing and delivering the contract and Post Office rights over them.	9.3 74
7.4	<b>The Supplier Performance Review</b>	Sets out the on-going performance management activities that the Supplier account team will undertake.	2.2 75
7.5	<b>Issue and Dispute Management</b>	Overview of the provisions that apply in the event of a dispute or issue between parties.	8.1 76
7.6	<b>How Governance Changes Over The Term</b>	Summarises the mechanisms and triggers for change within the governance framework.	NA 77



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## 7.2 Governance Summary

Schedule	8.1
Paragraph	All

### Overview

The governance processes and obligations described in this section have been derived from a set of common principles that Post Office are embedding across their major IT Supplier contracts.

These principles will enable global standardisation in the ways in which Post Office manage contract delivery.

### Supporting Documentation

The material contained in the handbook is a summary of detailed information contained in the contract schedules. To obtain a full appreciation of this topic, readers should also consult the following:

Schedule 8.1 (Governance).

### Key Outputs & Products

It is the responsibility of the Supplier to manage the Supply Chain Members to provide sufficient information so that it can provide reports including following to Post Office prior to Governance meetings:

- Updates;
- Forecasts;
- Budgets; and
- Variance reports .

### Governance Principles

The following list provides a summary of the contracted governance principles and provides an insight into the ways of working that underpin delivery of the contract. The governance structures have been designed to:

- Provide robust and transparent forums in which the Supplier's performance in relation to the Services and the Agreement can be discussed and properly managed;
- Align the parties' objectives and overall strategy;
- Make the Supplier aware of Post Office's business and IT requirements and objectives on a regular basis;
- Provide a structure for co-operative and proactive management of the Services which is capable of evolving to meet the changing needs of Post Office's business from time to time and to deliver Service improvements over the Term of the Agreement;
- Help ensure the provision of the Services in accordance with this Agreement;
- Identify early and, wherever possible, resolve potential problems and issues (including Disputes) in a co-operative manner;
- In the event of any termination or expiry of this Agreement, help ensure that the Services are successfully handed over to a Replacement Supplier or are taken back "in-house" by Post Office without any break in Service continuity for Post Office in accordance with Schedule 8.5 (Exit Management); and
- The governance structure shall be subject to annual review and is expected to evolve to meet the needs of Post Office's business and to maintain the relationship between Post Office and the Supplier.

### The Governance Structure

The Governance structure is designed to provide robust and transparent forums in which the Supplier's performance in relation to the Services and the Agreement can be discussed and properly managed.

A full Terms of Reference, attendees and logistics for each Board can be found in Schedule 8.1, Appendix A. Start dates and frequency summarised in Table 7.2 below.

A summary of key aspects includes that:

- Post Office may request additional Boards be formed but may also remove any Boards and not replace them.
- Attendance at Board meetings should be in person wherever possible.
- Schedule 8.1 paragraph 2.3.8 outlines the Suppliers responsibilities in relation to each Board.

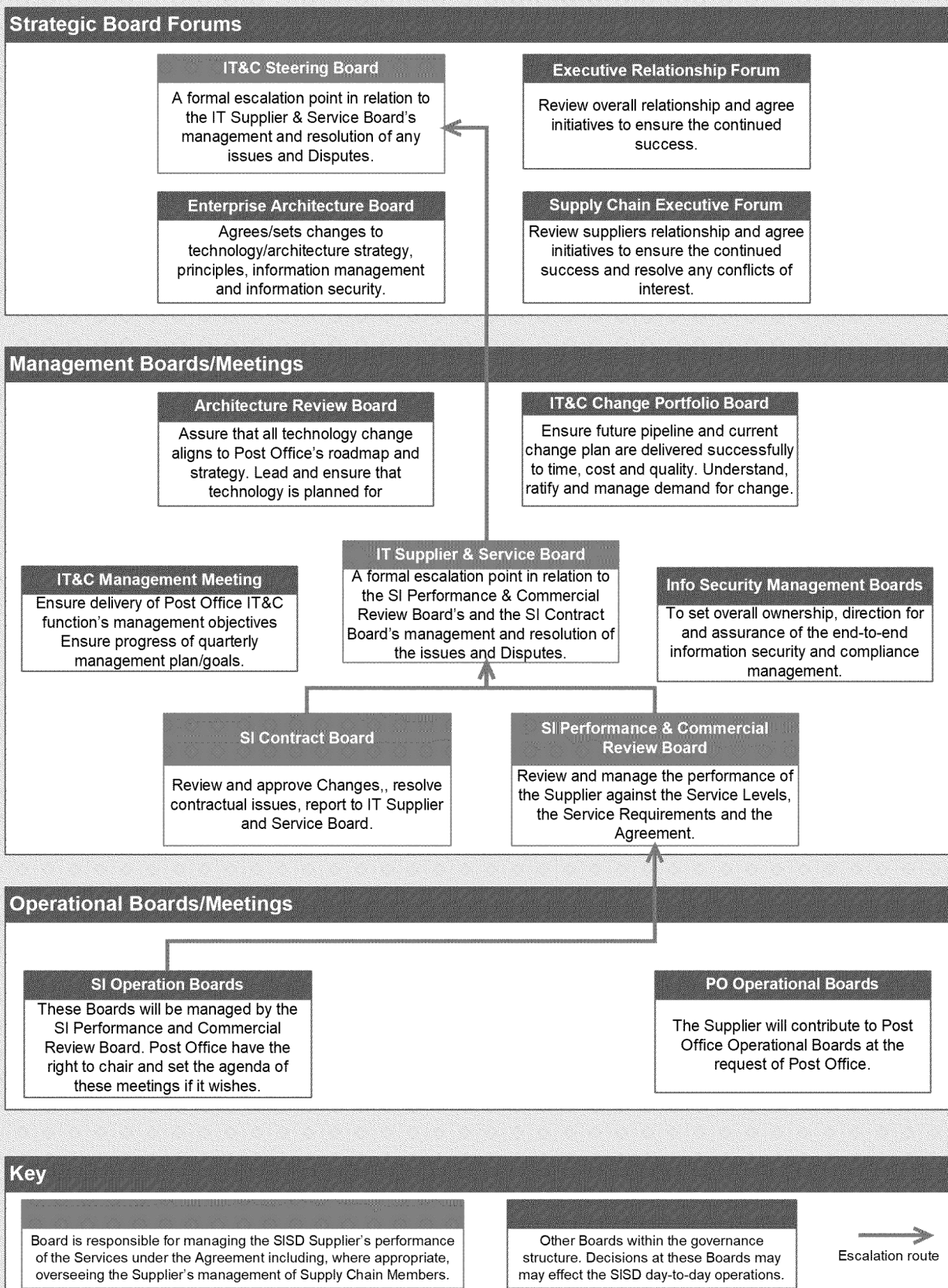
**Table 7.2 Boards start date and frequency**

Board	Start Date	Frequency
IT&C Steering Board	Within 30 days of Effective Date	Monthly <sup>1</sup> for 6 months and then quarterly.
Enterprise Architecture Board	Within 30 days of Effective Date	Monthly <sup>1</sup> for 12 months and then quarterly.
Executive Relationship Forum	Within 60 days of Effective Date	Quarterly <sup>1</sup> , until 12 months after Effective Date, then 6 monthly.
Supply Chain Executive Forum	Within 60 days of Effective Date	Quarterly <sup>1</sup> , until 12 months after Effective Date, then 6 monthly.
IT Supplier & Service Board	Within 90 days of Effective Date	Monthly <sup>1</sup>
IT&C Management Board	Within 21 days of Effective Date	Weekly <sup>1</sup>
IT&C Change Portfolio Board	Within 60 days of Effective Date	Monthly <sup>1</sup>
Architecture Review Board	Within 30 days of Effective Date	Every two weeks <sup>1</sup> for 6 months then monthly.
Information Security Management	Within 60 days of Effective Date	Monthly <sup>1</sup>
SI Contract Board	Within 30 days of Effective Date	Monthly <sup>1</sup>
SI Performance and Commercial Review Board	Within 90 days of Effective Date	Monthly <sup>1</sup>



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Figure 7.2 The Governance Structure





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## 7.3 The Supplier Account Team

Schedule\	9.3	Schedule	T&Cs
Paragraph	All	Clause	36

### Overview

This section describes the primary members of the Supplier team (see Figure 7.3) and the enhanced rights that Post Office have with regard to them. Full role descriptions for these individuals can be found in Schedule 9.3.

These enhanced rights ensure that Post Office is able to retain overall control of the Supplier team and the personnel that comprise it.

### Enhanced Rights Over Key Account Team Members

#### Appointment of key team members:

- Key account team members are to be assigned to providing roles for specified periods to Post Office;
- The Supplier must provide the identity and employment history of any proposed key account team appointments and Post Office have the right to interview prior to appointment;
- The Supplier will ensure that the role of any Key Personnel is not vacant for any period longer than ten working days;
- Within 14 days of a new appointment Post Office can object and if the Supplier cannot satisfy Post Office's concerns, then a replacement must be found.

#### Replacement of key account team members:

- The Supplier must get written consent from Post Office before replacing any key account team member unless the person is; physically unable to work, suspended or dismissed, they resign from their employment with the Supplier or obtain an alternative job within the Supplier.
- Where possible at least 3 months notice will be provided by the Supplier of its intentions to replace Key Personnel

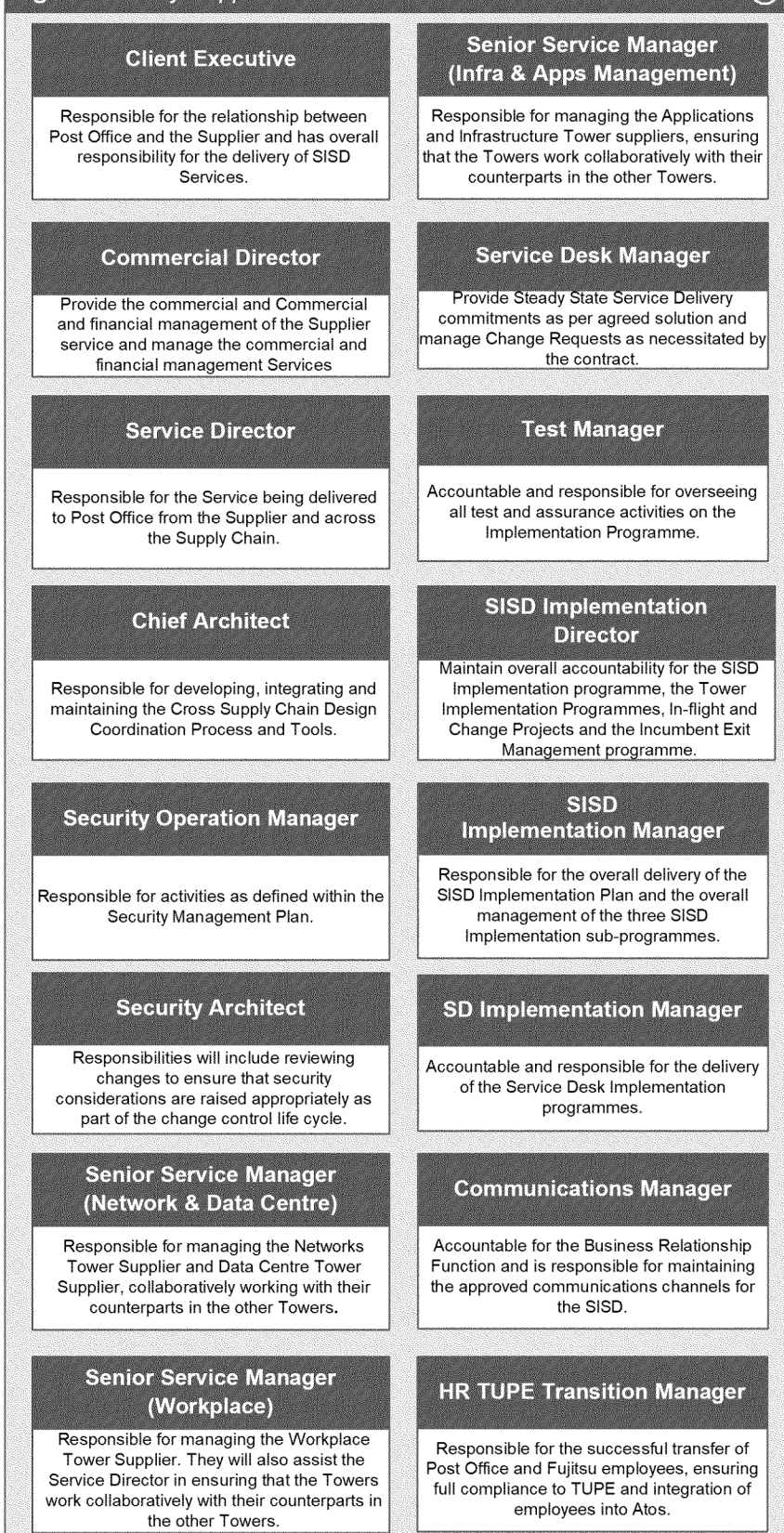
#### Removal of key account team members:

- Post Office may request the removal of a the Supplier key account team member where they are deemed to be performing unsatisfactory;
- Post Office will not be liable for the cost of replacing any member appointed to a Key Personnel role.

### Post Office Obligation

Post Office will provide and maintain a list of their key personnel, contacts, and notification and escalation points.

Figure 7.3 Key Supplier Team Members





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## 7.4 The Supplier Performance Review

Schedule	2.2
Paragraph	Part B: 2

### Overview

Schedule 2.2 Part B paragraph 2 outlines what the SISD Performance Management Report is and the Performance Review process that Post Office will undertake of the Supplier.

It is important for Post Office to monitor the Suppliers performance to:

- Ensure that the Supplier is complying with the Service Levels and its obligations; and
- Identify any Service Level failures in the performance of the Supplier and/or delivery of the services.

### Key Points

- As part of the Governance process, the Supplier will report to Post Office on the incidents and Service Levels upheld in the supply chain in the previous period.
- The form of this will be in both a written report and in a verbal update each month.
- The Performance Review Meeting is an opportunity for Post Office to understand any incident or Service Level Failure that has occurred that month.

**Table 7.4 Service Reporting**

Report Type	Description	When the report is produced
Performance Management Report	<p>The Performance Management Report will be in the format set out in the Performance Management System (to be defined within 30 days of the Effective Date). As a minimum it will give information on:</p> <ul style="list-style-type: none"> <li>• The monitoring undertaken;</li> <li>• The actual performance of each Service Level for the period (and previous 12 periods);</li> <li>• A summary of any Incidents that have occurred or are outstanding with a description including their severity and status of remedial actions being taken;</li> <li>• Additional details for repeat or Severity 1 incidents;</li> <li>• The number of Service Points awarded and Service Credits relating to each Service Level failure;</li> <li>• The Service Credits to be applied in the Period indicating the Service Level Failure(s) to which the Service Credits relate;</li> <li>• A rolling total of the number of Service Level Failures and the Service Credits incurred;</li> <li>• Details of any failure to meet Key Performance Indicators in the period; and</li> <li>• Relevant particulars of performance by the Supplier which fail to meet requirements.</li> </ul> <p>Post Office (acting reasonably) may also from time to time require these to contain other details. See Appendix C.5 for a description of severity levels.</p>	<p>Monthly. Within 8 working days of the end of each Measurement Period (Each period is one month).</p> <p>Soft Copy by email or published on Intranet. (And Hard Copy if requested).</p>
Quarterly Summary	<p>Post Office will require a quarterly written summary of the monthly Performance Management Reports that have been prepared during that quarter. These are to contain details that Post Office (acting reasonably) requires.</p>	<p>Every Quarter Within 12 working days of the end of each quarter.</p>
Satisfaction Survey	<p>The Supplier will develop and implement a satisfaction survey managing it throughout the supply chain making it consistent between Supply Chain Members. The survey is to inform the customer experience and support continual improvement throughout the Term. It will include measures related to implementation activities and, related to customer satisfaction and user experience.</p>	<p>According to implementation Milestones in Schedule 6.1.</p>

### Performance Review Meeting

Both parties will attend performance review meetings on a monthly basis (or as agreed). The performance review meetings will be the forum for the review of the Performance Management Reports and Quarterly Summaries. The performance review meetings will be:

- Within 1 week of Performance Management Report being issued; and
- Fully minuted by the Supplier.

The prepared minutes will be circulated by the Supplier to attendees at the meeting and also to Post Office's Representative and any other recipients agreed at the relevant meeting. The minutes of preceding month's performance review meeting will be agreed and signed by the Supplier's Representative and Post Office's Representative at each meeting. The agenda will typically entail working through each report.

Post Office can raise additional questions and/or request further information regarding any Incident and/or any Service Level Failure and the Supplier is required to provide such documentation to verify the level of performance.

### Performance Management Report Data

The Supplier is required to provide the raw data and detailed supporting information for the reports in the medium and format specified by Post Office from time to time.

No post-reporting adjustment will be made to any Service Level Performance data or supporting information without Post Office's approval. See also Section 5.8.2.

Incidents where the severity level was raised upon Post Office request are reported on at the original level.

### Post Office Satisfaction Survey

Post office may assess the level of performance of the Supplier and gather improvement suggestions using surveys.

If the responses reasonably suggest that the Supplier is not meeting its obligations, Post Office can raise this to Supplier.

The Supplier must, as soon as practicable ensure it takes measures to achieve the improvements necessary to meet its obligations.



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## 7.5 Issue and Dispute Management

Schedule	8.3	Schedule	8.1	Schedule	6.1
Paragraph	All	Paragraph	4	Paragraph	Annex 3

### Overview

Issues and Disputes are to be resolved in accordance with governance as set out in schedule 8.1. or failing that in accordance with the Dispute Resolution Procedure as described in schedule 8.3.

'Disputes' are disputes, differences or questions of interpretation arising out of or in connection with the SISD Contract. There are three identified types of Dispute and issue:

- Implementation Disputes and issues;
- ICT Disputes or technical disputes and issues; and
- Billing Disputes or non-technical disputes and issues.

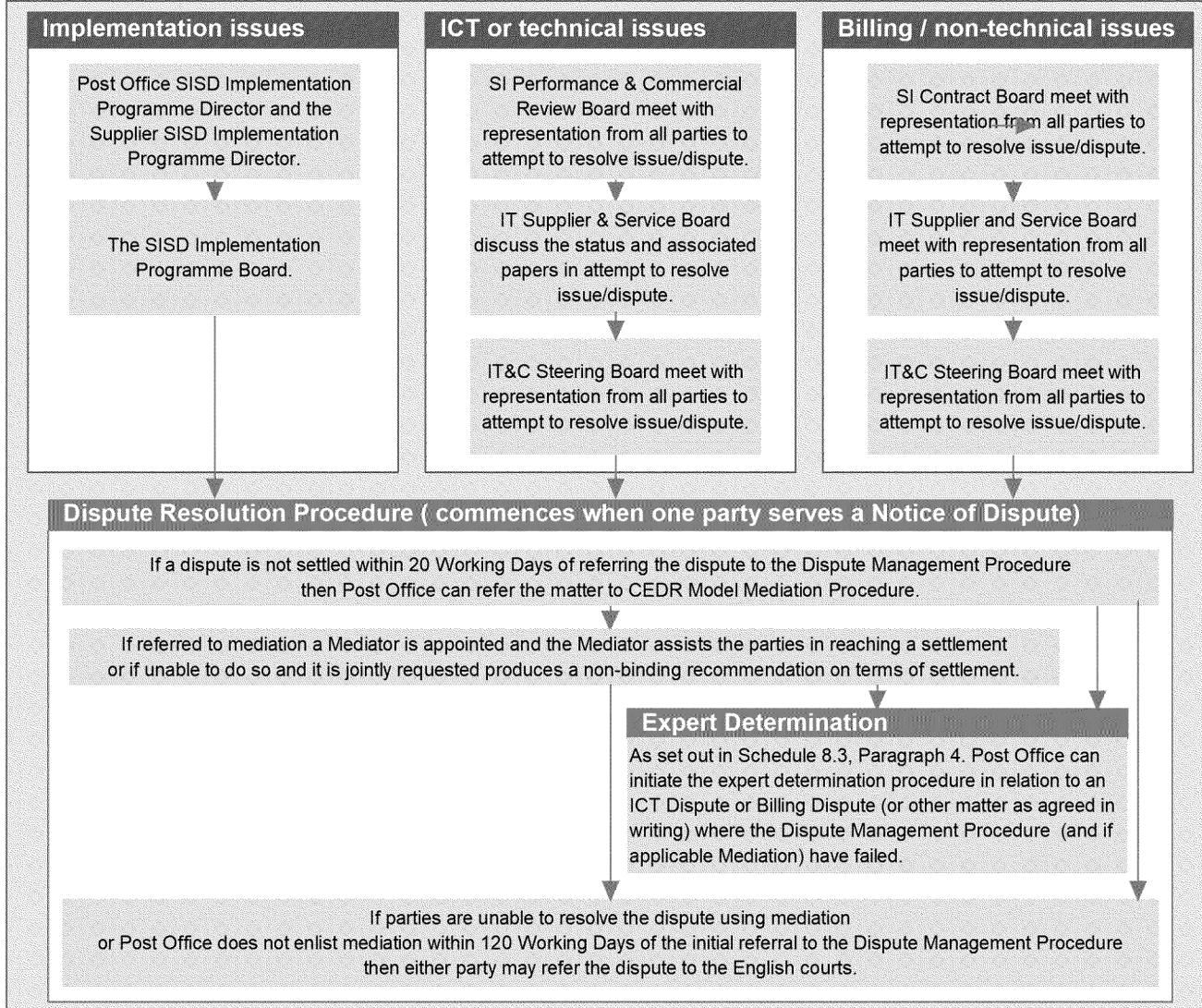
The Dispute resolution procedure commences when a 'Notice of Dispute' is served by either party on the other.

### Key Points

- Issue and Dispute Management processes will apply where Post Office and the Supplier cannot resolve a dispute or issue in good faith through negotiation. This should be a last resort and all other means of negotiation between Post Office and the Supplier should have been exhausted.
- In the event of no resolution, issues escalate to become disputes, in which case their resolution shall go through the Dispute Resolution Process.
- An issue can occur on Run Activities as well as Project Activities.
- Resolution of Disputes (settlements) are recorded in writing and can form changes to the agreement unless a Change Management Note is used to implement the resolution.

The illustration below outlines the issue resolution process for each type of issue and the dispute resolution procedure is also described. Each process only continues if the Supplier and Post Office cannot resolve the issue or dispute at that stage. Where agreement on the resolution of a Dispute is reached it is recorded in writing, signed by each party and is binding on both parties. Unless it is agreed to implement it in the form of a Change Management Note, the resolution constitutes a Change to the Agreement to the extent necessary.

**Figure 7.5 Illustration of the Issue resolution processes**





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## 7.6 How Governance Changes Over The Term

Schedule	8.1
Paragraph	All

### Overview

In the contract it is stipulated that the Governance structure and the Boards that sit within this (at either Strategic, Management or Operational Level) can be formed but may also be removed, at any time, at the request of Post Office. This should be managed through the normal change request procedure.

Annual Review Meeting	<p>One annual review meeting shall be held each year throughout the Contract Term to determine how the Boards and Operational Boards have operated throughout the year.</p> <p>The annual review meeting will be attended by SI Performance &amp; Commercial Review Board members of the Supplier and of Post Office. The agenda should include:</p> <ul style="list-style-type: none"> <li>• A review of how the Boards and Operational Boards have operated throughout the past year;</li> <li>• if any Boards and Operational Boards have not been effective, whether they should be disbanded;</li> <li>• Whether it is appropriate for any new Boards or Operational Boards to be added; and</li> <li>• Whether the scope or terms of reference for any existing Board or Operational Board should be amended or added to.</li> </ul> <p>In preparation for this meeting the SI Performance &amp; Commercial Review Board will prepare and submit a report to the IT&amp;C Steering Board setting out the recommendations of any changes or additions relating to the governance structures.</p> <p>The IT&amp;C Steering Board will consider the annual report of recommendations and if appropriate, review and agree in principle to amend this Governance structure through the Standard Change Control Procedure.</p>
Governance during SISD Implementation	<p>During the Transition Period Post Office and the Supplier will use Governance to monitor progress, make decisions and resolve outstanding issues and disputes.</p> <p>The Supplier will establish and maintain during the Implementation Period a joint SISD Implementation Programme Board which shall oversee the SISD Implementation Programme. The full Terms of Reference for this Board are detailed in Schedule 6.1. [Annex 3: Governance]. An overview of the Terms of Reference is outlined below:</p> <ul style="list-style-type: none"> <li>• The SISD Implementation Programme Board shall comprise a number of representatives to be agreed between the parties and is a minimum contain key SISD Implementation roles (Supplier SISD Implementation Director, Supplier Programme Office, Post Office SISD Implementation Director).</li> <li>• In order to be valid and carried, any recommendations, resolutions and other decisions attempted to be made or carried at any meeting of the SISD Implementation Programme Board shall only be approved following agreement by the Supplier SISD Implementation Director and the Post Office SISD Implementation Director.</li> <li>• If the SISD Implementation Programme Board resolves to vary or add any provisions of the Agreement, such variations or additions may only be agreed and effected pursuant to the Change Control Procedure.</li> <li>• Post Office will determine the time and location of the meeting as soon as possible post contract signature.</li> </ul>
Changes to the Governance Boards/Members	<ul style="list-style-type: none"> <li>• Post Office can decide throughout the term to create and disband either Strategic, Management or Operational Boards (and may change the terms of reference or requirements relating to such Boards).</li> <li>• If the Supplier wishes to replace any of its Board Members or any Post Office representative at any SI Operational Board they should notify Post Office in writing and must obtain agreement by Post Office.</li> <li>• Post Office may substitute or replace any of its own Board Members upon written notice to the Supplier.</li> <li>• All changes to the Governance configuration should go through the normal Change Control Process. Noting that Operational Boards can be changed, replaced or added without the need for such change to be effected through the Change Control Procedure see paragraph 2.4.1 schedule 8.1.</li> </ul>



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## 8. Other key principles



**This section should be read by those with an interest in understanding the commitments and obligations in the contract that relate to; Cooperation and Collaboration, Business Continuity and Disaster Recovery, and IPR, data and confidentiality.**








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## 8.1 Section Contents

### Section Overview

This section provides a summary of each of the respective topics as outlined in the contents below.

Other Key Principles – Contents 				
	Section	Description	Schedule(s)	Page
8.1	Section Contents	Sets out the structure of the Other Key Principles section.	N/A	81
8.2	Other Key Principles	Giving an overview of the other key principles.	All	82
8.3	Cooperation and Collaboration	Sets out the requirements around positive working across the supply chain.	T&Cs	83
8.4	Business Continuity and Disaster Recovery	The reporting obligations that the Supplier have on the internal business continuity and disaster recovery testing that they shall undertake on Post Office services.	8.6	84
8.5	IPR, Data and Confidentiality	Outline of any clauses or obligations on the Supplier and Post Office that relate to IPR, data and confidentiality.	T&Cs 4.2, 5.1, 5.2.	85



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## 8.2 Other Key principles

Schedule\	14	Schedule\	3	Schedule	2.3	Schedule	2.1	Schedule	T&Cs
Paragraph	All	Paragraph	All	Paragraph	All	Paragraph	All	Clause	All

### Overview

This section provides a brief introduction to some of the other key principles and terms that form the SISD agreement.

While not warranting their own section in the Handbook, they are thought important enough to recognise here as an appreciation of them may be beneficial.

### Key Points

- Outside of those already discussed in this handbook, there are some key terms and principles that should be known and understood by operators of the contract.
- These include how Notices and Conflict of interests should be dealt with by the parties.

**Table 8.2** Other key principles of the SISD agreement

Topic	Summary Description
<b>Common Assumptions</b>	<p>As part of the agreement, Post Office and the Supplier have agreed a set of Common Assumptions see C.6. These primarily regard IPR, logistics and both parties employees.</p> <p>The Supplier can request a Change via the Change Control Procedures if they are able to demonstrate that a 'Common Assumption' is materially inaccurate in a way they couldn't have been expected to know, it had been relied on, and that the inaccuracy has had an adverse affect.</p>
<b>Conflicts of Interest</b>	<p>The Supplier will discuss with Post Office any conflict that there is or will be between any of the Standards or between any of the Standards (Post Office's policies and procedures, the British or international standards, Government codes of practice and guidance referred to in Schedule 2.3), and will comply with Post Office's decision on the resolution of that conflict.</p>
<b>Locations</b>	<p>Schedule 2.1. contains a requirement that the service desk be in a location which enables the Supplier to meet Post Office requirements. Clause 48.7 (part of the clause on protection of personal data) acknowledges that at execution the Supplier's solution intended to provide some services from outside the UK. the only service provided outside of the UK are the Manila service desk and the service management support centre in Mumbai. If other services are provided offshore, or from difference locations, there will be data protection implications (see CMS risk report for further details).</p>
<b>Notices</b>	<p>Any notices given under or in relation to this Agreement will be in writing, signed by or on behalf of the party. A notice should be either delivered personally or by pre-paid first class post. With regards to receiving a notice, a notice will be deemed to have been received if:</p> <ul style="list-style-type: none"> <li>•Delivered personally, at the time of delivery;</li> <li>•In the case of pre-paid first class post, 3 working days from the date of posting;</li> <li>•In the case of fax , on the day of transmission if sent before 16:00 hours of any Working Day and otherwise at 09:00 hours on the next Working Day and provided that, at the time of transmission of a fax, an error-free transmission report has been received by the sender; or</li> <li>•In the case of email, at the time that the email enters the Information System of the intended recipient provided that no error message indicating failure to deliver has been received by the sender and provided further that within twenty four hours of transmission a hard copy of the email signed by or on behalf of the person giving it is sent by pre-paid first class post, recorded delivery or registered post to the intended recipient.</li> </ul>
<b>Obligations outside schedule 3</b>	<p>Outside schedule 3 Post Office does have other responsibilities and obligations that (are not specifically allocated as a 'Post Office Responsibility' so a breach would not trigger the relief/compensation mechanisms but) are binding and which the SISD will be able to enforce in the usual way.</p> <p>For example there are requirements on Post Office's decision making process. Throughout the schedules there are expectations that Post Office will review and agree/approve items and provide input see Appendix C Tables C.1.</p>
<b>Other Personnel Principles</b>	<p>Clauses 36 to 41 of the Main Terms and Conditions outlines some simple terms regarding Supplier personnel. These include ensuring the continuity of personnel at Post Office and that all personnel are properly vetted.</p> <p>Non-Solicitation is also discussed. For the first twelve months of the Term neither party will attempt to solicit or entice any person employed by the other party.</p>
<b>Other Service Recipients</b>	<p>Clause 14 entitles Post Office to allow the use and benefit of the Services to be extended to any Affiliate of Post Office; and other Service Recipients. 'Affiliate' and 'Service Recipient' being terms defined within Schedule 1 definitions.</p> <p>In practice Service Recipients includes customers of the Post Office such as DVLA, DWP, UK Border Agency, environment agency, Bank of Ireland, Santander, RMG etc.</p> <p>Post Office have agreed to use reasonable endeavours to notify the Supplier as soon as reasonably practicable on becoming aware of a new Service Recipient that requires the use and benefit of the Services.</p>
<b>Standards</b>	<p>The Supplier must be comply with Post Office's policies and procedures, the British and international standards, Government codes of practice and guidance referred to in schedule 2.3 (Standards) together with any other specified policies or procedures identified in schedule 2.3 (Standards).</p> <p>Post Office are to notify the Supplier of changes or proposed changes to these standards, and Supplier may then raise a Change Management Note if necessary. SISD is not entitled to charge for compliance with new or enhanced standards if these are deemed to be industry standard. e.g.. moving from ITIL v3 to v4.</p>
<b>Step in rights</b>	<p>In certain circumstances, described in Clause 67 of the Main Terms and Conditions, Post Office has the Right Of Step-in meaning amongst other things that Post Office may :</p> <ul style="list-style-type: none"> <li>•Require the Supplier to take steps that Post Office considers necessary to rectify the state of affairs giving rise to Post Office's right to step-in;</li> <li>•Appoint any person to work with the Supplier in performing all or a part of the Services; and</li> <li>•Take steps that Post Office considers appropriate to ensure the performance of all or part of the Services.</li> </ul>



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## 8.3 Cooperation and Collaboration

Schedule	T&Cs
Clause	3

### Overview

Cooperation and Collaboration between the Supplier and other Supply Chain Members will be key to the delivery of the requirements of Post Office.

To achieve this the Supplier will facilitate information exchange between Supply Chain Members, which will drive continued improvement of the cross delivery service management processes.

It should be noted that the Supplier is obliged, as per the contract, to cooperate and collaborate with other parties where this will:

- Enable such Supply Chain Members and third parties (as applicable) to provide services to Post Office;
- Enable the Supplier to provide the Services to Post Office;
- Facilitate achievement of the Post Office Objectives; and
- Deliver measurable benefits to Post Office.

### Communication Plan and Evidencing Cooperation and Collaboration

The Supplier will define a communication plan (there is no date by when this is due) for facilitating information exchange between Supply Chain Members, including measurement methods to prove improvements, and make this available to Post Office.

It will also be important for the Supplier to demonstrate how its cooperation and collaboration efforts have benefited Post Office in establishing and maintaining positive, collaborative and effective working relationships with:

- Post Office's relevant internal functions; and
- All other Supply Chain Members or potential Supply Chain Members of IT Services to Post Office.

A balanced scorecard tool could be used to prove positive, collaborative and effective working relationships across the supply chain.

### Key Points

- There are some key obligations in the contract with regards to how the Supplier collaborates with other Supply Chain Members.
- The Supplier needs to define a communication plan for facilitating the flow of information around the Supply Chain Members.
- A balanced scorecard tool could be used to prove positive, collaborative and effective working relationships across the supply chain.

### Key cooperation & collaboration objectives

There are a number of key cooperation and collaboration objectives for the Supplier: The SISD should:

- Form and conduct collaborative partnerships with all other Supply Chain Members;
- Manage relationships between all Supply Chain Members and support and deliver effective, efficient, fit for purpose, stable and operable IT Services to Post Office;
- Utilise a collaborative approach to knowledge and skills sharing, benefiting Post Office and the Supply Chain as a whole;
- Work collaboratively with other Supply Chain Members, and with functions of Post Office. Where issues and faults arise in relation to IT Services provided to Post Office, each Supply Chain Member shall adopt a 'fix first find fault later' approach;
- Work with Post Office and other Supply Chain Members to enable and improve proper and robust Assurance regimes; and
- Interact and cooperate with such other Supply Chain Member or provider in an unbiased manner, and otherwise in good faith and in the best interests of Post Office.

### Key Supplier Obligations

The Supplier has some key obligations with regards to cooperation and collaboration:

- The Supplier should enter into and maintain non legally binding Operating Level Agreements with relevant Supply Chain Members, and any other third parties that interface with the supply chain and whose services are critical to the success of other Supply Chain Members.
- Prepare an Issue Management Procedure and manage the resolution of issues between:
  - Two or more Supply Chain Members; or
  - Post Office and Supply Chain Members,
- Provide to a Supply Chain Member all information and assistance (including reasonable access to premises, personnel, equipment, services and facilities and providing information, documents and instructions regarding operating environment, system constraints, protocols, interfaces and other operating parameters) as required to enable such Supply Chain Member to provide services to Post Office and to facilitate achievement of the Post Office objectives.

### Key Post Office Obligations

- Post Office will provide the Supplier with details of any changes in the agreements with Supply Chain Members which will impact the Supplier's ability to manage and report on the Supply Chain Members performance including changes to services, Service Levels and pricing.
- Post Office will provide the Supplier with reasonable notice of any new members to be added into the Post Office Supply Chain and will comply with any obligations it has regarding the on-boarding and off-boarding plan for that new member.
- Post Office will notify the Supplier in a timely manner any changes to the business functions, Post Office specific contacts or any changes to their roles.
- Post Office will notify the Supplier of any changes to Post Office approved communication channels.
- Exchange of commercially sensitive information may cause competition concerns. Post Office will need to take steps to mitigate these risks. See legal risk report prepared by CMS for further details.



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## 8.4 Business Continuity and Disaster Recovery

Schedule

8.6

Paragraph

All

### Overview

A disaster is described in the contract as 'means an event that will result in the loss of all Services from a specific Contractor Data Centre, Supplier Service Desk site or other Supplier site delivering Services to the Post Office'.

The contract sets out the Supplier's requirements in relation to the Business Continuity and Disaster Recovery (BCDR) Plan and the development, maintenance, testing, amendment, review and implementation of this plan.

### The BCDR Plan

A document (that will be a Control Document, as per Schedule 13) will detail the processes and arrangements which the Supplier shall follow to manage continuity of the business processes and operations following any failure or disruption of any element of the Services and the continuity of the Services in the event of a Disaster. A full list of the required contents of the Supplier's BCDR plan can be found in Schedule 8.6, Part A.

### Review and Amendment of the BCDR Plan

The Supplier should maintain and review the BCDR plan on an on-going basis and within three months of any part of the plan having to be implemented.

The Supplier will undertake regular risk assessments in relation to the provision of the services not less than once every six months.

Within 20 days of that review the Supplier needs to issue a report to Post Office that details the reports findings and any plans for addressing any changes in the risk profile of the BCDR plan.

On agreement from Post Office, the Supplier should implement the changes suggested as quickly as possible.

### Testing of the BCDR Plan

The BCDR plan shall be tested at very least once a year (but preferably on an on-going basis). However, Post Office also have the right to request that additional testing is undertaken where it is considered necessary.

Following each test, the Supplier shall send to Post Office a written report summarising the results of the test and identify any actions or remedial measures necessary.

Within 1 month of the failure being identified with regards to the BCDR Plan, the Supplier should have remedied this or be able to show that they are taking steps to do this.

### Impact of a Disaster

The BCDR arrangements are expected to be such that in the event of any Disaster it is anticipated that there will be;

- no loss of Service other than the loss of active calls and other active transactions at the point of Disaster;
- no reduction in the scope of Services provided ; and
- the continued delivery of the Services to the quality defined in schedule 2.1 (Service Requirements) and schedule 2.2 (Service Levels) and elsewhere in the Agreement.

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### Key Points



- The Supplier is required to produce and maintain a Business Continuity and Disaster Recovery (BCDR) Plan and implement and test this plan throughout the contract term.
- Proving to Post Office that this plan is current, compliant and robust will instil confidence that should a 'disaster' occur, Post Office will continue to receive its mission critical services.

### Business Continuity Element of the plan

The BC element of the plan should set out the arrangements that are to be invoked to ensure that the business processes and operations remain supported in the event of a failure in or disruption. This should include:

- The alternative processes, (including business processes), options and responsibilities that may be adopted in the event of a failure in or disruption to the Services;
- The steps to be taken by the upon resumption of the Services in order to resolve and address any prevailing effect of the failure or disruption including a root cause analysis of the failure or disruption;
- The various levels of failures of or disruptions to the Services that are reasonably foreseeable in respect of the Services ("Failure Levels"); and
- The steps to be taken to remedy to the different Failure Levels.

### Disaster Recovery Element of the plan

Disaster Recovery Plan shall ensure that upon the occurrence of a Disaster the Supplier properly manages the continuity of the business operations of Post Office supported by the Services following any Disaster or during any period of service failure or disruption.

The disaster recovery plan should include:

- The technical design and build specification of the Disaster Recovery System;
- Details of the procedures and processes to be put in place in relation to the Disaster Recovery System and the provision of the Disaster Recovery Services;
- Details of how the plan will comply with security standards and ensure that compliance is maintained for any period during which the Disaster Recovery Plan is invoked; and
- Any testing arrangements regarding disaster recovery.

### Key Supplier Obligation

Conduct a post- supply chain disaster review with Supply Chain Members and Post Office as appropriate, following any invocation of IT Service Continuity, Business Continuity or Supply Chain Members Disaster Recovery plans to understand the cause of the Supply Chain Disaster and plan for the restoration of the IT Services to the pre-Supply Chain Disaster state and implement actions to eliminate or mitigate future occurrences.

### Key Post Office Obligation

Post Office will provide the Supplier with details of Post Office's IT Service Continuity Management requirements for new or changed business services and the business criticality to Post Office of such new or changed business services.



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## 8.5 IPR, Data and Confidentiality

Schedule	5.2	Schedule	5.1	Schedule	4.2	Schedule	4.1	Schedule	T&Cs
Paragraph	All	Paragraph	All	Paragraph	All	Paragraph	All	Clause	All

### Overview

The protection of Post Office's IPR, data and confidentiality will be of paramount importance to this contract and the on-going relationship between Post Office and the Supplier. Several schedules throughout the contract touch upon these subjects.

This section gives a top level view of the related provisions and responsibilities.

#### Post Office IPR

The Supplier will not acquire any right, title or interest in or to the Intellectual Property Rights of Post Office or its licensors, including the:

- Post Office Software;
- Specifically Written Software;
- Post Office Materials;
- Database;
- Project Specific IPRs; and
- Post Office's Know-How.

Note that Post Office grants the Supplier a licence to use these listed materials for purposes connected with the delivery of Services for the period of the Term and any termination assistance period.

Where the Supplier acquires, by operation of law, title to Intellectual Property Rights it will, at its own cost and expense and as soon as reasonably practicable, assign in writing such Intellectual Property Rights as it has acquired to Post Office on the request of Post Office.

#### The Supplier's IPR

Post Office will not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, including the:

- Contractor Software;
- Third Party Software;
- Contractor's Background IPRs; or
- Contractor Know-How.

Note that Post Office is granted a licence to use these listed materials for any purpose connected with the receipt or use of the Services for the period of the Term and any termination assistance period.

### Key Points

- While neither party acquires rights to the others IPR they both grant a licence to use the materials to each other for the duration of the Term and any termination assistance period.
- The Supplier will not store, copy, disclose, or use Post Office Data except as necessary for the performance by the Supplier of its obligations under this Agreement or as otherwise expressly authorised in writing by Post Office.
- The Supplier acknowledges that Post Office is subject to the requirements of the FOIA and the Environmental Information Regulations and will assist and cooperate with Post Office to enable Post Office to comply with its Information disclosure obligations.

### Confidentiality

Both parties agree to:

- Treat the other party's confidential information as confidential and safeguard it accordingly; and
- Not disclose the other party's confidential information to any other person without the owner's prior written consent.

The only exception to this is if there is a disclosure required by Law.

### Key Supplier Obligations

- The Performance Management Reports, data and detailed supporting information will be Post Office's confidential information. Post Office reserves the right to share data across Supply Chain Members and other third parties as reasonably required by Post Office.
- The Supplier shall create and maintain a cross Supply Chain Governance Library and develop and communicate the process for collecting and maintaining library artefacts to Post Office and Supply Chain Members.
- For the avoidance of doubt, all items and artefacts in the Governance Library and the Operations Manual shall be Post Office Know-How and or Post Office Intellectual Property Rights for the purposes of clause 42 (Intellectual Property Rights) of the main body of this Agreement.

### Key terms and Conditions

Listed below are selected clauses within the Main Terms and Conditions containing relevant information regarding IPR, data and confidentiality:

•Clause 42 - 46	IPR	The general IPR principles of the contract and the licences granted by both parties
•Clause 47-48	Data and security	How Post Office and Personal data should be handled and managed by the Supplier
•Clause 49-50	FOIA – confidentiality	The process regarding FOIA requests and how Confidential Data is managed
•Clause 55A	Information sharing	Clauses regarding the sharing of information across Supply Chain Members
•Clause 55	Security	How the Security Policies and the Security Management Plan should be managed
•Clause 58	IPR Indemnity	The process of an IPR claim

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## 9. Appendix



**The Appendix contains supporting documentation for other sections.**

This material should be used in conjunction with the section from which it is referenced within the handbook.








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# 9.1 Appendix - Contents

## Section Overview

The other key principles including Business Continuity section provides a summary of each of the respective topics as outlined in the contents below.

Appendix – Contents 				
Appendix	Description	Schedule(s)	Page	
<b>9.1</b>	<b>Section Contents</b>	Sets out the structure of the Appendix.	N/A	89
<b>A.1.1</b>	<b>Implementation Timeline</b>	The implementation timeline as proposed by the Supplier outlining when services achieve Future Mode of Operation (FMO).	6.1	90
<b>A.1.2</b>	<b>High Level Implementation Plan from the ISFT response</b>	The High Level Implementation plan as described by ATOS in the context of the wider changes.	6.1	91
<b>A.2</b>	<b>Further Implementation Information</b>	Other relevant information on the Implementation activities e.g. testing.	6.1	92
<b>B.1</b>	<b>Supply Chain and its operation</b>	High level overview of the Post Office Supply Chain Model and Ecosystem.	N/A	93
<b>B.2</b>	<b>Key Objectives of the IT Supply Chain operating Model</b>	The specific objectives as set out in paragraph 2 of Schedule 2.1 describing the Key Objectives of Post Office's IT Supply Chain Operating Model.	2.1	94
<b>B.3</b>	<b>Supply Chain Matrix</b>	An overview of what the Supply Chain Matrix is and how it used.	2.1	95
<b>C</b>	<b>Post Office Approval / Agreement Required &amp; Incident Severity</b>	Supporting materials including list of activities for Post Office and the Supplier to agree upon, Operations Manual contents, the definitions of the Incident Severity Levels and underpinning assumptions.	Various	96
<b>D</b>	<b>Glossary</b>	Set of key terms discussed in the Handbook.	Various	107
<b>E</b>	<b>Handbook Version Control</b>	Describing the versions of this handbook, the content they are based upon, revisions made in each version and potential future revisions.	N/A	108



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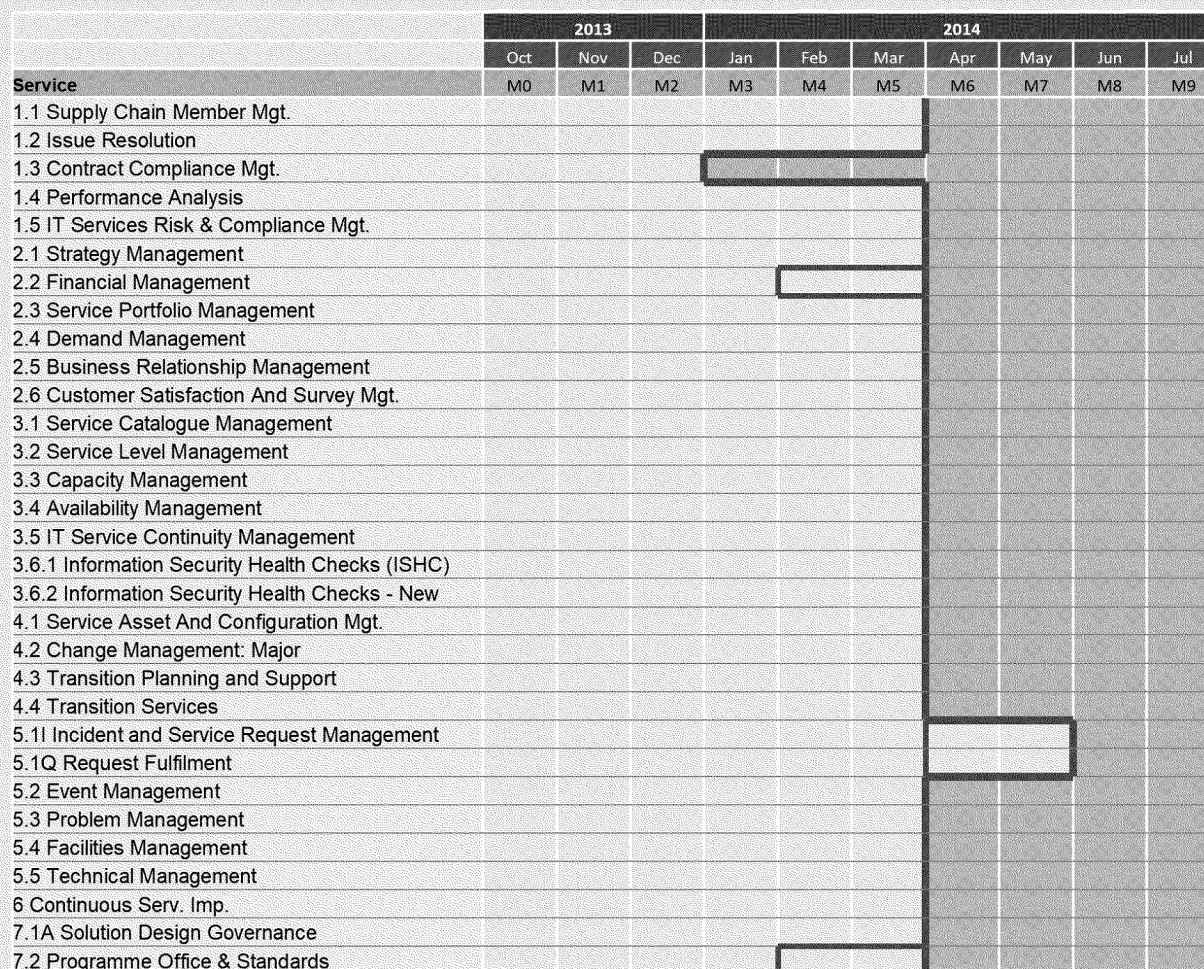
# A.1.1 Implementation Timeline

Schedule	6.1
Paragraph	All

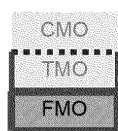
## Implementation Timeline (TMO/FMO)

The implementation timeline proposed by the Supplier outlined that services would achieve Future Mode of Operation (FMO) at various points with some services going through a transformation mode of operations as described within Figure A.1.1.

Figure A.1.1 Implementation Timeline (TMO/FMO)



### Key



SOURCE: ISFT\_Imp\_Atos Implementation Solution Summary\_130822.ppt

## CMO, TMO and FMO explained

- CMO Service(s) – means any pre-existing 'current mode of operation' service delivered to Post Office through its existing supply chain of Incumbent Contractors or existing personnel as at the Effective Date;
- TMO Service(s) - means any Service that is in TMO;
- TMO - means "transformation mode of operation", being the interim operating model delivered by the Supplier in relation to each TMO Service as set out in schedule 4.1;
- FMO Service(s) - means any Service that is in FMO;
- FMO - means the operating model known as "future mode of operation" where the Supplier is required to meet the requirements for a Service as set out in schedule 2.1 (Services Requirements).



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## A.1.2 High Level Implementation Plan

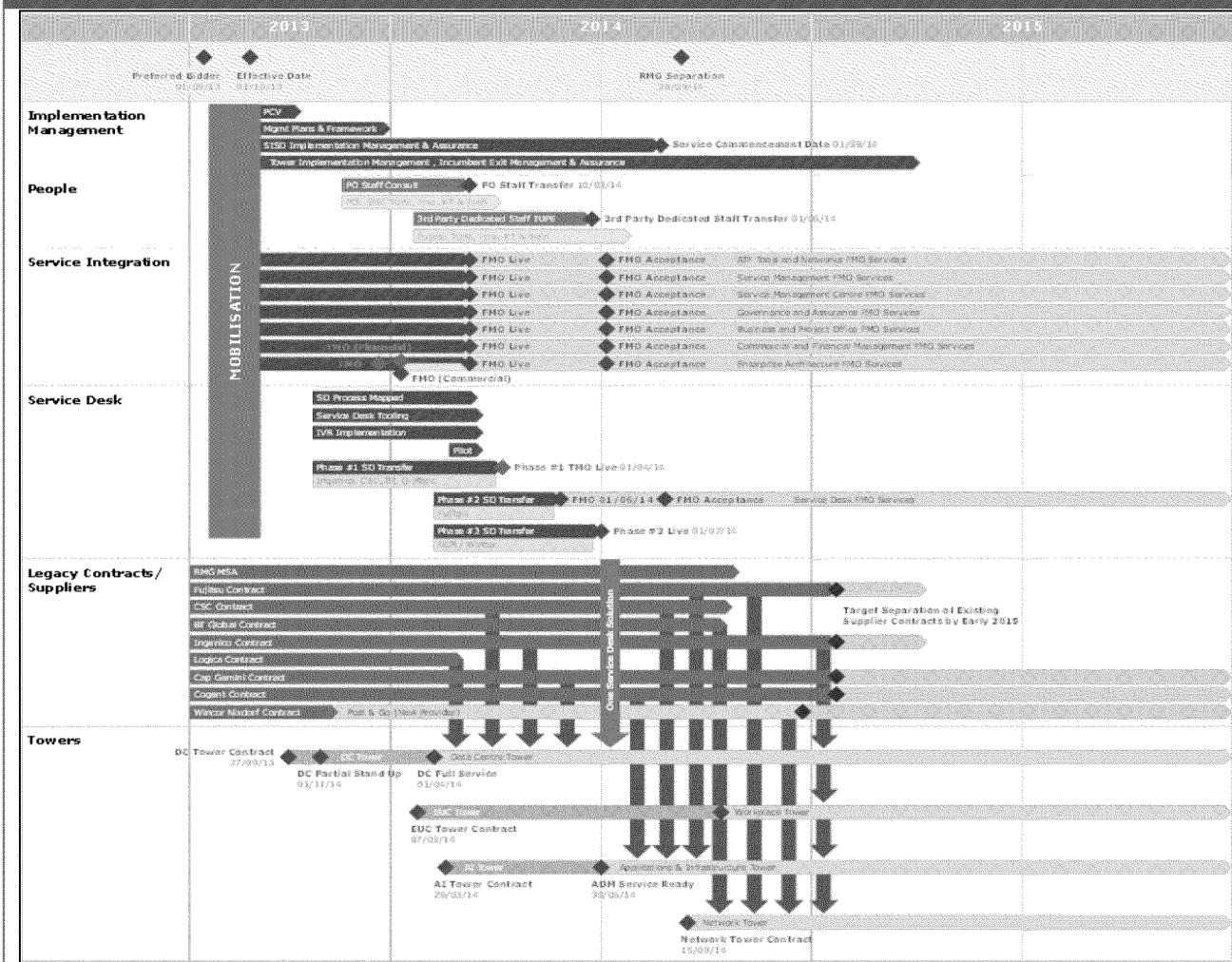
Schedule 6.1

Paragraph Annex 4

### Overview

The High Level Implementation plan can be found in Schedule 6.1 (Annex 4). The Roadmap reproduced in Figure A.1.2a shows each of the Programmes and Projects mapped onto the SISD Implementation period. Key deliverables and milestones are also highlighted. The roadmap also shows the mobilisation phase of the SISD Implementation. For further detail for SISD implementation see Schedule 6.1 (Annex 4) the SISD Implementation Plan.

Figure A.1.2a Implementation Roadmap

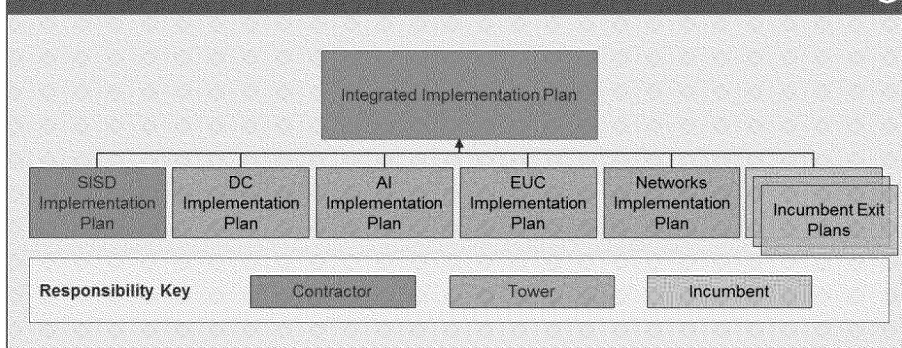


### How Implementation Plans fit together

In executing implementation activities there are likely to be a variety of plans between the respective supply chain members.

Figure A.1.2b shows how these plans could link together. The Integrated Implementation Plan sets out an appropriate level of detail regarding the tasks and activities that need to be carried out and dependencies that need to be managed to complete the Implementation Programme in accordance with the individual Tower Supplier Implementation Plans, the Incumbent Supplier exit plans and the SISD Implementation Plan.

Figure A.1.2b How Implementation Plans fit together





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## A.2 Further Implementation Information

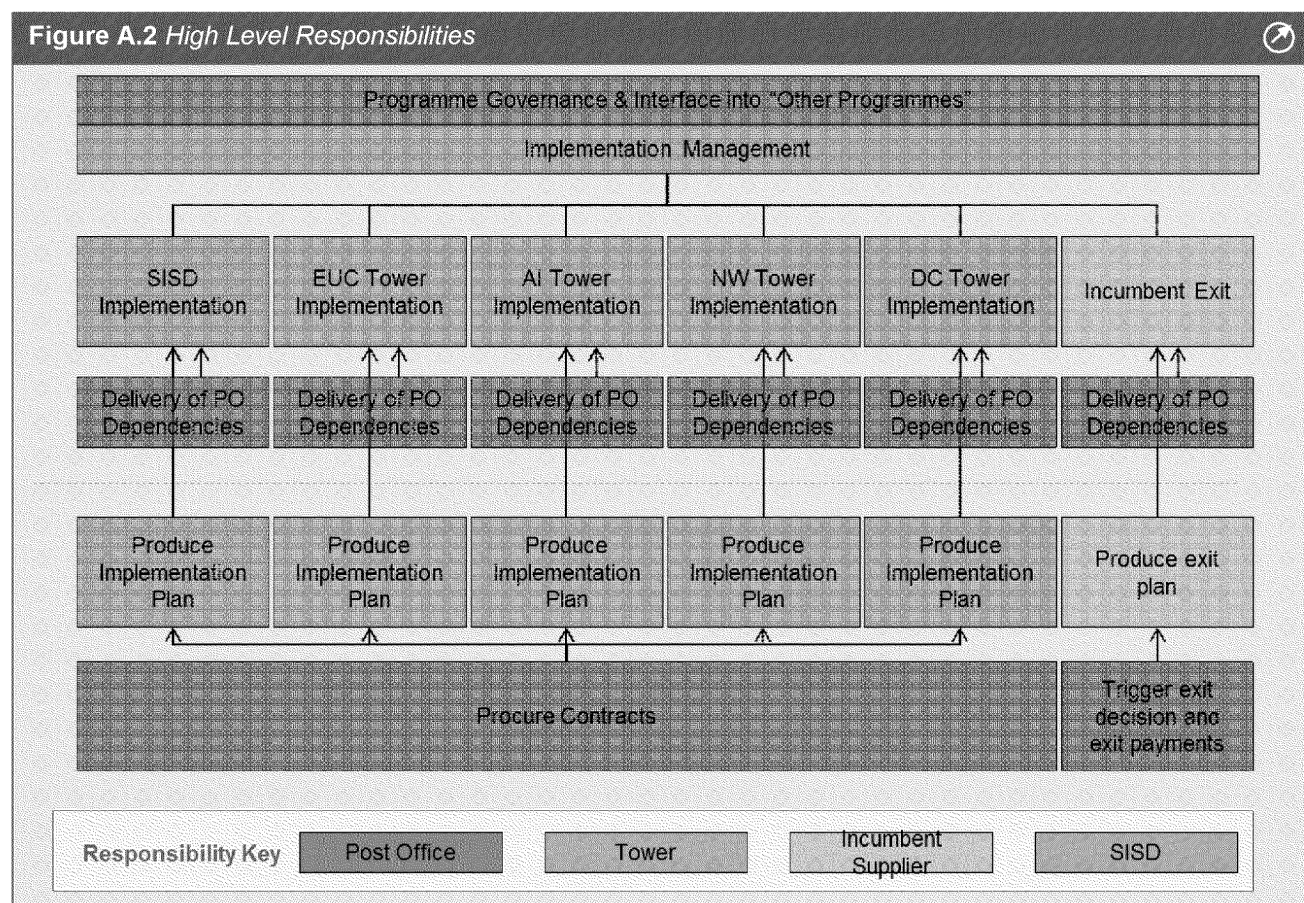
Schedule	6.1
Paragraph	All

### Overview

The purpose of the SISD Implementation Programme is:

- To ensure an orderly, efficient and effective implementation of the interim TMO Services and the final FMO Services; and
- Provide Post Office with the agreed Principal Benefits on the dates specified in the SISD Implementation Initiatives in Annex 5 (SISD Implementation Initiatives) of Schedule 6.1 (Implementation).

The high-level responsibilities of the Supplier, Post Office, the Incumbent Providers and the Tower Contractors with respect to both the SISD Implementation Programme and the wider Implementation Programme, are outlined in Figure A.2 below:



It is also important for Post Office to understand some of the key terms and conditions linked to the implementation such as Delay and Correction Plan as described in Section 3.3.4.

### Post Office Obligations

Schedule 3 – 'Post Office and Supply Chain Member Responsibilities' provides a list of obligations that Post Office should adhere to regarding transition (and normal operations) that when breached, may trigger a 'Post Office Cause' or a 'Supply Chain Member Cause'. These should be studied by those individuals who are involved in transition activities. The obligations on Post Office regarding transition can be grouped into the following:

- Supporting the SI Supplier with management of Supply Chain Members;
- Logistics support; and
- Provision of knowledge to SISD Supplier.

Delays or impacts attributable to a 'Post Office Cause' or a 'Supply Chain Member Cause' may trigger the reliefs and compensation payments under the Main Terms and Conditions.



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## B.1 Supply Chain and its Operation

### Overview

Over the next three years Post Office will evolve its IT Supply Chain and how it operates within the business.

The figure below illustrates how the target Supply Chain was envisaged at time of writing. This may change as the strategy evolves and the optimal set of Towers are determined and established.

This Handbook is focused on the Service Integrator Service Desk (SISD) contract and its operation and the illustration below shows where these fit within the supply chain.

The SISD supports the business (Post Office), facilitating the fulfilment of the business's requirements through the coordination and management of the supply chain members in order to that the desired benefits are delivered.

SISD will provide end to end Service Integration and management of the other Towers and the respective Frameworks. This includes Supply Chain Member Management Services that cover the processes and support for on-boarding and offboarding other suppliers. In addition to this it will provide services of its own including; Service Desk, Service Provider Assurance, Service Knowledge Management, Service Transition Planning and Support, Service Validation and Testing.

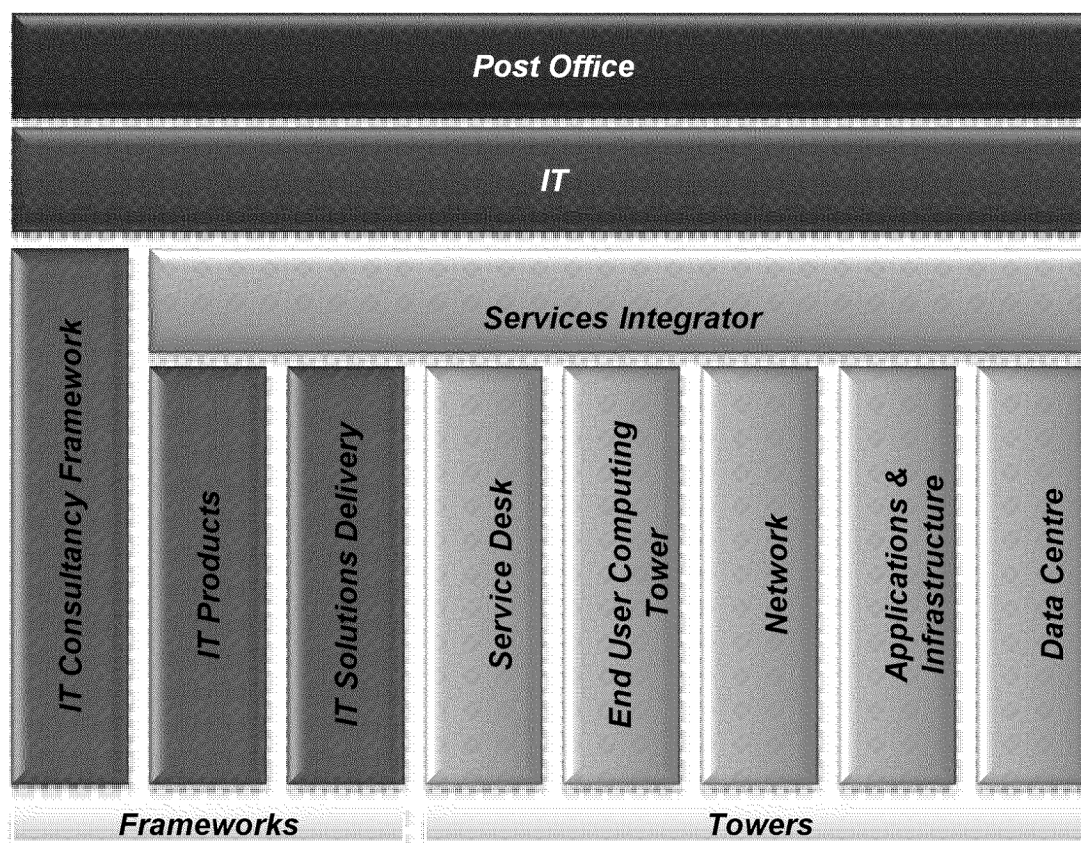
### Key IT Sourcing Principles

Below are a set of key sourcing principles that have previously been outlined for the supply chain:

- Outcome based requirements;
- Industry standard services at market competitive prices;
- Retention of control in the retained organisation;
- Suppliers own the Service Assets;
- Service differentiation for different business needs;
- Market pricing (and benchmarking) is the best form of cost control; and
- Utility (consumption) based charging models.

All these principles should be applied across the supply chain.

**Figure B.1 Illustrative depiction of the IT Supply Chain**



Source: 'Eco System Principles' pack dated 15 July 2013.



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## B.2 Key Objectives of the IT Supply Chain Operating Model

### Post Office Objectives for the IT Supply Chain Operating Model

Post Office has the following specific objectives as set out in paragraph 2 of Schedule 2.1 for the IT Supply Chain Operating Model:

1.1 Each Supply Chain Member shall form and conduct collaborative partnerships with all other Supply Chain Members in relation to the performance and delivery of all IT Services to Post Office in accordance with Good Industry Practice.

1.2 The relationships between all Supply Chain Members shall support and deliver effective, efficient, fit for purpose, stable and operable IT Services to Post Office to the agreed service requirements and standards for those IT Services.

1.3 The governance frameworks described in this Agreement (including in Schedule 8.1 (Governance), the Operations Manual, and otherwise in this Schedule 2.1 (Service Requirements)), and any other contract between Post Office and a Supply Chain Member, and Supply Chain Member participation in such governance frameworks, shall be proactive, supportive, utilising a collaborative approach to knowledge and skills sharing, benefiting Post Office and the Supply Chain as a whole.

1.4 Each Supply Chain Member shall deliver IT Services to Post Office using an integrated, innovative and strategic approach in accordance with Good Industry Practice.

1.5 Each Supply Chain Member shall be focussed on maintaining, delivering and improving user support, user experience, and Post Office customer satisfaction in relation to IT Services provided to Post Office. Each Supply Chain Member acknowledges that the maintenance, delivery and improvement of such factors or items are critical to the effectiveness of IT Services provided to Post Office.

1.6 Each Supply Chain Member shall work collaboratively with other Supply Chain Members, and with functions of Post Office (if applicable), in relation to the provision of IT Services to Post Office. Where issues and faults arise in relation to IT Services provided to Post Office, each Supply Chain Member shall adopt a 'fix first find fault later' approach.

1.7 Each Supply Chain Member shall work with Post Office (and other Supply Chain Members, as appropriate) to enable and improve proper and robust Assurance regimes in relation to the delivery of IT Services by Supply Chain Members to Post Office.

1.8 Where a Supply Chain Member's activities in relation to the provision of IT Services to Post Office has a significant bearing on the activities of any other Supply Chain Member or any other potential providers of IT Services to Post Office, that Supply Chain Member shall interact and cooperate with such other Supply Chain Member or provider in an unbiased manner, and otherwise in good faith and in the best interests of Post Office.

1.9 Each Supply Chain Member shall conduct its activities in relation to any IT Services it provides to Post Office, in order to support Post Office to achieve benefits, including the following:

- A sustainable run rate reduction in costs throughout the lifetime of each contract between that Supply Chain Member and Post Office;
- Enablement of Post Office to deliver on and support Post Office's strategic plan (relating to Post Office's ICT and business strategies);
- Enhancement of the capability of Post Office IT&C function;
- Creation of a post-transformation Post Office IT&C organisation that is business focused, efficient, responsive and flexible;
- Enhancement of the quality of IT services provided by Post Office IT&C to its customers or users;
- Provision of a catalyst to transform, improve and consolidate Post Office's Supply Chain, from which all IT Services are provided to Post Office (including the use of new technologies, standardisation of techniques and methods); and
- The overall improvement of all IT Services provided to Post Office, and the delivery of increased value for money for Post Office in relation to all IT Services that it receives.



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### B.3 Supply Chain Matrix

<b>Schedule</b>	2.1	<b>Schedule</b>	T&Cs
<b>Paragraph</b>	Annex A	<b>Clause</b>	13

## Overview

The Supply Chain Matrix lists Framework Contractors, Incumbent Contractors and other suppliers and their relationship to the Services provided by the SISD.

The Supply Chain Matrix defines which SISD services relate to which suppliers within the supply chain. It describes the participants in the supply chain, and it is also central to the definition of the term Supply Chain Member used throughout the requirements and the wider agreement.

## Post Office Obligations

Schedule 3 contains many responsibilities and obligations for Supply Chain Members that the SISD Supplier will rely upon . Post Office need to procure that the Supply Chain Members will fulfil these responsibilities and obligations.

Requirement Reference	Requirement Description
1.1.4 Part of Supply Chain Member Management	Monitor and manage all relevant Supply Chain Members (as documented in the Supply Chain Member matrix), performance against agreed OLAs and other measures including Service Levels and KPIs.
1.3.1 Part of Contract Compliance Management	The Supplier shall be responsible for developing, integrating and managing the Contract Compliance process, and implementing and maintaining Tools in order to perform such responsibilities, to ensure that all Supply Chain Member and Post Office contract deliverables and obligations (including audit and compliance deliverables and obligations) across Supply Chain Members are managed and controlled. The requirements set out in this 1.3 (Contract Compliance Management) shall only apply to a Post Office contract with a Supply Chain Member, if the Supply Chain Member is identified in relation to this 1.3 (Contract Compliance Management) in the Supply Chain Member Matrix.
6.24 Part of Continual Service Improvement	Provide an annual Audit of each Supply Chain Member (to the extent identified in the Supply Chain Member Matrix and report on an annual state of improvement.

Term	Definition from Schedule 1
Supply Chain Member	Means any Tower Contractor, any Framework Contractor, any Incumbent Contractor, or any other Supplier listed in the Supply Chain Matrix and "Supply Chain Members" shall have a corresponding meaning.
Incumbent Contractors	Means all suppliers delivering services to Post Office as at the Effective Date, excluding any services provided under a Tower Contract.
Incumbent Suppliers	Means the suppliers listed from time to time in the Supply Chain Matrix (current practice) relating to suppliers in scope for SI/SD where such matrix indicates via a tick that a relationship exists between the Supplier and the particular incumbent supplier in respect of the Exclusive Services only.

**Figure B.3 Supply Chain Matrix**

Supply Chain Matrix means the Supply Chain Matrix as set out in Annex A of Schedule 2.1 (Service Requirements);

[illegible]

Definition from Schedule 1 and Image from Schedule 2.1 Annex A

## Exclusivity

The Supply Chain Matrix is referred to in the description of exclusivity as given in Clause 13.2 of the Main Terms and Conditions:

13.2 Subject to the remainder of this clause 13 (Exclusivity) and Post Office's obligations under public procurement rules and competition law, Post Office appoints the Contractor as its exclusive service provider for each service listed in clauses 13.2.1 to 13.2.4 (Exclusivity) from the later of the date from exit from the relevant Incumbent Supplier and the date of receipt by the Contractor from Post Office of the Acceptance Certificate for that FMO Service and such exclusivity shall continue during the Initial Term in relation to the following Volume Charge based services:

- 13.2.1 Change Management Services;
- 13.2.2 Incident Management Services;
- 13.2.3 Request Fulfilment Services; and
- 13.2.4 Access Management Services,

strictly in the Contractor's capacity acting as a Service Integrator for Exclusive Services under the Supply Chain Matrix (together the "Exclusive Services").

See also 3.3.1.



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# C.1 Post Office Approval/Agreement Required

Table C.1 Requirements & references to approval, agreement and input needed from Post Office 		
Requirement	Type of Input	For what
<b>Schedule 2.1</b>		
0.1.1	Final approval	...standards for the process interfaces used by the cross Supply Chain Member Processes...the allocation of responsibilities; the use of, and interfaces with, common systems tools, documented operating procedures; policies, key controls and reporting...document these items in the Operations Manual...
0.1.1	Agree	timeframes to design and implement processes, either set out in the Operations Manual or agreed with Post Office
0.1.2	Final approval	...standards, policies, controls, guidelines and Releases for Cross-Delivery Service Management Processes ...document these items in the Operations Manual...
0.1.10.1	Collaboration	...collaboration with Post Office and other Supply Chain Members, develop effective and efficient governance processes and meeting structures...
0.1.10.2	Approval	The Contractor shall define and maintain a balanced scorecard measurement method and Tool to prove positive, collaborative and effective working relationships and, subject to approval by Post Office, shall implement this Tool
0.1.10.5	Written approval	Within three (3) months after the Effective Date, prepare and complete an Operations Manual...to also obtain Post Office's written approval of the content and structure of the Operations Manual within such timeframe...
0.1.10.5	Written approval	... maintain and update the Operations Manual as necessary to maintain its on-going accuracy...all updates or changes to the Operations Manual to be notified to and approved in writing by Post Office...
0.1.10.7	Possible specifying of timeframe	Timeframe by which Operating Level Agreements or other agreement between the Contractor and Supply Chain Members are effective. [As requirement says "...or other timeframe specified by Post Office..."]
0.1.10.8	Agree	[Following a new ITIL edition or change to the current ITIL edition] agree...(as appropriate) the steps required to maintain alignment and/or Compliance to related standards
0.1.10.9	Possible direction of Supplier regarding ITIL changes	Possible direction to exempt Supplier from requirement to complete any Contractor Changes and validate that all Supply Chain Member agreed Changes have been implemented within 12 months of the official publication of a new ITIL edition or change to the current ITIL edition.
0.1.10.10	Written approval	...before undertaking any new material initiatives or Changes as defined in the Operations Manual.
0.1.11.5	Agree	any improvements to the inter Supply Chain Governance processes
0.2.3	Approve	Approve set of users for access to the governance library
0.3.1	Agree further acts required	Possible specification of further acts required to perfect the assignment of any right, title or interest in or to the Intellectual Property Rights of data.
0.3.1	Agree data or information for sharing	Specification of data or information to Share and exchange with Post Office and/or other Supply Chain Members.
0.3.1	Request Data	Request data from Supplier to be provided.
0.3.1	Possible agreement	Possible agreement on the form in which data is provided when requested by Post Office.
0.3.5.5	Agree	document and artefacts templates to be used in relation to data sharing between Supply Chain Members and Post Office
0.6.1	Approve	...approval of, cross Supply Chain Innovation processes, policies, principles and standards
0.7.1	Approve	...approve a Quality Assurance Programme for the Supplier to develop, implement and maintain.
1.2.1	Approval of Issue Management Procedure	...Once the Issue Management Procedure has been prepared by the Contractor and approved by Post Office in accordance with this section 1.2... [reqt 1.2.2.2] the first version of the Issue Management Procedure (and any updates thereafter) shall be approved by Post Office in accordance with the same process of approving the Operations Manual set out in section 0.1.10.5
1.3.8	Approve	Approve any action taken by the Supplier in relation to contracts between Post Office and Supply Chain Members e.g. acceptance of contract deliverables
1.5.9	Approve	Approval an assurance programme related to the risks carried by the IT Services required
1.5.19	Agree	if appropriate, agree with Post Office steps required to resolve or mitigate any negative impact of changes to Industry Standards
1.5.28	Agree	Agree the frequency of any reports, risk logs, action plans, key controls and risk indicator data in relation to the provision of any of the IT Services
2.4.10	Agree	The frequency of the periodic Demand Management reporting.
2.5.1	Approval by Post Office service delivery	Approval of communication channels to all Post Office Users and Service Recipients where applicable, as well as Supply Chain Members.
2.5.2	Approval by Post Office service delivery	Definition of communication plan
2.5.3	Agree	Additional agreements regarding Post Office communications policies with which communications should be compliant.
2.5.7	Approval	The Satisfaction Survey format, terms and process (2.6.12 requests approval to act of recommendations of the survey)



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# C.1 Post Office Approval/Agreement Required

**Table C.1** Requirements & references to approval, agreement and input needed from Post Office - continued ⓘ

Requirement	Type of Input	For what
2.6.7	Agree	the frequency of the regular communications and updates published by Supplier to ensure awareness of Post Office satisfaction requirements and objectives.
3.1.2	Approval	The content of the Service Catalogue shall be provided to Post Office for approval.
3.2.4	Approval	Approve the definition, recommendations and implementation of the Service Levels for new or changed IT Services. Unless agreed otherwise, the Contractor shall not implement the new IT Service until the new Service Levels have been agreed.
3.2.16	Approval	IT Service reporting measures...service-based reports ...[and]... reporting schedule as defined in the Operations Manual.
3.3.3	Approve	appropriate modelling techniques and trend analysis to predict the performance of Cross-Delivery Services under a given volume and variety of work
3.4.10	Approve	Approve implementation of any cost-effective solutions to services with availability and reliability issues
3.4.11/3.4.12	Agree/Approve	Remedial action to improve Supply Chain Members availability shortfalls
3.4.20	Approve	...a planned and preventive maintenance strategy for cross Supply Chain Services
3.5.3	Approve	Where the Post Office does not have a documented IT Service Continuity Plan(s) encompassing all IT Services, the Contractor will develop, implement and maintain IT Service Continuity Plans, using the Contractor's best practices and standards
3.5.8	Agree	all continuity plans discussed in this Schedule 2.1 (Service Requirements) and activities including plan updates, test and invocation
3.5.10	Approve	a process that will determine and modify the list of critical applications on an annual basis throughout the Term
3.5.11	Approve	a process that will determine and modify the list of Supply Chain Services on an annual basis throughout the Term in accordance with the Change Management Process
3.5.13	Approve	a process to obtain immediate access for nominated personnel by Post Office to such procedures in a Supply Chain Disaster situation
3.5.15/3.5.16	Approve	Testing processes and timings of key Components of the IT Service Continuity Plans
3.6.17	Approval by Post Office information security and assurance group	the Information Security Health Check remediation plan
3.6.37	Approve	Personnel providing information to, or supporting the management of security
3.6.43	Agree	any action that is required to be taken to address the original security risk or to improve the forensic investigation process.
3.6.1.2	Approve	ISHC remediation plan to Post Office information security and assurance group as defined in the Operations Manual
4.1.4	Agree	The level of access to the Configuration Management System (CMS) afforded to the Post Office and the Supply Chain Members .
4.1.6	Agree	Format of Service Asset and Configuration Management Asset life-cycle plan
4.1.9	Approve	Data models for the Supply Chain CMDB
4.1.13	Approve	Formal control by the Supplier over the configuration baseline for across Supply Chain Services
4.2.1/4.2.3	Agree	Change Management governance framework, processes, policies, principles and standards
4.2.5	Agree	the criteria for Emergency Changes, Normal Changes and Standard Changes
4.2.6	Agree	Change Authorisation Matrix to approve cross Supply Chain Member Changes. In the Operations Manual
4.2.7	Approve	Supply Chain Change models and implement those in the Supply Chain Change Management tool, subject to approval by Post Office of such models and tool.
4.2.11	Approve	Change Allocation rules
4.2.13/4.2.34	Agree	Change Management report format and frequency of distribution
4.2.26	Agree	Communication channels to supply chain regarding planned and approved change controls
4.3.1	Agree	Supply Chain Transition Planning and Support policies, processes and standards
4.3.2	Agree	the criteria for the use of the Transition Planning and Support process
4.3.7	Approve	Policies, processes and practices relating to Service Transition Strategy
4.3.8	Approve	...the lifecycle stages for the Cross-Delivery Service Transition, and the move from one stage to the next should be subject to formal checks
4.3.18	Approve	A transition plan that describes the tasks and activities, and identify who is responsible for each task activity, to roll out a Release in a test and production environment that includes resource allocation and risk/Issue Management
4.4.1.1	Agree	Supply Chain Release and Deployment Management processes, policies, principles and standards
4.4.1.4	Approve	the Release policies and principles across IT Services
4.4.1.5	Approve	the management of the Software Configuration Items and their distribution and implementation into the Production Environment across Services



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# C.1 Post Office Approval/Agreement Required

**Table C.1** Requirements & references to approval, agreement and input needed from Post Office - continued 

Requirement	Type of Input	For what
4.4.1.17	Approve	Implementation and back-out plans for approval across the Supply Chain Changes that will be included in a cross Supply Chain Release
4.4.2.1	Approve	the cross Supply Chain Service Validation, Testing process and Tools and the designs of the testing controls
4.4.2.4	Approve	selected cross Supply Chain Service Validation and Testing Tools for all Supply Chain Members
4.4.2.10	Approve	a matrix of User and design requirements to test cycles and scripts
4.4.2.14	Approve	cross Supply Chain test Environment in accordance with the contracted responsibilities for the underlying Hardware and Software
4.4.2.17	Approve	the criteria for managing and verifying projects are ready to move into Production
4.4.2.37	Approve	IT Service-specific deployment guide for the transition walk through with the relevant Supply Chain Members
4.5.1/4.5.5	Approve	the cross Supply Chain Knowledge Management process and Tools and establishing data and information management procedures
4.5.13	Agree	Details of the regular Assurance activities with the Supply Chain Members to ensure information required to manage the Cross-Delivery Services is captured, stored, and presented accurately and completely in the SKMS.
5.1.1C	Agree	the standards set by Post Office's communications team to follow in all interactions with the Users.
5.1.1R	Agree	cross Supply Chain Incident Management and Major Incident Management processes, policies, principles and standards
5.1.5L	Agree	Details of the enhanced level of Service with better response and resolution times for each of the VIP Users throughout the Term
5.1.6I	Agree & Approve	the priority of an Incident based on defined prioritization rules, and shall communicate the service windows of the Incident with the Users
5.1.8R	Approval	Communication with Service Recipient organisations.
5.1.2.Q	Agree	the policies regarding which Authorised Users can raise or approve requests and how such requests shall be raised/managed
5.1.5Q	Approve	Service Request allocation and closure rules
5.1.21Q	Approve	a fulfilment procedure for each type of request
5.1.2R	Approve	the prioritisation and allocation rules which shall be used by the Service Desk and Contractor to allocate Incidents and other events to all Resolver Groups and Supply Chain Members
5.1.5L	Agree	Details of the enhanced level of Service with better response and resolution times for each of the VIP Users throughout the Term
5.1.8R	Approve	Communication with Service Recipient organisations.
5.1.15Q	Agree	Dates to receive info on products and Services procured through the Service Catalogue
5.1.31R	Approve	resolution plans for Major, Severity 1 and Severity 2 Incidents to the relevant Post Office service owner based on the Supply Chain Members recommendation
5.2.8	Approve	the cross Supply Chain Services and correlating Services to be monitored
5.2.9	Approve	Event correlation, categorization and closure rules
5.2.12	Approve	process where critical Alerts are defined, alerted on, and responded to
5.3.1	Approve	cross Supply Chain Problem Management processes, policies, principles and standards across the Supply Chain
5.3.2	Agree	actions to improve or correct Problems
5.3.10	Agree	automated cross Supply Chain Problem Management tool or standard interfaces
5.3.32	Approve	Closure of 'problems'
6.15	Agree	a Capability Uplift plan
6.21	Agree	further targets for the improvement of each IT Service and its constituent technical services and architecture planning
6.22	Agree	further targets for the improvement of each set of processes
7.2.1.7.1	Approve	the project management methodology prior to deployment
7.2.15	Approve	action plan and address resource and capability gaps for implementation appropriate actions
7.3.1	Agree	Format of all project documentation
7.3.11	Agree	Frequency of reporting management information and programme management outputs
7.3.18.2	Agree	Forums for contractor to report project progress
7.3.19.2(b)	Approve	Any exception to Post Office Standards
7.3.21.3	Written Approval	of the delivery methodologies in the Operating Manual, within three (3) months of the Effective Date.



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# C.1 Post Office Approval/Agreement Required

**Table C.1** Requirements & references to approval, agreement and input needed from Post Office - continued ⓘ

Reference <sup>1</sup>	Type of Input	For what
<b>Schedule 2.2</b>		
Sch 2.2 A 1.3.4	Agree	will produce and maintain a rolling maintenance schedule with regard to the Contractor System ("Maintenance Schedule") to be agreed with Post Office
Sch 2.2 A 1.3.5	Specified by PO Agreed by Supplier	third parties that are not Supply Chain Members whom the Supplier will cooperate and collaborate with - to be reasonably specified by Post Office and agreed to by the Contractor (acting reasonably)
Sch 2.2 A 1.5	Specified by PO Agreed by Supplier	third parties that are not Supply Chain Members whom the Service Level regime will support collaboration with - to be reasonably specified by Post Office and agreed to by the Contractor (acting reasonably)
Sch 2.2 A 1.6	Specified by PO Agreed by Supplier	third parties that are not Supply Chain Members whom provide components to be effectively integrated - to be reasonably specified by Post Office and agreed to by the Contractor (acting reasonably)
Sch 2.2 A 4.1	Agree	Post Office may ...amend the Service Points allocation for Service Levels. ... The procedure for notifying the Contractor of these changes will be agreed with Post Office (and once agreed incorporated into the Operations Manual). ...
Sch 2.2 A 4.5	Input / Agree	[Frequency of review of the Service Levels] ...less frequently as Post Office reasonably determines (or more frequently as agreed by the parties), the Contractor will co-operate with Post Office in a review of the Service Levels
Sch 2.2 A 4.17	Agree	the Expected Service Level and Service Threshold Level for Service Levels added by Post Office
Sch 2.2 A 5.1	Agree	The Contractor will produce and maintain a rolling maintenance schedule with regard to the Contractor System ("Maintenance Schedule") to be agreed with Post Office...
Sch 2.2 A 5.4	Agree	Potential agreement to alternative arrangements for carrying out any maintenance to the Suppliers System: "When the Contractor wishes to carry out any maintenance to the Contractor System (other than Emergency Maintenance or activities set out in the agreed Maintenance Schedule) unless agreed otherwise, it will ensure that:..."
Sch 2.2 A 5.4.1	Agree	the timing of the planned maintenance is in accordance with the requirements of the Maintenance Schedule or is as otherwise agreed in writing with Post Office Representative at least twenty (20) working days in advance;
Sch 2.2 A 5.4.3	Agreed in writing / Approval	the maintenance activities and timing of maintenance are agreed to by the Post Office Representative...
Sch 2.2 A 6	Agree	...a facility by which Post Office can request an Incident be given a higher Severity or Priority. Such prioritisation will be subject to agreement between the parties ...
Sch 2.2 B 1.2	Approval	Within thirty (30) working days of the Effective Date the Contractor will provide Post Office with a draft Performance Management System for Post Office's approval
Sch 2.2 B 1.4	Approval	Notify Supplier of receipt and response (approval or rejection) to Performance Management System within 10 working days of the receipt of a draft Performance Management System.
Sch 2.2 B 1.2	Approval	Updates to the Performance Management System.
Sch 2.2 B 2.12	Approval	Recovery Plan approval.
Sch 2.2 B 2.2.13	Possible agreement / Input / requirement	Performance Management System Service description and will unless agreed otherwise, contain...details as Post Office may reasonably require from time to time
Sch 2.2 B 2.4	Input / requirement	...The Quarterly Summary will contain such details as Post Office reasonably requires.
Sch 2.2 B 2.5	Possible agreement	[Details of monthly performance review meetings] ...performance review meetings will (unless otherwise agreed)...
Sch 2.2 B 2.8	Possible agreement	[Details of location to publish Performance Management Reports ] ...or to be published at an agreed location on the Post Office intranet...
Sch 2.2 B 3.6	Agree	Remedial actions in the form of a recovery plan
Sch 2.2 C 6.1	Approval	6.1 The Contractor will provide for Post Office's approval, a method for calculating low volume events for a particular Service Level. Once approved, the process will be incorporated into the Operations Manual.
Sch 2.2. Annex A SISD10	Agree	...list of Fixable Calls will be defined and agreed by the parties prior to the TMO Start Date... 'Fixable Calls' are Call types for which a solution already exists in the knowledge base and can be resolved remotely.
Sch 2.2. Annex A SISD16	Approval	The Contractor may use an equivalent measurement system based on ratings 1-9, subject to prior written approval of from Post Office (including any necessary recalibration).
Sch 2.2. Annex A SHARED2	Agree	The Expected Service Level of third and subsequent Measurement Periods for SHARED2 and the associated Baseline process.
Sch 2.2. Annex A SHARED2	Agree	The FMO baseline will be measured during the first Measurement Period and agreed at the first annual performance review


<sup>1</sup> **Note:** Not all schedules have been checked through to identify the examples of items needing input/agreement or approval. Sources for Table C.1 were Schedules 2.1 and 2.2 (including 2.2 Annex A)



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## C.2 Operations Manual Content, Production and Approval

There are many requirements that define the Operations Manual and its contents those listed in Table C.2 are requirements that govern the creation of the operating manual and/or explicitly specify Operations Manual content. See also C.3 and C.4 for additional Operations Manual content.

Table C.2 Requirements for Operations Manual production, approval and explicitly specified contents 	
Requirement	Key points
Req: 0.1.1	...standards for the process interfaces used by the cross Supply Chain Member Processes...the allocation of responsibilities; the use of, and interfaces with, common systems tools, documented operating procedures; policies, key controls and reporting...document these items in the Operations Manual...
Req: 0.1.2	...standards, policies, controls, guidelines and Releases for Cross-Delivery Service Management Processes ...document these items in the Operations Manual...
Req: 0.1.10.1	...effective and efficient governance processes and meeting structures to support the delivery and management of the Services...including all interfaces to the governance structures and processes defined in Schedule 8.1 (Governance), and Schedule 6.1 (Implementation).
Req: 0.1.10.5	Within three (3) months after the Effective Date, prepare and complete an Operations Manual...to also obtain Post Office's written approval of the content and structure of the Operations Manual within such timeframe.
Req: 0.1.10.5 a	...specify the processes and procedures that shall be used by the Contractor.
Req: 0.1.10.5 b	...the Issue Management Procedure.
Req: 0.1.10.5 c	...include any other item, requirement, timeframe or definition that is expressed to be set out in the Operations Manual by this Schedule 2.1 (Service Requirements) or otherwise by this Agreement.
Req: 0.1.10.5 c	...the integrated processes and procedures necessary for the delivery of IT Services to Post Office by the Supply Chain Members.
Req: 0.1.10.5	... maintain and update the Operations Manual as necessary to maintain its on-going accuracy... all updates or changes to the Operations Manual to be notified to and approved in writing by Post Office.
Req: 0.1.10.14	At a minimum, documentation of and reference to Operating Level Agreements or other agreements entered into between Supply Chain Members and the Supplier. Including details as per 0.1.10.14 a , b and c , which include but are not limited to: the parties, periods, manner of working together to provide compliance, provisions relating to seamless provision of services (including various processes), responsibilities, timing, dependencies, procedures (including escalation) to deal with failures, a process for managing Supply Chain Member billing.
Req: 0.2.1:	...the operational cross Supply Chain Governance processes, meeting structures for all Supply Chain Members...Thereafter and throughout the term of this Agreement, the Contractor shall update reference to such processes and meeting structures in the Operations Manual ... to maintain their on-going relevance and accuracy.
Req: 1.2.1	...prepare and maintain a written issue management and resolution procedure which shall be set out in or attached to the Operations Manual (the "Issue Management Procedure").
Req: 5.2.27	Maintain and update the Operations Manual based on Event Management trending information.
Req: 5.3.23	Validate that Problem resolution and corrective actions taken are sufficient to confirm that the Root Cause identified does not reoccur in same or similar Environments. This includes (without limitation) updating manuals, procedures, and other documentation.
Req: 7.3.21.3	...completed the documentation of the delivery methodologies in the Operating Manual and obtained Post Office's written approval of them within three (3) months of the Effective Date.



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## C.3 Requirements expressing content to be set out in the Operations Manual

While requirements listed in Table C.2 specify Operations Manual content there are also the requirements listed in Table C.3 in which content is expressed to be set out in the Operations Manual (thus requirement 0.1.10.5 c. applies making that content required for inclusion)

Table C.3 Requirements and Definitions expressing content to be set out in the Operations Manual	
Req't Ref	Items, requirements, timeframes or definitions expressed to be set out in the Operations Manual
0.1.1	Timeframes to design and implement processes, except those process steps that are to be designed and undertaken by the Supply Chain Members. [Can also make other agreements on timescales outside the operations manual]
0.1.8	...the frequency [for Supplier to] conduct Audits on the effectiveness of ...Processes across all Supply Chain Member Services in scope
0.1.10.6	Documentation of ITIL aligned Service Management Processes that are in accordance with the Standards defined in Schedule 2.3.
0.1.10.7	...integrated processes and procedures of the Supply Chain...
0.1.10.10	Timescales for creation, implementation and maintenance of any service remediation plans.
0.1.11.7	Issues related to the status of any OLAs or relationship between Supply Chain Members that Post Office may require ad-hoc reporting on.
0.3.1	[For some provision of data]...the form in which data is provided when requested by Post Office.
0.3.2	[In addition to contracted specifications] Standards, levels of integrity and formats of data to be received by Post Office and all Supply Chain Members.
0.3.4	Data specifications and standards for Service Management data and the use of Tools
0.3.5.2	Data/knowledge gathering and distribution across all Supply Chain Members and Post Office
0.3.5.4	Process for the providing knowledge and information to Post Office (and Supply Chain Members if directed by Post Office).
0.4.1b	How Supplier will provide, manage, operate and maintain the Service Management Tools and Interfaces.
0.4.4	Definition of information delivery via interfaces of data to Post Office systems.
0.4.8	The number of user access licences for the flexible query and report writing Tooling
1.1.6	Escalation procedures for Supply Chain Member underperformance.
1.2.4.11	Governance structure utilisable to promptly and efficiently resolve any disputes or issues between Supply Chain Members and/or between Supply Chain Member(s) and Post Office.
1.3.8	The frequency with which to review deliverables and obligations for contracts between Post Office and Supply Chain Members that are subject to the requirements of section 1.3 (Contract Compliance Management).
1.5.13	The frequency with which to carry out internal Audits to assess and ensure compliance with the Assurance Programme.
1.5.13	The timescales for making available to Post Office the written outcomes of internal Audits for compliance with the Assurance Programme.
1.5.14	The frequency with which to carry out Audits on projects performed by Supply Chain Members to assess their respective compliance with the Assurance Programme.
1.5.14	The timescales for making available to Post Office the written outcomes of Audits on projects performed by Supply Chain Members to assess their respective compliance with the Assurance Programme.
1.5.16	Details of the regular reporting to Post Office of the Contractor's Compliance with the Assurance Programme (and Schedule 2.5 (Security Management) and Post Office's applicable policies and standards defined in Schedule 2.3 (Standards)).
1.5.23	Definition of the regular reporting to Post Office in relation to risk and compliance assessment.
1.5.24	Timescales and procedures for provision of regular reports to Post Office highlighting any issues of Compliance or non-Compliance of IT Services with Law and any applicable Post Office policies and standards.
1.6.6	Seams and touch points between the new Supply Chain member and Post Office, Contractor and all existing Supply Chain Members for the in-scope processes.
1.7.5	Format for data being returned to the exiting Supply Chain Member.
2.2.1 c	Definition of reports including updates, projections, forecasts, re-forecasts, budgets and variance reports to Post Office and Governance...
2.2.1 d	Timescales for the resolution of variances each month in relation to Financial Management budgeting and controlling.
2.2.2	Definition of reports to Post Office and Governance in relation to Requisition, purchase order and Invoice Management.
2.4.10	The frequency of the periodic Demand Management reporting.
2.5.1	communication channels to all Post Office Users and Service Recipients where applicable, as well as Supply Chain Members
2.5.2	Definition of communication plan
2.5.3	Additional agreements regarding Post Office communications policies with which communications should be compliant.
2.6.7	the frequency of the regular communications and updates published by Supplier to ensure awareness of Post Office satisfaction requirements and objectives.
3.1.1	Definition of a Services Catalogue.
3.1.2	Intervals at which the Service Catalogue is created, implemented and maintained.
3.1.7	Timescales for Supply Chain Members to implement changes as made to the Service Catalogue. [As an alternative to timescales in OLAs]
3.2.1	the cross Supply Chain Service Level Management processes and procedures across the Supply Chain
3.2.13	The definition of the real time service dashboard and access to it by Post Office.
3.2.15	The provision of IT Service performance reports.
3.2.16	The reporting schedule to produce service-based reports in accordance with.
3.2.17	Definition of a governance framework that specifies Service Level performance reviews with Supply Chain Members and Post Office.
3.3.2	Definition for management of the Supply Chain to optimise the capability of the IT Services and the supporting organisation to deliver a cost-effective and sustained level of Service Capacity.



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Table C.3 - continued




Req# Ref	items, requirements, timeframes or definitions expressed to be set out in the Operations Manual
3.3.9	Definition for deployment of an integrated, cost efficient performance management system to monitor, manage and report on Services' performance, current resource utilisation, trends, forecasts, and exceptions.
3.4.15	The provision of regular Availability Management reports to Post Office and the Supply Chain Members.
3.5.1	Definition of the cross Supply Chain IT Service Continuity Management processes, policies, principles and standards across the Supply Chain.
3.5.8	The frequency of reporting to Post Office on all continuity plans discussed in Schedule 2.1 and activities including plan updates, test and invocation.
3.5.22	The Post Office definition and procedures for declaring a Supply Chain Disaster.
3.6.16	Definition of service reports. [Also defined in Schedule 2.2 (Service Levels)]
3.6.29	The frequency of Security Report provision.
3.6.1.2	Submission of the Information Security Health Check remediation plan to Post Office information security and assurance group for approval.
3.6.1.4	Logging of unresolved issues in the Information Risk Register and reporting to Post Office information security and assurance group.
4.1.4	The definition for the level of access to the Configuration Management System (CMS) afforded to the Post Office and the Supply Chain Members.
4.1.16	Production of periodic reports in relation to the provision and management of user role based access of Supply Chain Members and Post Office service delivery, to the CMS.
4.2.2	It may be that the Operations Manual describes the "Due consideration to the business and technology risk and impact of planned Changes" to use when carrying out the implementation, execution and on-going management of the Supply Chain Change Management governance framework, processes, policies, principles and standards, as well as the Contractor's review and implementation of requested Changes (as applicable).
4.2.6	Change Authorisation Matrix to approve cross Supply Chain Member Changes.
4.2.8	Documentation for pre-approvals for Standard Changes.
4.5.11	The required knowledge transfer across the Supply Chain
4.5.13	Details of the regular Assurance activities with the Supply Chain Members to ensure information required to manage the Cross-Delivery Services is captured, stored, and presented accurately and completely in the SKMS.
5.1.3B	Post Office's Security Requirements, policies and standards [in addition to detail in Schedule 2.5 (Security Management Plan)]
5.1.1C	The standards set by Post Office's communications team to follow in all interactions with the Users.
5.1.1I	Specification for the recording of all incidents and provision of regular updates.
5.1.1J	Definition for engagement with the Contractor Problem Management function to ensure that it provides an appropriate Root Cause analysis for any service failure with Service Desk responsibilities with an appropriate fix.
5.1.5L	Details of the enhanced level of Service with better response and resolution times for each of the VIP Users throughout the Term
5.1.1O	Generation of reports of those IT Services and Services offered by the Service Desk.
5.1.2O	Specification of the data that the Service Desk shall capture [as alternative to that pertaining to the Service Levels and KPIs defined in Schedule 2.2 (Service Levels).]
5.1.8Q	The escalation process for expedited handling of high prioritized cross Supply Chain Service Requests based on the assigned Priority Level.
5.1.11Q	Post Office's user interface standards and policies, including branding which may be varied from time to time subject to Change Control.
5.1.8R	Definition for management of the process of communication with Users, Supply Chain Members and Service Recipient organisations (with the approval of Post Office).
5.1.30R	Timescales for the production of Major Incident Reports for all Major Incidents and Severity 1 Incidents.
5.3.6	Problem Management procedures describing escalation processes for expedited handling of high priorities across Supply Chain, high severity Problems based on the assigned Severity Level.
5.3.25	Problem management related corrective actions [in line or in addition to those in OLA] to be taken by parties.
5.3.30	Processes to Coordinate Problem tracking efforts and notifications to the Service Desk and Third-Party Vendor(s), and maintain regular communications between all parties until problem resolution [unless agreed between the parties via any OLA].
5.3.33	Maintenance of communications and provision of reports to Post Office and affected Authorised Users and, as necessary, to Third Party Vendor(s) from the time a Problem is identified through to resolution. [may also be specified between the parties via any OLA]
5.4.1	The escalation required during management of the resolution of issues with Supply Chain Members following the audit of a sample of Equipment Rooms at Post Office Facilities operated by the Supply Chain Members and reports on their quality identifying potential issues that, in the opinion of the Contractor, could result in service interruptions.
7.1.2A	Documentation of a fast path (5 Working Day) Solution Design cost estimation service for the delivery of new or changed requirements from Service Recipients.
7.1.4.2A	Timescales in which to identify and notify Post Office if any Solution Design relating to new or existing Services does not comply with the items set out in section 7.1.4.1A (Solution Design Governance).
7.1.4.3A	Timescales in which to recommend the changes or additions to the relevant Solution Design necessary to make such Solution Design compliant with the items set out in section 7.1.4.1A (Solution Design Governance) following the event that the Contractor has notified Post Office of a non-compliant Solution Design under section 7.1.4.2A (Solution Design Governance).
7.1.4.4A	The agreement with Post Office of changes to Solution Design following recommendations under section 7.1.4.3A (Solution Design Governance).
7.2.1.3	The operational change process to follow for any changes to Post Office's Portfolio Programme and Project Management (PPM) standards and policies.
7.2.1.4	Timescales in which to make available to Post Office and a Supply Chain Member information held in the PPM repository.
7.2.3	The definition for a rolling project Demand Management plan for Post Office in relation to all Post Office projects for which the Contractor is responsible.
7.3.17	Timescales in which to carry out closure processes after completion of any Post Office project that the Contractor is managing.
7.3.17	Timescales in which to provide clear written recommendations to Post Office as to the planning and delivery of future projects reflecting lessons learned.



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## C.4 Example parts of Agreement that express Operations Manual content

Requirements listed in Table C.2 and C.3 require or express content to be set out in the Operations Manual. In addition other parts of the agreement also express content to be set out in the Operations Manual and (thus requirement 0.1.10.5 c. applies making this required for inclusion). Examples<sup>1</sup> of these parts of the agreement are set out in Table C.4

Table C.4 Example <sup>1</sup> parts of agreement that express content to be set out in the Operations Manual 	
Reference	Items, requirements, timeframes or definitions expressed to be set out in Operations Manual
Defn 1: Service Catalogue	Intervals at which the Service Catalogue is created, implemented and maintained.
Defn 1: Service Integrator for Exclusive Services	Details of Access Management Services.
Defn 2.1: Operations Manual	All the Supplier operational management processes and procedures and interface points to other Supply Chain Member Processes and procedures.
Defn 2.1: Security Reports	The Security reports required by the information security group including vulnerability management, Patch management, security incident and Event management.
Defn 2.1: Service Request	The processes and procedures in relation to Service Requests which include but are not limited to: information, advice, a Standard Change which is low risk, frequently performed, and low cost, or access to a Service.
Defn 2.1: Supply Chain Member Service Management	The interaction between Supply Chain Members in the delivery of the IT Services.
Schedule 2.1 2 para 1.3	Governance frameworks
Schedule 2.2. Part A 4.1	Post Office may ...amend the Service Points allocation for Service Levels. ... The procedure for notifying the Contractor of these changes will be agreed with Post Office (and once agreed incorporated into the Operations Manual). ...
Schedule 2.2. Part A 5.4.2	Definition for normal Service Hours.
Schedule 2.2. Part A 6	Definitions at the operational level for Severity 1 and Severity 2 for each function/module/system.
Schedule 2.2. Part A 6	Definition for the full categorisation of Incidents to Severities
Schedule 2.2. Part B 1.2	Provisions with which the draft Performance Management System will comply.
Schedule 2.2. Part C 6	Low Volume Events 6.1 The Contractor will provide for Post Office's approval, a method for calculating low volume events for a particular Service Level. Once approved, the process will be incorporated into the Operations Manual.
Schedule 2.2 Part A Annex A: SISD1	Details of how information regarding Severity 1 Incidents and the response are to be posted by the Contractor via a communication channel, to the Post Office stakeholders and user community.
Schedule 2.2 Part A Annex A: SISD8	Unless in the Service Catalogue: the time frames with which Service Requests are to be completed. ;
Schedule 2.2 Part A Annex A: SISD18	Required timeframes for completion of User Administration Requests.
Schedule 2.2 Part A Annex A: SISD19	Criteria for time, and accuracy for Users setup.
Schedule 2.2 Part A Annex A: SHARED2	Documentation of the baselining process (once agreed) for use in establishing the ESL for the third and subsequent Measurement Periods for Service Level SHARED2.
Schedule 2.2 Part A Annex A: SISD KPI1	Rules for the publishing of RCA's relating to Severity 1 Incidents.
Schedule 2.2 Part A Annex A: SISD KPI2	Definition of completion within committed timescales for Root Cause Analysis actions .

<sup>1</sup> **Note:** Sources for Table C.4 were limited to Schedule 1 Definitions, Schedule 2.1 Definitions, Schedules 2.2 (and 2.2 Annex A). Further parts of the agreement not listed here will also 'express content' that is therefore required in the Operations Manual.



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## C.5 Incident Severity

Schedule	2.2
Paragraph	All

Schedule 2.2 Part A paragraph 6 gives descriptions for the Incident/Severity level

Table C.5 and the notes below are reproduced from Schedule 2.2. The Operations Manual is to expand further upon these descriptions.

Table C.5 Severity level from Schedule 2.2 Part A paragraph 6 <span style="float: right;">i</span>		
Severity Level	Definitions	Restoration Targets
1	Means an Incident that results in a critical business impact where Post Office experiences: (i) a complete or substantial loss of service, or (ii) data Problem making an essential part of the Contractor System unusable for the end users, or (iii) the inability to access the Contractor System or Service.	4 hours
2	Means an Incident that results or could result in potential severe business impact on the Service; an Incident where (i) the Contractor System is materially adversely affected, but can be circumvented, (ii) certain material aspects of the Contractor System are disabled, but the Service remains operable, or (iii) some users are unable to access the Contractor System and this causes material adverse business impact. 'Materially', includes, but is not limited to, Post Office suffers financial loss; business transactions cannot take place; operations are affected.	8 hours
3	Means an Incident that results in a minimal business impact for the Contractor System where non-critical functions or procedures are down, unusable, or difficult to use with some operational impact or can be circumvented without material impact; a Incident where Post Office experiences no loss of service and which does not cause an adverse business impact.	3 working days
4	Means an Incident that results in little or no material impact for the Contractor System or Post Office's business; an Incident where the Contractor System is determined to be functioning as designed and may result in a Change Request for modifications, enhancements, or routine Services; questions that may result in authorised user training.	5 working days

### Selected Notes from Schedule 2.2 :

- Severity Level 1 Incidents are the highest (i.e. most serious) severity level and Severity 4 Incidents are the lowest (i.e. least serious) severity level.
- Severity 1 and Severity 2 will be defined at the operational level in the Operations Manual for each function/module/system.
- To allow prioritisation of a certain Severity of Incident, they may also be given a priority within a Severity to assist in managing Incidents across the supply chain. Priority 1 is the highest Priority Level and Priority 4 is the lowest.
- The Contractor will provide a facility by which Post Office can request an Incident be given a higher Severity or Priority. Such prioritisation will be subject to agreement between the parties and will be reported against based on their original classification.
- If an Incident is raised to a higher Severity Level, the service level clock will either be restarted at the relevant higher severity level or continue with the time remaining on the lower severity (whichever is shorter).
- In the event that a Severity is raised, there will be a review after the Incident is resolved to see if there is a requirement to amend the severity setting guidelines for that type of Incident.
- The full categorisation of Incidents to Severities will be defined in the Operations Manual.



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## C.6 Underpinning Assumptions

Schedule	14	Schedule	3	Schedule	2.5	Schedule	T&Cs
Paragraph	All	Paragraph	All	Paragraph	7	Clause	2


### Overview

Several sets of assumptions are relied upon within the contract, underpinning the SISD agreement. 'Common Assumptions' are found within Schedules 2.5 (Security Requirements), and Schedule 14 (Common Assumptions). More assumptions were included within Schedule 16 (Workforce Assumptions).

Post Office employees who work with this contract should understand both general and specific assumptions that often place contractual obligations on Post Office (in addition to the responsibilities already outlined for Post Office and Supply Chain Members in schedule 3.)

### Common Assumptions in Schedule 14 Common Assumptions

A set of Common Assumptions based on a set that had originally been issued by Post Office at ISFT were added this additional set of Common Assumptions are listed in Table C.6 below.

Table C.6 Common Assumptions 	
Common Assumption	Period during which the assumption will apply
Post Office has sufficient licences for the Supplier to use Post Office architecture tools and Post Office Project Server implementation. Where additional licenses are required, Post Office will supply at no cost to the Supplier.	For the Term
1 audit per Supply Chain Member will be carried out by the Supplier per year.	For the Term
The Supplier will not fund Incumbent Provider's exit or implementation costs.	For the Term
No office space will be available on Post Office premises - this includes during Implementation."	For the Term
Transferring staff will not require access to Post Office corporate network but will be given access to certain Post Office systems where specifically required for their role, where requested by the Supplier and agreed by Post Office in order to deliver the requirements in Schedule 2.1 (Service Requirements).	For the Term
Fixed contract term staff will not be made permanent prior to the Commencement Service Transfer Date of Post Office Commencement Transferring Employees or Fujitsu Commencement Transferring Employees.	Until the expiry of the Post Office Employees Contract Verification Period or the Fujitsu Employees Contract Verification Period, as applicable.
There will be no increases to base salaries prior to the Commencement Service Transfer Date of Post Office Commencement Transferring Employees or Fujitsu Commencement Transferring Employees.	Until the expiry of the Post Office Employees Contract Verification Period or the Fujitsu Employees Contract Verification Period, as applicable.
As set out in paragraph 7.1.1.4 of Schedule 2.5 (Security Management), Incumbent Suppliers are compliant with Post Office Security Policies. Without prejudice to the Supplier's obligations to manage Incumbent Suppliers as set out in Schedule 2.1 (Service Requirements), the rectification of any pre-existing non-compliances against Post Office Security Policies, or the management of any associated actions, attributable to any Incumbent Supplier, are not included in the Charges.	For the Term
The Service Desk is not considered by Post Office to be "internal" to the Post Office network.	For the Term

### Common Assumptions in Schedule 2.5 Security Requirements

The security requirements schedule contains additional assumptions that were agreed to be 'Common Assumptions' for the purposes of clause 2 (Due Diligence) These are listed below:

- Post Office Data does not comprise HM Government Data which is protectively marked and it is not a requirement of the Supplier's Service Desk to handle HM Government data;
- The Contractor toolset and IT infrastructure will not store or process HM Government data and will not be connected to any HM Government systems;
- Except as expressly set out at paragraph 2.2.12, the Supplier is not subject to compliance with the HM Government Security Policy Framework, HMG accreditation or any HM Government Code of Connection. This includes the PSN, GSI or other networks; and
- Incumbent Suppliers are compliant with Post Office Security Policies.

### Assumptions in Schedule 1 Part B Workforce Assumptions

Part B of Schedule 16 contains an extract from the 'People Strategy' document submitted in the Supplier's Final Tender. It provides details of material assumptions and dependencies relating to the people transition activities, in addition to those detailed in Schedule 3.



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## C.7 Selected Diary Reminders and Post Office Responsibilities

### Overview

Throughout this handbook key reminders for Post Office regarding the management of the SISD contract have been noted. A selection of those for Post Office are collated and presented here.

#### Exit Planning

Written notice 6 or more months before expiry (or end of extension) is needed to extend the term into each of the extensions of one year.

#### Benchmarking

Preparation will be required if Post Office wish to conduct the first benchmark one year after the Service Commencement Date. The activities that should be considered are as follows:

- Appointment of an agreed benchmarker; and Benchmarking set-up.

#### Audit

The Supplier's performance of its obligations is subject to audit by Post Office (up to twice per annum per service).

#### Business Continuity

Post Office will provide the Supplier with details of Post Office's IT Service Continuity Management requirements for new or changed business services .

#### Performance Management

Post Office need to work with the Supplier to calibrate the Customer Satisfaction survey e.g. ensure definition of good aligns with that expected.

#### Service Levels

Before making its decision whether to add a new Service Level or KPI Post Office will consider any reasonable concerns expressed by the Supplier.

#### Key Personnel

Post Office will provide and maintain a list of their key personnel, contacts, and notification and escalation points.

#### Services changing over the term

Post Office has obligations in the on-going change of Services and needs to review, approve and input as appropriate to many items and activities

#### Invoice Management

Inform Supplier of rejections and acceptances promptly.

Post Office must pay the Supplier within 30 days of receipt of a valid and final invoice. (Interest is payable on late payments of any undisputed charges).

#### Co-operation and Collaboration

Post Office will provide the supplier with details of any changes in the agreements with Supply Chain Members which will impact the supplier's ability to manage and report on the Supply Chain Members performance including changes to services, Service Levels and pricing.

Post Office will provide the supplier with reasonable notice of any new members to be added into the Post Office Supply Chain and will comply with any obligations it has regarding the on-boarding and off-boarding plan for that new member.

#### Post Office Obligations

Schedule 3 – 'Post Office and Supply Chain Member Responsibilities' provides a list of obligations that Post Office should adhere to regarding transition (and normal operations) that when breached, may trigger a 'Post Office Cause' or a 'Supply Chain Member Cause'.

These should be studied by those individuals who are involved in transition activities. The obligations on Post Office regarding transition can be grouped into the following:

- Supporting the SI Supplier with management of Supply Chain Members;
- Logistics support; and
- Provision of knowledge to SISD Supplier.

Delays or impacts attributable to a 'Post Office Cause' or a 'Supply Chain Member Cause' may trigger the reliefs and compensation payments under the Main Terms and Conditions.



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## D. Glossary

### Overview

This glossary contains descriptions for the acronyms used within the contract handbook. Terminology and defined terms used throughout the handbook are aligned with that in the agreement. Hence where terms are capitalised definitions for these terms can be found in Schedule 1 or Schedule 2.1. Definitions. The notable exception being that for readability of the Handbook it uses “Supplier” to refer to ATOS IT Services UK Limited rather than “Contractor” as used in the agreement.

Acronym	Explanation
ABV	Anticipated Business Volumes
BAU	Business As Usual
BC/DR	Business Continuity and Disaster Recovery
BCDR	Business Continuity and Disaster Recovery
CAB	Change Advisory Board
CEDR	Centre for Effective Dispute Resolution
CMDB	Configuration Management Database
CMN	Change Management Note
CMO	Current Mode of Operation
CMS	Configuration Management System
CPI	Consumer Price Index
CSL	Component Service Levels
DR	Disaster Recovery
ESL	Expected Service Level
EUC	End User Computing
FMO	Future Mode of Operation
FOIA	Freedom of Information Act
FTE	Full Time Employee
GSI	Government Secure Intranet
ICT	Information and Communication Technologies
IPR	Intellectual Property Rights
ISFT	Invitation to Submit Final Tender
ISHS	Information Security Health Checks
IT&C	Information Technology & Change
ITIL	IT Infrastructure Library
IVR	Interactive Voice Response

Acronym	Explanation
KPI	Key Performance Indicator
MI	Management Information
OGC	Office of Government Commerce
OLA	Operating Level Agreements
PMR	Performance Management Review
POL	Post Office
POS	Point of Sale
PPM	Portfolio Programme and Project Management
PSN	Public Services Network
PWO	Project Work Order
RAG	Red Amber Green
RCA	Root Cause Analysis
SCM	Supply Chain Members
SFIA	Skills Framework for the Information Age
SI	Service Integration/Service Integrator
SISD	Service Integration and Service Desk
SL	Service Level
SLA	Service Level Agreement
SLAP	Service Level Adjustment Point
SMEs	Subject Matter Experts
SMP	Security Management Plan
STL	Service Threshold Level
T&Cs	Main Terms and Conditions
T&M	Time and Materials
TBD	To Be Decided
TCO	Total Cost of Ownership
TMO	Transformation Mode of Operation
TUPE	Transfer of Undertakings (Protection of Employment)
VFM	Value For Money
VIP	Very Important Person



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## E. Handbook Version Control

### Version Control

The original version of this handbook reflected the contract as at the signing date of 26th September 2013. Changes to the contractual terms that may have been agreed subsequent to this date are only included where specifically recorded within table E.1a below.

Details of changes to the contract can be obtained from the Post Office IT procurement team.

Table E.1a below lists the versions of this Handbook and gives a description including the revisions made and the source material that led to the revisions.

Table E.1a Version Control of the SISD Handbook			
Date	Version	Description	Author
4/11/2013	V0 10	Final First Draft of Contract Handbook. Revisions: Initial version ready for wider review. Source: Contract as at the signing date of 26th September 2013.	Paul Holdforth
27/01/2014	V0 20	Revised draft reflecting feedback on v0 10 Revisions: (see SISD - Contract Handbook v0 10 Review Comments Sheet v0 20.xls) Source: Comments from Sanjay Chandarana and Tom Coulson.	Paul Holdforth

### Potential Handbook revisions

To provide visibility of the potential forward change of the handbook, Feedback and ideas for revising the handbook with expansions of its content have been logged in Table E.1b.

Table E.1b Potential Revisions to the SISD Handbook		
No.	Revision Description	Revision Due Date
1.	Draft content on how Post Office manage performance for those services that do not have SLs.	Not planned.
2.	Inclusion of ways of working material giving specific guidance on actions and section of the contract to consult following particular events	Not planned.



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